

2020

City of Alachua, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020

CITY OF ALACHUA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by:
Finance and Administrative Services

**CITY OF ALACHUA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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INTRODUCTORY SECTION

City of Alachua

Mayor and City Commissioners

Gib Coerper, Mayor
Robert Wilford, Vice-Mayor
Shirley Green Brown, Commissioner
Gary Hardacre, Commissioner
Dayna Miller, Commissioner

Adam Boukari, City Manager
Marian Rush, City Attorney



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Alachua
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



City of Alachua

MAYOR GIB COERPER

Vice-Mayor Robert Wilford
Commissioner Shirley Green Brown
Commissioner Gary Hardacre
Commissioner Dayna Miller

OFFICE OF THE CITY MANAGER

ADAM BOUKARI

March 9, 2021

The Honorable Mayor
Members of the City of Alachua Commission
Citizens of the City of Alachua, Florida

Dear Honorable Mayor Coerper:

The Annual Financial Report of the City of Alachua, Florida (the "City") for the fiscal year ended September 30, 2020, is respectfully submitted as required by Florida Statutes. This report was prepared by the City's Finance and Administrative Services Department in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented in this report is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position as measured by the financial activities of its various funds, and all disclosures that are necessary to enable the reader to gain a general understanding of the City's financial activities have been included.

INDEPENDENT AUDIT

Purvis, Gray and Company, a firm of licensed certified public accountants, has audited the City's basic financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended September 30, 2020, are presented fairly and in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors. The remainder of this letter provides an overview of the City government, as well as local economic conditions and prospects for the future.

PROFILE OF THE GOVERNMENT

The City of Alachua is geographically located in North Central Florida. The City’s boundaries encompass about 36.5 square miles. Alachua was established in 1884 on a railroad line, after the railroad had bypassed nearby Newnansville, Florida. Alachua got a post office in 1887, and was officially incorporated on April 12, 1905, at which time it had a population of 526 people. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City’s population was approximately 10,470 as of September 30, 2020. The City has a charter government structure approved by referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a commission comprised of an elected Mayor and four elected Commissioners. The elections are non-partisan and each Commissioner represents the entire City.

REPORTING ENTITY AND ITS SERVICES

The City provides a variety of services including road maintenance, utility (electric, water and wastewater) services, police, community development, solid waste collection (via contract) and recreational-cultural activities. Fire protection is provided within municipal boundaries by Alachua County and is funded through a county-imposed assessment.

This Annual Financial Report includes the funds of the primary government and the following component units:

- The Community Redevelopment Agency (CRA). The CRA is a separate legal entity created in accordance to Chapter 163, Florida Statutes to carry out community redevelopment activities and is a blended component unit of the City due to the existence of a financial benefit/burden relationship. The City Commission sits as the board of this organization and approves its budget.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the

cost of a control should not exceed the benefits likely to be derived therefrom and the evaluation of costs and benefits requires estimates and judgments by management. We believe all internal control evaluations occur within this framework and that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City's financial planning and control. All departments and component units of the City are required to submit requests for appropriation to the City's Finance and Administrative Services Department. The City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund which is at the department level, for the fiscal year commencing the following October 1. The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30, the close of the City's fiscal year. The budget is legally enacted through the passage of a resolution and adoption of the budget document. Management may not make changes to the adopted budget without the approval of a majority vote of the City Commission. Budgets are monitored at varying levels of detail; however, budgetary control is legally maintained at the fund level, except for the General Fund which is maintained at the department level.

MAJOR FUND PRESENTATION

An important element of the financial reporting model is the focus on reporting significant financial activity by fund type, with emphasis on major funds in both governmental and proprietary fund financial statements. In following GASB 34, the City is required to separate major funds from non-major funds. Only major funds are shown separately in the basic financial statements, while non-major funds are combined together and reported as a single column. Non-major funds are disclosed separately in the combining and individual fund financial statements and schedules section of this report.

GASB requires that the General Fund always be considered a major fund. The statement also requires other governmental and enterprise funds to be shown as major funds if they meet the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total of all funds of that category; and,
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent (5%) of the total for all governmental and enterprise funds combined.

ECONOMIC CONDITION AND OUTLOOK

LOCAL ECONOMY

The area's economy is expanding as evidenced by the City's growth indicators, particularly, those related to infrastructure (water and wastewater) connections when compared to prior levels. This growth comes as a result of increased demand for utility services. The City continues to pursue increasing the commercial, technology and industrial customer base by attracting firms to locate their enterprises within City limits. This helps create additional jobs and provides for a stable tax base.

The City's major challenges are to provide the infrastructure and services needed to maintain the quality of life, which has attracted considerable growth to our community. History has shown that great emphasis on support systems such as transportation, potable water, wastewater and electric capacity must be balanced carefully with quality of life amenities that include parks, recreation and cultural opportunities to maintain the natural beauty and attractiveness of a community. For our City, these natural attributes take shape as tree canopies, and rolling green fields for agriculture, which provide the great atmosphere of North Central Florida living.

LONG-TERM FINANCIAL PLANNING

In order to meet the service demands of residents, businesses and visitors, the City continues to address the long-term financing necessary in order to fund capital projects essential to the creation, improvement, enhancement and preservation of public facilities and infrastructure.

The City's Fiscal Year 2019-2020 five-year Capital Improvement Plan (CIP), covering the period from October 1, 2019 through September 30, 2024, has earmarked funding estimated at \$36 million for 52 projects throughout the City. Electric utility system projects account for the largest portion of the total Capital Improvement Plan funding at \$10 million or 27.6%. Public Works projects are the second largest, accounting for \$9.5 million, or 26.3%, and Water utility system projects are the third largest accounting for \$4.4 million, or 12.3%, of the Capital Improvement Plan.

City utility revenues (capital facility charges, utility charges, etc.) represent the largest share of funding for the five-year Capital Improvement Plan, accounting for 45.3% of the value. Loans represent 16.4% of CIP funding. General government funding for the CIP is 11.8% and the remaining 26.5% of the funding is provided by Federal, State, Local, Tax Increment, assessment, and private sources.

MAJOR INITIATIVES

ECONOMIC ENVIRONMENT

The Community Redevelopment Agency (CRA) continued the implementation of the recommendations of the CRA Market Study & Economic Development Implementation Plan. Branding and marketing efforts continue in order to promote business within the CRA area. Marketing costs were approximately \$27,000. Acquisition of all land rights for construction of a downtown parking lot along NW 142 Terrace and NW 150 Avenue are complete.

TRANSPORTATION

The City’s major transportation-related efforts during FY 20 saw the completion of roadway construction related to a \$700,000 Community Development Block Grant (CDBG) – Neighborhood Revitalization Category and a \$1.26 million Community Development Block Grant (CDBG) – Economic Development Category. Approximately \$1.27 million was expended amongst both grants during this fiscal year. Also, approximately \$221,000 was spent for the resurfacing of NW 144 Street and NW 143 Place. Most notably, construction of the San Felasco Parkway was completed. This roadway and infrastructure construction was funded by a \$6.75 million Florida Job Growth Grant. Approximately \$5.3 million was spent by end of the fiscal year.

GENERAL GOVERNMENT

Much of fiscal year 2019-2020 was focused on administering and managing open grant contracts with expenses totaling approximately \$6.7 million. City staff also completed the site plan process related to the placement of a 2,000 square foot maintenance facility at the Hal Brady Recreation Complex and prepared for the replacement of phone systems at City Hall, Alachua Police Department and the Public Services Operation Center to be completed during FY 2020-2021.

PUBLIC SAFETY

The Alachua Police Department continued to upgrade its technology and equipment in order to more efficiently process operations of the department. Equipment purchased included five vehicles, two laptops and eleven patrol tablets. Additionally, a new Computer Aided Dispatch (CAD) and Records Management System (RMS) was acquired and launched. The total cost for these enhancements was slightly below \$600,000.

HUMAN SERVICES

In fiscal year 2019-2020, the City was the recipient of \$135,002 in grant funding from Children’s Trust of Alachua County (Children’s Trust). The Children’s Trust is dedicated funding intended to provide for the well-being of children in Alachua County. This funding has been programmed towards the provision of youth enrichment and tutoring programs for children of this community and \$51,787 was utilized during this fiscal year.

RECREATION AND CULTURE

Prior year construction of an amphitheater, two multipurpose fields and a concession/restroom facility at the Project Legacy site was enhanced with lighting for one of the multipurpose fields at a cost of approximately \$170,000. Additionally, a unique inclusive playground has been constructed on the Legacy Park site to allow children of all abilities and developmental stages to be able to play in the same space. Costs for this playground totaled approximately \$605,000 with funding from both the Wild Spaces Public Places (WSPP) surtax and the General Fund.

PHYSICAL ENVIRONMENT

Improvement and expansion of infrastructure continues to be at the forefront of the City's utilities activities. The electric utility began construction of a second substation. This substation will allow energy to be received from Duke Energy and other wholesale providers. This project will provide diversification of power sources, redundancy and the necessary infrastructure for future City growth and development. Anticipated total construction costs are approximately \$5.7 million with \$2.25 million having been expended in fiscal year 2019-2020.

Additionally, the water and sewer line project, for which a \$4.5 million bank note was obtained in FY 19, continued along US Highway 441. This infrastructure improves existing infrastructure and enables future growth along this corridor. Total spent on this project during FY 2019-2020 was approximately \$954 thousand. This project has been extended further west due to available funds and will be completed during FY 21.

RELEVANT FINANCIAL INFORMATION

The readers of this report should also review the MD&A. The MD&A gives basic financial information about the City and a summary of the City's activities. The Government-wide Financial Statements, consisting of a Statement of Net Position and a Statement of Activities, offer an across-the-board financial depiction of the City, divided between governmental and business-type activities.

These statements are prepared by distinguishing functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recoup all or a sizeable portion of their costs through user fees and charges. The fund financial statements provide data about the City's funds and are created from the City's accounting reports. Governmental funds are accounted for on the modified accrual basis, where revenues are recorded when they become measurable and available, and expenses are generally recorded when the related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments. Proprietary funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when they are earned and expenses are recorded when the related liability is incurred. This City's fiscal year is from October 1 through September 30.

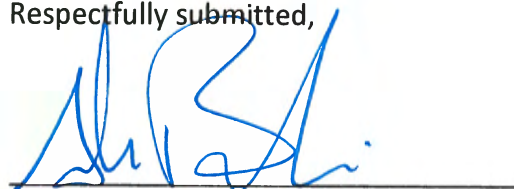
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alachua for its Annual Financial Report for the fiscal year ended September 30, 2019. This was the tenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Financial Report was made possible through the efficient, dedicated and professional efforts of the entire staff of the Finance and Administrative Services Department. The substantial amount of year-end closing procedures required prior to the audit, could not have been completed without much hard work and personal sacrifice. Each member of the department has our sincere appreciation for the contributions made to assist in the preparation of this report. Sincere appreciation is also expressed to the Mayor, Commissioners, Department Directors, and all City employees for their cooperation and assistance in all matters pertaining to the financial affairs of the City.

Respectfully submitted,

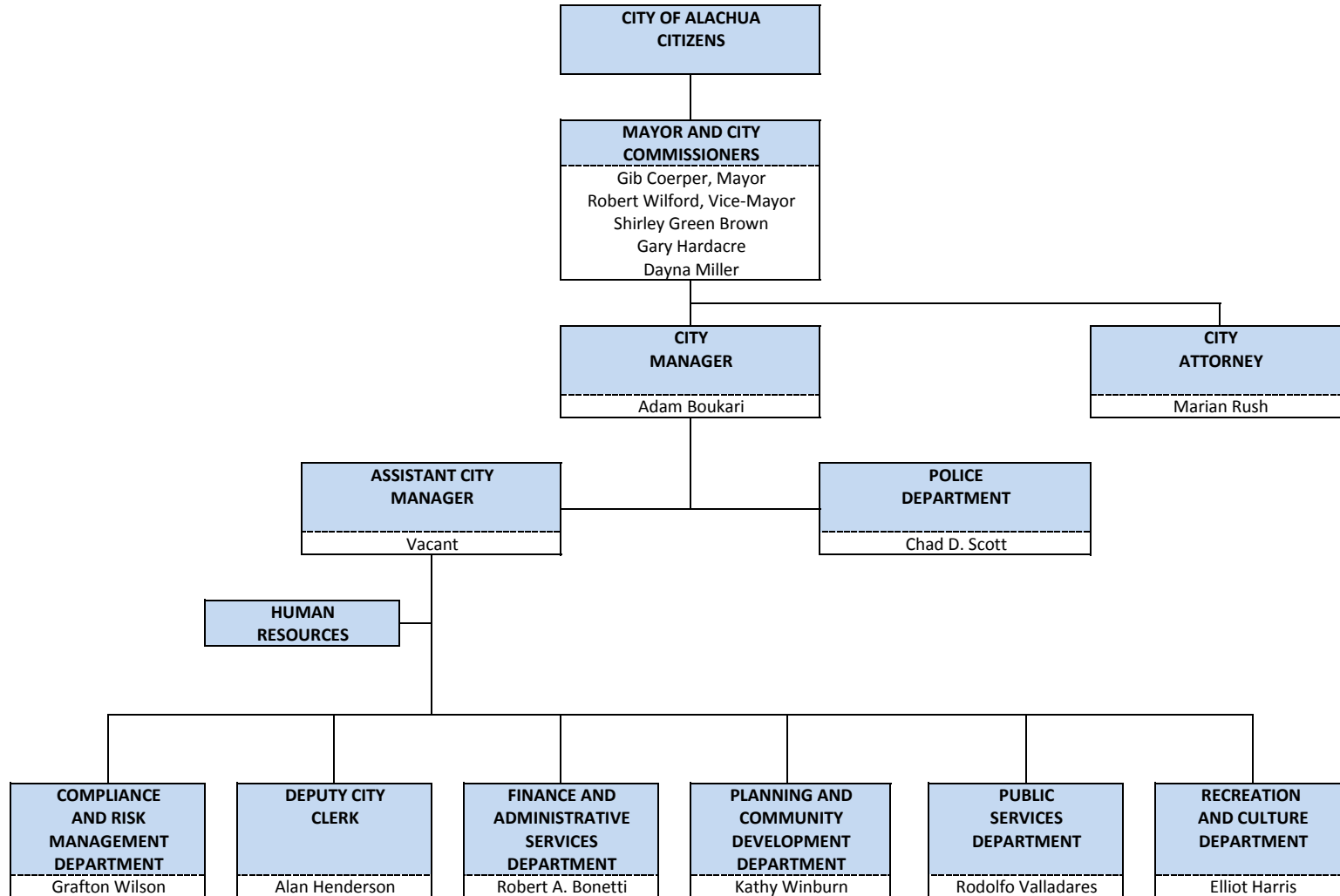


Adam Boukari
City Manager



Robert A. Bonetti
Finance & Administrative Services Director

CITY OF ALACHUA ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commissioners, and
City Manager
Alachua, 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 remaining fund information of the City of Alachua, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

INDEPENDENT AUDITOR'S REPORT

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in other postemployment benefit and related ratios, schedules of proportionate share of the net pension liability, and schedule of contributions on pages 4 through 15 and 59 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and budgetary schedules, and statistical section; the accompanying schedule of expenditures of federal awards and schedule of state financial assistance as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary schedules, schedule of expenditures of federal awards, and schedule of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

INDEPENDENT AUDITOR'S REPORT

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules, and the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



March 9, 2021
Gainesville, Florida

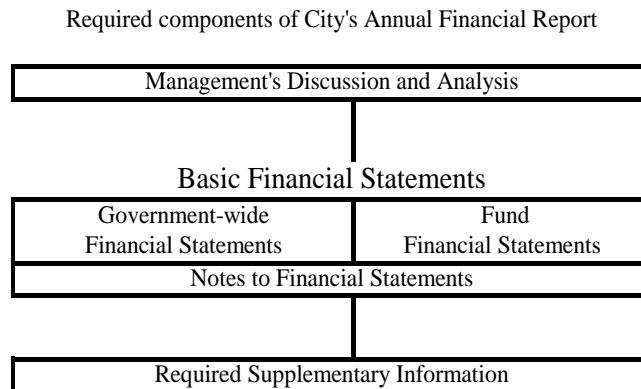
**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The City of Alachua's (the City) Management's Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the City's financial statements (beginning on page 16). Please note the City provides prior year comparative financial information as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

Financial Highlights

The following chart is provided to assist in understanding the component parts of the financial statements:



Government-Wide Financial Statements

- The City of Alachua's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2020, by \$79.9 million, which is a 10.87% increase from the previous year. Unrestricted net position was at \$7.4 million, which is a 14.37% decrease from the previous year.
- The City's total net position increased by \$7,832,172 over the prior reported period. Despite the property tax rate remaining at 5.3900 mills, an increased net position was achieved, primarily, through an increase in assets resulting from grant-funded infrastructure expansion and an increase in revenues.
- The City of Alachua's total long-term debt (due in more than one year) decreased by \$1,519,239 during the current fiscal year. This decrease is due to the reduction of outstanding debt as a result of the normal debt payments.
- Other Post-Employment Benefits (OPEB), Net Pension Liability, and Compensated Absences increased by \$2,886,544 due, primarily, to an increase in the Net Pension Liability.
- Total net position (\$79.9 million) is comprised of the following:
 1. The \$71.2 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 2. \$1.3 million of net position is restricted by constraints imposed from outside of the City such as debt covenants, grantors, laws, or regulations, or by enabling legislation.
 3. \$7.4 million of unrestricted net position.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Fund Financial Statements

- At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$5.92 million, an increase of \$475 thousand, in comparison with the prior fiscal year. This increase is mostly the result of grant-related activities and resulting deferred revenues.
- Governmental fund revenues were \$17,412,386 or \$4.5 million more than the previous fiscal year. General Fund revenues decreased by \$98 thousand, primarily, due to a decrease of revenues resulting from decreased investment income, miscellaneous and intergovernmental revenues.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) required supplementary information. This report also contains other supplementary 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 City'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 City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference between these elements 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 City is strengthening or weakening.
- The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Both of these financial statements distinguish functions of the City 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 City include general government, public safety, physical environment, transportation, economic environment, and parks and recreation. The business-type activities of the City include physical environment (electric, water, wastewater, and mosquito control utilities).

The government-wide financial statements include not only the City itself (known as the primary government), but also several component units. The City of Alachua Public Finance Authority for Affordable Housing, a legally separate entity created by the City Commission, has had no financial transactions since its creation; therefore, no amounts related to its operations are reported in the accompanying financial statements. The Community Redevelopment Agency, a legally separate entity created by the City Commission has been reported in the basic financial statements as a major governmental fund (pages 18 and 20).

The government-wide financial statements can be found on pages 16-17 of this report.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City does not report any fiduciary funds.

Fund Financial Statements

	Governmental Funds	Proprietary Funds
Scope	Includes the City's basic services such as police, cultural activities, traffic control, and parks.	Services provided by the City that are operated similar to private businesses and for which the City charges a fee.
Examples	Police, street maintenance, parks, recreational activities.	Electric, water, sewer, mosquito control.
Required financial statements	Balance sheet; Statement of revenues, expenditures, and changes in fund balances.	Statement of net position; Statement of revenues, expenses and changes in net position; Statement of cash flows.
Accounting basis and measurement focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities, both financial and capital, and short and long-term.
Type of inflow/ outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

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. Because of the different measurement focus (current financial resources versus total economic resources), a reconciliation of the governmental fund Balance Sheet to the government-wide

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Statement of Net Position and a reconciliation of the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities is provided (see pages 19 and 21) to facilitate the comparison between governmental funds and governmental activities. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The City reports sixteen (16) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Florida Job Growth Grant, and Wild Spaces Public Places, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The City adopts an annual budget for its general, special revenue, debt service, and capital projects funds. Budgetary comparison schedules have been provided as required supplementary information for the General Fund, Florida Job Growth Fund, and Wild Spaces Public Places Fund to demonstrate budgetary compliance. Budgetary comparison schedules have been provided for all of the other governmental funds that have adopted budgets in the supplementary information section.

The basic governmental fund statements can be found on pages 18 and 20 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Public Utilities System (Electric, Water, Wastewater, and Mosquito Control). *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Utility Billing, Utility Administration, Utility Operations, Utility Safety Operations, Warehouse Operations, and Distribution and Collection Operations. These services have been included within the government-wide financial statements as business-type activities.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for the Public Utility System. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 22-27.

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 28 through 58 of this report.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Other Information

The combining statements referred to earlier, present a more detailed view of the non-major governmental funds. Also included are budgetary comparison schedules for the debt service, special revenue, and capital project funds. The combining statements and budgetary comparisons can be found on pages 66 through 80 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 City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$79.9 million at the close of the fiscal year ended September 30, 2020.

A portion of the City's net position, \$1,322,337, represents resources that are subject to external restriction on how they may be used.

The largest portion of the City's net position (\$71,186,493 or 89%) reflects its investment in capital assets (e.g., land, infrastructure, buildings and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 these liabilities.

Reported below is a condensed Statement of Net Position to demonstrate the changes from year to year. For more detailed information, see the Statement of Net Position on page 16.

City of Alachua
Statement of Net Position
As of September 30, 2020 and 2019

	Governmental		Business-type		Total		Total %
	Activities		Activities				Change
	2020	2019	2020	2019	2020	2019	2019-2020
Current Assets & Other Assets	\$ 7,566,998	8,678,765	18,846,733	20,997,341	26,413,731	29,676,106	-10.99%
Capital Assets	51,469,434	44,566,797	47,785,691	45,479,925	99,255,125	90,046,722	10.23%
Total Assets	\$ 59,036,432	53,245,562	66,632,424	66,477,266	125,668,856	119,722,828	4.97%
Deferred Outflows	\$ 3,035,949	2,370,150	981,583	816,927	4,017,532	3,187,077	26.06%
Total Assets and Deferred Outflows	\$ 62,072,381	55,615,712	67,614,007	67,294,193	129,686,388	122,909,905	5.51%
Long-term liabilities outstanding	\$ 22,539,410	20,882,308	19,614,431	19,904,228	42,153,841	40,786,536	3.35%
Other liabilities	1,088,514	2,391,644	6,363,342	7,082,357	7,451,856	9,474,001	-21.34%
Total Liabilities	\$ 23,627,924	23,273,952	25,977,773	26,986,585	49,605,697	50,260,537	-1.30%
Deferred Inflows	\$ 139,754	444,896	48,475	144,182	188,229	589,078	-68.05%
Total Liabilities and Deferred Inflows	\$ 23,767,678	23,718,848	26,026,248	27,130,767	49,793,926	50,849,615	-2.08%
Net Position							
Net Investment in Capital Assets	\$ 38,811,346	31,404,781	32,375,147	30,545,539	71,186,493	61,950,320	14.91%
Restricted	824,515	720,643	497,822	766,948	1,322,337	1,487,591	-11.11%
Unrestricted	(1,331,158)	(228,560)	8,714,790	8,850,939	7,383,632	8,622,379	-14.37%
Total Net Position	\$ 38,304,703	31,896,864	41,587,759	40,163,426	79,892,462	72,060,290	10.87%

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Normal Impacts

There are six (6) basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

- Net Results of Activities: will impact (increase/decrease) current assets and liabilities, and unrestricted net position.
- Borrowing of Capital: will increase current assets and long-term debt.
- Spending Borrowed Proceeds on New Capital: will reduce current assets and increase capital assets with a secondary impact being that an increase in invested capital assets, and an increase in related net debt will not change the net investment in capital assets.
- Spending of Non-Borrowed Current Assets on New Capital: will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- Principal Payment on Debt: will reduce current assets and reduce long-term debt, reduce unrestricted net position, and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation: will reduce net investment in capital assets.

City of Alachua
Changes in Net Position
For the Years Ended September 30, 2020 and 2019

	Governmental		Business-type		Totals		Totals % change
	Activities	Activities	Activities	Activities	2020	2019	
	2020	2019	2020	2019	2020	2019	2019-2020
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,966,101	1,891,065	18,881,960	18,317,606	20,848,061	20,208,671	3.16%
Operating Grants and Contributions	277,541	399,811	6,266	75,407	283,807	475,218	-40.28%
Capital Grants and Contributions	7,004,740	5,292,668	-	768,000	7,004,740	6,060,668	15.58%
General Revenues:							
Property Tax	4,489,384	4,280,381	-	-	4,489,384	4,280,381	4.88%
Utility Tax	1,481,057	1,506,043	-	-	1,481,057	1,506,043	-1.66%
Other Tax	981,161	994,066	-	-	981,161	994,066	-1.30%
Intergovernmental	790,075	853,502	-	-	790,075	853,502	-7.43%
Other	131,812	255,339	114,495	311,439	246,307	566,778	-56.54%
Total Revenues	\$ 17,121,871	15,472,875	19,002,721	19,472,452	36,124,592	34,945,327	3.37%
Expenses:							
General Government	\$ 4,312,620	3,929,844	-	-	4,312,620	3,929,844	9.74%
Public Safety	4,448,163	4,005,543	-	-	4,448,163	4,005,543	11.05%
Physical Environment	709,120	697,179	-	-	709,120	697,179	1.71%
Transportation	1,132,041	1,146,987	-	-	1,132,041	1,146,987	-1.30%
Economic Environment	348,111	361,475	-	-	348,111	361,475	-3.70%
Human Services	51,787	-	-	-	51,787	-	100.00%
Parks and Recreation	1,354,105	1,240,993	-	-	1,354,105	1,240,993	9.11%
Electric	-	-	10,973,016	10,993,671	10,973,016	10,993,671	-0.19%
Water and Sewer	-	-	4,496,164	4,376,020	4,496,164	4,376,020	2.75%
Mosquito Control	-	-	41,531	64,968	41,531	64,968	-36.07%
Interest on long-term debt	425,762	441,643	-	-	425,762	441,643	-3.60%
Total Expenses	\$ 12,781,709	11,823,664	15,510,711	15,434,659	28,292,420	27,258,323	3.79%
Increase (decrease) in net position before transfers	\$ 4,340,162	3,649,211	3,492,010	4,037,793	7,832,172	7,687,004	1.89%
Transfers	\$ 2,067,677	2,065,328	(2,067,677)	(2,065,328)	-	-	0.00%
Increase (decrease) in net position	\$ 6,407,839	5,714,539	1,424,333	1,972,465	7,832,172	7,687,004	1.89%
Net position - beginning	31,896,864	26,182,325	40,163,426	38,190,961	72,060,290	64,373,286	11.94%
Adjustment to net position	-	-	-	-	-	-	0.00%
Net position - beginning, as restated	31,896,864	26,182,325	40,163,426	38,190,961	72,060,290	64,373,286	11.94%
Net position - ending	\$ 38,304,703	31,896,864	41,587,759	40,163,426	79,892,462	72,060,290	10.87%

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Government-Wide Net Position

The City's total net position at the end of fiscal year 2020 improved by \$7,832,172 resulting from an increase of \$6,407,839 in governmental activities and an increase of \$1,424,333 in business-type activities.

Governmental Activities

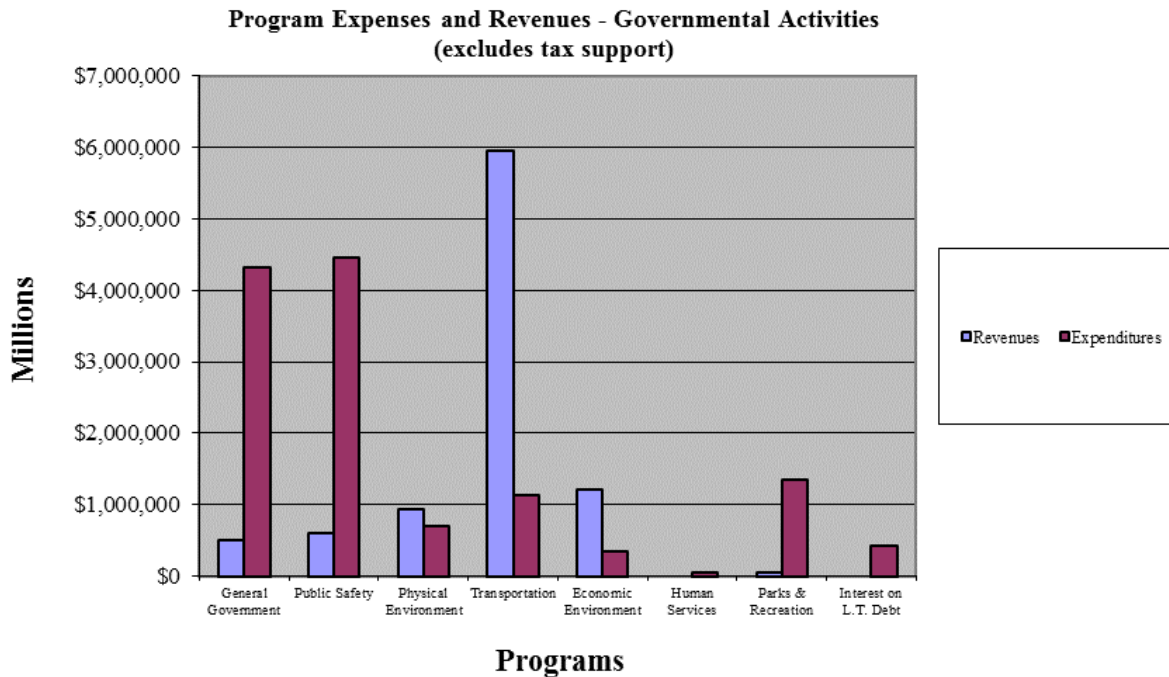
The City's net position within governmental activities was improved by \$6,407,839 during fiscal year 2020. This net position increase was, primarily, the result of an increase within governmental sources of funding.

Major changes in revenues were caused by the following:

- For fiscal year ending September 30, 2020, property taxes increased by \$209,003, primarily, due to the increased property valuation. Other taxes decreased by \$101,318 due to the economic and commercial losses resulting from the COVID-19 pandemic that started halfway through 2020.

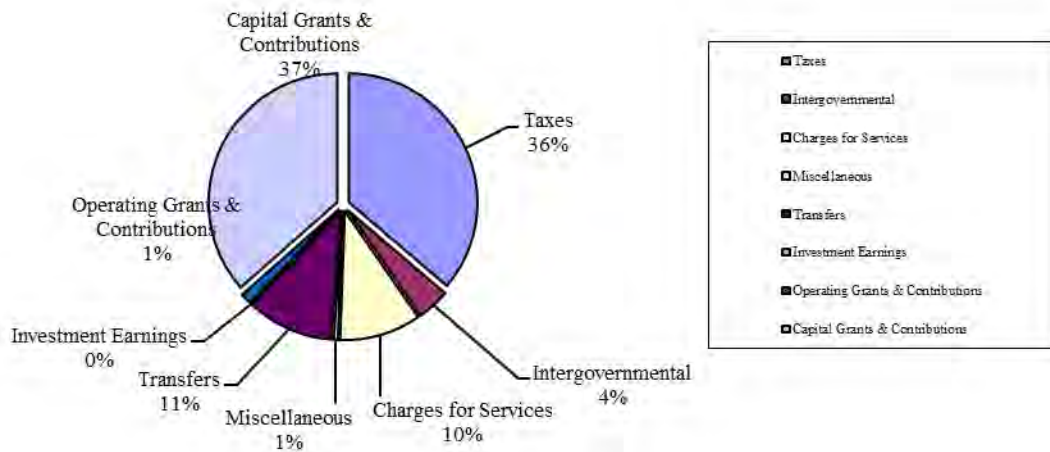
Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of \$382,776. This increase was the result of across-the-board increases in staffing costs related to increased levels of service and benefit costs.



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Revenue by Source - Governmental Activities



Business-Type Activities

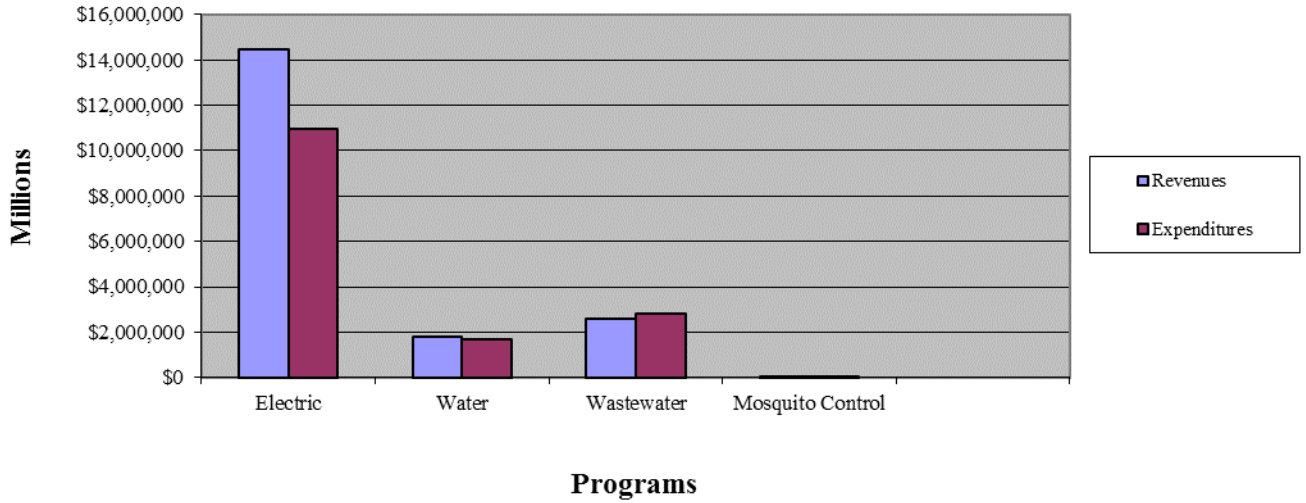
The City's net position within business-type activities was improved by \$1,424,333 during fiscal year 2020.

Net position increased in part due an increase of business-type charges for services of \$564,354. Other revenues also decreased by \$1,034,085 due to no capital contributions from accepted development infrastructure made to the City in 2020, and lower grants and interest revenue. Business-type expenses increased by \$76,052 largely due to water and sewer capital project expenses during the fiscal year.

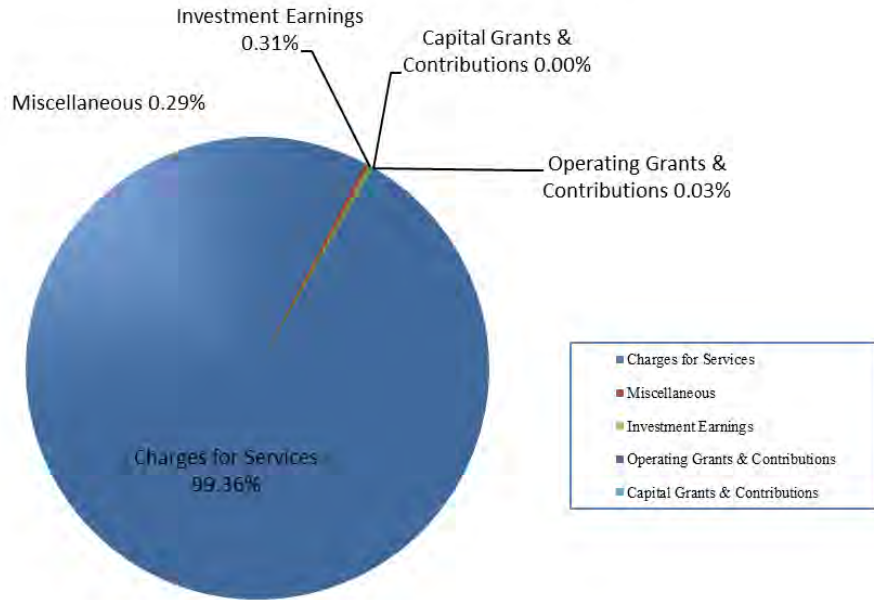
- The Electric Utility of the City operates at 7.2/12.47kV. The City purchases power from Gainesville Regional Utilities (GRU) at two different locations. The majority of the customers are supplied from the Alachua No. 1 Substation, which is connected to GRU's 138 kV transmission system. The second point of services, identified as Hague Point of Service, exists as a distribution source supplied by GRU.
- The Water Utility obtains its water supply from the upper portion of the Floridian Aquifer. Three wells with depths of approximately 365 feet withdraw water from the Ocala limestone and discharge it into the City's distribution system. The quality of the City's water supply is such that chlorination and fluoridation are the only treatments required prior to distribution. The system's wells range in age from 28 to 51 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City's wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 1,500,000 gallons per day. The effluent from the treatment facility is chlorinated and disposed of by spray irrigation, and is also resold as reclaimed water.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Expenses and Program Revenues - Business-Type Activities



Revenue By Source - Business-Type Activities



Fund Financial Analysis

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

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Governmental Funds

The primary purpose of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *assigned and 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.

As of the end of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$5,923,718, an increase of \$475,166 in comparison with the prior year.

Major Funds

The General Fund, the Community Redevelopment Agency Fund, and the Wild Spaces Public Places Fund are major governmental funds.

The General Fund is the chief operating fund of the City. The General Fund had an increase in fund balance of \$96,665. This increase resulted from an overall increase in revenues coupled with a slight decrease in transfers as compared to fiscal year 2019. The total fund balance was \$7,148,054 of which \$2,516,089 was unassigned. The cash balance at the end of the year was \$4,335,705. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 26.2% of the total General Fund operating revenue, while total fund balance represents 74.5% of that same figure. The Government Finance Officers Association (GFOA), Best Practices guidelines calls for an unassigned fund balance level of two (2) months of operating revenues. Total fund balance includes committed, assigned, and unassigned fund balance.

The Wild Spaces Public Places Fund is reported as a major fund this year as a result of expenses related to construction of an amphitheater, multi-purpose fields, and a concession/restroom facility. The Wild Spaces Public Places Fund relies on revenues from a voted sales surtax. The facilities are being constructed with a General Fund loan in anticipation of future revenues, which accounts for the \$1.76 million deficit in fund balance.

Fund balance for the Florida Job Growth Grant increased by \$216,855 from fiscal year 2019. The increase was due to an increase in revenues resulting from receipt of prior year deferred and current year grant revenues. Fund balance within the Florida Job Growth Grant is restricted for uses that relate to grant purposes.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The Electric, Water and Wastewater Funds are reported as major funds.

The major utility system funds are used to account for the operations of the City's electric, water, and wastewater utilities. Each utility operates like a business, where the rates established by the City generally generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions. Total assets and deferred outflows of resources as of September 30, 2020, were \$62.8 million, total liabilities and deferred inflows were \$22.4 million. Net position was \$40.4 million.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

General Fund Budgetary Highlights with Variances

The General Fund Budget was \$9,715,594 at the beginning of fiscal year 2020. The final amended budget amount of \$9,735,751 was brought about by the following amendments:

- \$20,157: Increase to provide budget for expenses of the Alachua Police Department related to an Edward Byrne Memorial Justice Assistance Grant (JAG).

General Fund Actual Results Highlights with Variances

At September 30, 2020, the City's General Fund experienced a negative variance between its final operating revenue budget and actual operating revenue in the amount of \$136,895. This was mainly due to unexpected economic events pertaining to those intergovernmental revenues that were impacted by the COVID-19 pandemic. Also, the revenue received from permits, fees and special assessments and investment income underperformed compared to the budgetary forecast. The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$1,388,966. This was primarily due to unspent operating and capital expense appropriations related to Police, Information Technology, Facilities Management and Public Works.

Capital Asset and Debt Administration

The City's capital assets for its governmental and business-type activities as of September 30, 2020, totaled \$99.2 million (net of accumulated depreciation), and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

**City of Alachua
Capital Assets
(in thousands)**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>		<u>Total %</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
	<u>Activities</u>		<u>Activities</u>				<u>2019-2020</u>
Land	\$ 7,841	7,841	586	586	8,427	8,427	0.0%
Buildings	16,793	16,793	9,972	9,972	26,765	26,765	0.0%
Improvements other than buildings	12,902	7,591	7,823	7,013	20,725	14,604	41.9%
Infrastructure	14,845	14,845	43,124	43,124	57,969	57,969	0.0%
Furniture, fixtures, and equipment	4,809	4,397	3,462	3,094	8,271	7,491	10.4%
Construction in progress	9,216	6,791	7,244	4,442	16,460	11,233	46.5%
Less: accumulated depreciation	(14,937)	(13,692)	(24,426)	(22,751)	(39,363)	(36,443)	8.0%
Total Assets	<u>\$ 51,469</u>	<u>44,566</u>	<u>47,785</u>	<u>45,480</u>	<u>99,254</u>	<u>90,046</u>	10.2%

The City of Alachua continued to focus on expanding and maintaining its current infrastructure capabilities, both in governmental and business-type activities.

Major capital asset events during the current fiscal year for governmental activities included construction of the Legacy Park Inclusive Playground utilizing surtax funding, and road/infrastructure projects which were completed utilizing funding from CDBG Neighborhood Revitalization, CDBG Economic Development and Florida Job Growth grants.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Major capital asset events for the business-type activities included the conversion/expansion of a major sewer lift station, the continued of construction related to the expansion of water and sewer lines along US Highway 441N, and the initiation of construction of a new electrical substation.

Additional information on the City's capital assets can be found in Note 6 starting on page 39 of this report.

Long-Term Debt

At the end of fiscal year 2020, the City had total long-term debt outstanding of approximately \$29.0 million. The City's debt represents bonds, notes, and loans secured by specific revenue sources (i.e., revenue bonds/notes).

CITY OF ALACHUA
OUTSTANDING DEBT
GENERAL OBLIGATION, REVENUE BONDS/NOTES AND LOANS

	Governmental		Business-type		Total		Total %
	Activities		Activities				Change
	2020	2019	2020	2019	2020	2019	2019-2020
Revenue Bonds	\$ 12,171,487	12,399,021	4,340,996	5,131,383	16,512,483	17,530,404	-5.8%
Revenue Notes	286,601	377,995	4,500,000	4,500,000	4,786,601	4,877,995	-1.9%
Loans	200,000	385,000	7,495,158	7,720,082	7,695,158	8,105,082	-5.1%
Total Debt	\$ 12,658,088	13,162,016	16,336,154	17,351,465	28,994,242	30,513,481	-5.0%

The City's outstanding principal debt decreased \$1,519,239 during fiscal year 2020. Debt activity included normal principal/interest payments.

Additional information on the City's debt can be found in Note 7 starting on page 40 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA at September 30, 2020, was 4.3%, which includes the City of Alachua. This is a 72% increase from the previous fiscal year's rate of 2.5%.
- The final certified city-wide taxable value of property increased to \$856 million, representing an increase of 4.42%.
- The population increased approximately 1.7% from the prior year to an estimate of 10,470 at September 30, 2020.
- During the current fiscal year, ad valorem taxes increased by \$209,003 to \$4,489,384 due to a millage rate decrease from the prior fiscal year. The ad valorem tax rate was 5.3900 mills.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Finance and Administrative Services, P.O. Box 9, Alachua, Florida, 32616-0009. Additional information can be found on our website: www.cityofalachua.com.

BASIC FINANCIAL STATEMENTS

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 4,559,501	\$ 11,349,411	\$ 15,908,912
Receivables, Net of Allowance	227,298	2,938,843	3,166,141
Due from Other Governments	988,015	-	988,015
Inventories	-	1,197,342	1,197,342
Prepaid and Other Assets	151,908	136,221	288,129
Restricted Assets:			
Cash and Cash Equivalents	1,192,739	3,672,453	4,865,192
Capital Assets Not Being Depreciated:			
Land	7,841,280	586,447	8,427,727
Construction in Progress	9,215,831	7,243,594	16,459,425
Depreciable Capital Assets, Net	34,412,323	39,955,650	74,367,973
Internal Balances	447,537	(447,537)	-
Total Assets	59,036,432	66,632,424	125,668,856
Deferred Outflows of Resources			
OPEB Related	38,718	18,219	56,937
Pension Related	2,997,231	963,364	3,960,595
Total Deferred Outflows of Resources	3,035,949	981,583	4,017,532
Liabilities			
Accounts Payable	461,495	1,042,019	1,503,514
Accrued Expenses	356,780	78,980	435,760
Due to Other Governments	1,488	77,520	79,008
Accrued Interest Payable	2,904	-	2,904
Unearned Revenue	48,634	-	48,634
Rate Stabilization Credit	-	3,161,504	3,161,504
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	217,213	218,323	435,536
Customer Deposit	-	1,784,996	1,784,996
Non-Current Liabilities:			
Due Within One Year	839,380	911,791	1,751,171
Due in More Than One Year	12,423,876	15,696,356	28,120,232
Net Pension Liability	9,115,565	2,930,712	12,046,277
Other Postemployment Benefits Liability	160,589	75,572	236,161
Total Liabilities	23,627,924	25,977,773	49,605,697
Deferred Inflows of Resources			
OPEB Related	33,255	15,649	48,904
Pension Related	106,499	32,826	139,325
Total Deferred Inflows of Resources	139,754	48,475	188,229
Net Position			
Net Investment in Capital Assets	38,811,346	32,375,147	71,186,493
Restricted for:			
Debt Service	34,117	247,822	281,939
Renewal and Replacement	-	250,000	250,000
Economic Environment	650,973	-	650,973
Physical Environment	92,422	-	92,422
Parks and Recreation	25,005	-	25,005
Law Enforcement	21,998	-	21,998
Unrestricted	(1,331,158)	8,714,790	7,383,632
Total Net Position	\$ 38,304,703	\$ 41,587,759	\$ 79,892,462

See accompanying notes.

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

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 4,312,620	\$ 499,375	\$ -	\$ -	\$ (3,813,245)	\$ -	\$ (3,813,245)
Public Safety	4,448,163	557,469	33,281	19,540	(3,837,873)	-	(3,837,873)
Physical Environment	709,120	819,832	-	109,128	219,840	-	219,840
Transportation	1,132,041	41,157	236,284	5,665,455	4,810,855	-	4,810,855
Economic Environment	348,111	-	-	1,210,617	862,506	-	862,506
Parks and Recreation	1,354,105	48,268	7,976	-	(1,297,861)	-	(1,297,861)
Human Services	51,787	-	-	-	(51,787)	-	(51,787)
Interest on Long-Term Debt	425,762	-	-	-	(425,762)	-	(425,762)
Total Governmental Activities	12,781,709	1,966,101	277,541	7,004,740	(3,533,327)	-	(3,533,327)
Business-Type Activities							
Electric	10,968,803	14,503,972	1,282	-	-	3,536,451	3,536,451
Water	1,662,594	1,802,830	-	-	-	140,236	140,236
Wastewater	2,827,971	2,563,666	433	-	-	(263,872)	(263,872)
Mosquito Control	41,455	60,786	4,551	-	-	23,882	23,882
Total Business-Type Activities	15,500,823	18,931,254	6,266	-	-	3,436,697	3,436,697
Total Primary Government	28,282,532	20,897,355	283,807	7,004,740	(3,533,327)	3,436,697	(96,630)
		General Revenues					
					4,489,384	-	4,489,384
					1,481,057	-	1,481,057
					571,527	-	571,527
					361,901	-	361,901
					47,733	-	47,733
					589,750	-	589,750
					200,325	-	200,325
					30,281	58,977	89,258
					101,531	(3,664)	97,867
					2,067,677	(2,067,677)	-
					9,941,166	(2,012,364)	7,928,802
					6,407,839	1,424,333	7,832,172
					31,896,864	40,163,426	72,060,290
					\$ 38,304,703	\$ 41,587,759	\$ 79,892,462

See accompanying notes.

CITY OF ALACHUA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>General</u>	<u>FL Job Growth Grant</u>	<u>Wild Spaces Public Places</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Cash Equivalents	\$ 4,335,705	\$ -	\$ -	\$ 1,416,535	\$ 5,752,240
Receivables:					
Accounts, Net of Allowance	109,763	-	-	47,103	156,866
Taxes	37,447	-	-	-	37,447
Franchise Fees	32,985	-	-	-	32,985
Due from Other Governments	130,515	774,883	39,979	42,638	988,015
Prepaid Items	77,503	-	-	589	78,092
Advances to Other Funds	2,944,782	-	-	-	2,944,782
Other Assets	66,185	-	-	7,631	73,816
Total Assets	<u>7,734,885</u>	<u>774,883</u>	<u>39,979</u>	<u>1,514,496</u>	<u>10,064,243</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	186,913	266,239	-	8,343	461,495
Accrued Liabilities	349,796	-	-	6,984	356,780
Due to Other Governments	1,488	-	-	-	1,488
Unearned Revenue	48,634	-	-	-	48,634
Advances from Other Funds	-	508,644	1,800,852	187,749	2,497,245
Total Liabilities	<u>586,831</u>	<u>774,883</u>	<u>1,800,852</u>	<u>203,076</u>	<u>3,365,642</u>
Deferred Inflows of Resources					
Unavailable Revenues	-	774,883	-	-	774,883
Total Deferred Inflows of Resources	<u>-</u>	<u>774,883</u>	<u>-</u>	<u>-</u>	<u>774,883</u>
Fund Balances					
Non-Spendable:					
Prepays	77,503	-	-	589	78,092
Advances to Other Funds	2,944,782	-	-	-	2,944,782
Restricted for:					
Law Enforcement	12,427	-	-	9,571	21,998
Physical Environment	-	-	-	92,422	92,422
Economic Environment	-	-	-	650,973	650,973
Parks and Recreation	-	-	-	25,005	25,005
Debt Service	-	-	-	34,117	34,117
Assigned for:					
Subsequent Year Budget	1,597,253	-	-	-	1,597,253
Debt Service	-	-	-	502,343	502,343
Unassigned	2,516,089	(774,883)	(1,760,873)	(3,600)	(23,267)
Total Fund Balances	<u>7,148,054</u>	<u>(774,883)</u>	<u>(1,760,873)</u>	<u>1,311,420</u>	<u>5,923,718</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,734,885</u>	<u>\$ 774,883</u>	<u>\$ 39,979</u>	<u>\$ 1,514,496</u>	<u>\$ 10,064,243</u>

See accompanying notes.

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

Fund Balance - Total Governmental Funds \$ 5,923,718

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

Capital assets reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Cost of Assets	\$ 66,406,913	
(Accumulated Depreciation)	<u>(14,937,479)</u>	51,469,434

Certain receivables are not available for use in the current period and, therefore, are not recognized as revenues in governmental funds.		774,883
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Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

2015A Section 108 Loan	(200,000)	
2016 Capital Improvement and Refunding Bonds	(11,534,575)	
Bond Issuance Premium	(636,912)	
2013 Redevelopment Note	(286,601)	
Compensated Absences	<u>(605,168)</u>	(13,263,256)

Other postemployment benefits liability does not require the use of current financial resources and, therefore, is not reported as a liability in the governmental funds.		(160,589)
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The Net Pension Obligation is reported in the government-wide financial statements but not reported in the governmental fund financial statements.		(9,115,565)
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Deferred Outflows and Inflows of Resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred Outflows and Inflows of Resources at year-end consist of:

Deferred Outflows Related to Pensions	2,997,231	
Deferred Inflows Related to Pensions	(106,499)	
Deferred Outflows Related to OPEB	38,718	
Deferred Inflows Related to OPEB	<u>(33,255)</u>	2,896,195

Interest on long-term debt is accrued as a liability in the statement of net position, but is not recognized in the governmental funds until paid:

Accrued Interest Payable		<u>(220,117)</u>
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Net Position of Governmental Activities **\$ 38,304,703**

See accompanying notes.

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

	General	FL Job Growth Grant	Wild Spaces Public Places	Non-Major Governmental	Total Governmental Funds
Revenues					
Taxes	\$ 6,625,633	\$ -	\$ 571,527	\$ -	\$ 7,197,160
Permits, Fees, and Special Assessments	571,211	-	-	10,623	581,834
Intergovernmental Revenues	988,729	5,442,603	-	1,770,407	8,201,739
Charges for Services	1,312,746	-	-	-	1,312,746
Fines and Forfeitures	37,367	-	-	3,620	40,987
Investment Income	28,784	-	2	1,497	30,283
Miscellaneous	34,386	-	-	13,251	47,637
Total Revenues	9,598,856	5,442,603	571,529	1,799,398	17,412,386
Expenditures					
Current:					
General Government	3,604,814	-	-	238	3,605,052
Public Safety	3,511,585	-	-	1,601	3,513,186
Physical Environment	694,687	-	-	14,379	709,066
Transportation	546,118	-	-	46,275	592,393
Economic Environment	-	-	-	233,817	233,817
Human Services	-	-	-	51,787	51,787
Parks and Recreation	952,690	-	-	2,181	954,871
Debt Service:					
Principal	-	-	-	479,892	479,892
Interest and Fiscal Charges	-	-	-	456,514	456,514
Capital Outlay	1,226,353	5,225,748	586,753	1,369,465	8,408,319
(Total Expenditures)	(10,536,247)	(5,225,748)	(586,753)	(2,656,149)	(19,004,897)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(937,391)	216,855	(15,224)	(856,751)	(1,592,511)
Other Financing Sources (Uses)					
Transfers in	2,000,000	-	-	1,033,621	3,033,621
Transfers (out)	(965,944)	-	-	-	(965,944)
Total Other Financing Sources (Uses)	1,034,056	-	-	1,033,621	2,067,677
Net Change in Fund Balance	96,665	216,855	(15,224)	176,870	475,166
Fund Balance, Beginning of Year	7,051,389	(991,738)	(1,745,649)	1,134,550	5,448,552
Fund Balance, End of Year	\$ 7,148,054	\$ (774,883)	\$ (1,760,873)	\$ 1,311,420	\$ 5,923,718

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balance - Total Governmental Funds \$ 475,166

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	\$ 8,408,319	
Depreciation Expense	<u>(1,498,788)</u>	6,909,531

Certain revenues in the Statement of Activities are not considered available current financial resources and, therefore, are not reported as revenue in the governmental funds. (290,519)

Governmental funds report proceeds from sales of capital assets as current financial resources. The gain or loss on disposal of capital assets is not reflected in the governmental funds:

Loss on Disposal of Capital Assets (6,895)

Repayment of long-term liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. 479,892

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:

Amortization of Premium	24,034	
Change in Accrued Interest Payable	6,719	
Change in Compensated Absences Liability	<u>(25,514)</u>	5,239
Change in Other Postemployment Benefit Obligation		

The net change in other postemployment benefit obligation liability and deferred inflows and outflows related to pensions is reported in the statement of activities, but not in the fund statements. (13,322)

The net change in the net pension liability and deferred inflows and outflows related to pensions is reported in the statement of activities, but not in the fund statements. (1,151,253)

Change in Net Position of Governmental Activities \$ 6,407,839

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 9,677,202	\$ 140,833	\$ 507,307	\$ 103,930	\$ 10,429,272	\$ 920,139
Receivables, Net of Allowance	2,388,047	203,577	314,797	2,705	2,909,126	29,717
Prepaid Items	10,209	10,635	22,261	147	43,252	26,987
Inventories	1,072,484	115,253	9,605	-	1,197,342	-
Restricted Assets:						
Cash and Cash Equivalents	-	232,013	403,516	-	635,529	76,318
Total Current Assets	13,147,942	702,311	1,257,486	106,782	15,214,521	1,053,161
Non-Current Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,371,829	776,051	812,726	-	2,960,606	-
Total Restricted Assets	1,371,829	776,051	812,726	-	2,960,606	-
Capital Assets:						
Land	92,630	-	163,310	-	255,940	330,507
Construction in Progress	2,900,193	2,713,107	1,625,754	-	7,239,054	4,540
Property, Plant and Equipment	16,453,135	7,274,827	34,697,081	141,666	58,566,709	5,814,458
(Accumulated Depreciation)	(8,546,351)	(4,967,318)	(10,233,569)	(83,988)	(23,831,226)	(594,291)
Total Net Capital Assets	10,899,607	5,020,616	26,252,576	57,678	42,230,477	5,555,214
Other Assets:						
Advances to Other Funds	1,782,343	-	40,347	76,793	1,899,483	215,065
Unamortized Bond Issuance Cost	-	-	-	-	-	65,982
Total Other Assets	1,782,343	-	40,347	76,793	1,899,483	281,047
Total Non-Current Assets	14,053,779	5,796,667	27,105,649	134,471	47,090,566	5,836,261
Total Assets	27,201,721	6,498,978	28,363,135	241,253	62,305,087	6,889,422
Deferred Outflows of Resources						
OPEB Related	4,555	1,139	1,707	-	7,401	10,818
Pension Related	272,368	55,767	120,390	1,928	450,453	512,911
Total Deferred Outflows of Resources	276,923	56,906	122,097	1,928	457,854	523,729
Total Assets and Deferred Outflows	27,478,644	6,555,884	28,485,232	243,181	62,762,941	7,413,151

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 1,015,187	\$ 9,720	\$ 8,343	\$ 252	\$ 1,033,502	\$ 8,517
Accrued Expenses	22,393	4,290	9,618	-	36,301	42,679
Due to Other Governments	77,520	-	-	-	77,520	-
Rate Stabilization Credit	3,161,504	-	-	-	3,161,504	-
Compensated Absences	40,217	11,652	30,982	-	82,851	74,329
Current Portion of Long-Term Debt	-	-	-	-	-	86,889
Payable from Restricted Assets:						
Accrued Interest Payable	-	37,013	104,992	-	142,005	76,318
Current Portion of Long-Term Debt	-	195,000	472,722	-	667,722	-
Total Current Liabilities	4,316,821	257,675	626,657	252	5,201,405	288,732
Non-Current Liabilities:						
Advances from Other Funds	-	952,749	1,609,336	-	2,562,085	-
Other Postemployment Benefits Liability	18,893	4,723	7,085	-	30,701	44,871
Compensated Absences	29,378	8,511	22,630	-	60,519	54,294
Net Pension Liability	826,986	169,421	366,835	5,823	1,369,065	1,561,647
Long-Term Debt	-	2,055,000	9,272,436	-	11,327,436	4,254,107
Payable from Restricted Assets:						
Customer Deposits	1,208,039	284,765	292,192	-	1,784,996	-
Total Non-Current Liabilities	2,083,296	3,475,169	11,570,514	5,823	17,134,802	5,914,919
Total Liabilities	6,400,117	3,732,844	12,197,171	6,075	22,336,207	6,203,651
Deferred Inflows of Resources						
OPEB Related	3,913	978	1,466	-	6,357	9,292
Pension Related	12,306	2,336	2,991	141	17,774	15,052
Total Deferred Inflows of Resources	16,219	3,314	4,457	141	24,131	24,344
Net Position						
Net Investment in Capital Assets	10,899,607	3,232,201	16,971,443	57,678	31,160,929	1,214,218
Restricted for:						
Renewal and Replacement Fund	163,790	29,701	56,509	-	250,000	-
Debt Service	-	-	171,504	-	171,504	76,318
Unrestricted	9,998,911	(442,176)	(915,852)	179,287	8,820,170	(105,380)
Total Net Position	21,062,308	2,819,726	16,283,604	236,965	40,402,603	1,185,156
Total Liabilities, Deferred Inflows, and Net Position	\$ 27,478,644	\$ 6,555,884	\$ 28,485,232	\$ 243,181	\$ 62,762,941	\$ 7,413,151
					\$ 40,402,603	
					1,185,156	
					\$ 41,587,759	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund	
	Major Funds			Non-Major Fund	Total		
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds		
Operating Revenues							
Charges for Services	\$ 14,454,678	\$ 1,802,830	\$ 2,563,666	\$ 60,786	\$ 18,881,960	\$ -	
Interfund Charges	-	-	-	-	-	2,322,111	
Other Operating Revenue	49,294	-	-	-	49,294	9,888	
Total Operating Revenues	14,503,972	1,802,830	2,563,666	60,786	18,931,254	2,331,999	
Operating Expenses							
Electric Power Expenses:							
Purchased Power	7,944,982	-	-	-	7,944,982	-	
Personal Services	1,009,086	230,534	485,525	4,759	1,729,904	1,931,720	
Contractual Services	67,824	57,581	70,506	-	195,911	207,721	
Supplies	56,475	11,620	81,072	6,124	155,291	66,720	
Repairs and Maintenance	152,371	4,684	92,782	125	249,962	125,661	
Billing and Administrative	989,487	787,135	527,706	17,783	2,322,111	-	
Depreciation	440,305	179,672	911,940	7,865	1,539,782	175,795	
Other Expenses	82,975	137,789	256,311	1,042	478,117	168,753	
(Total Operating Expenses)	(10,743,505)	(1,409,015)	(2,425,842)	(37,698)	(14,616,060)	(2,676,370)	
Operating Income	3,760,467	393,815	137,824	23,088	4,315,194	(344,371)	
Non-Operating Revenues (Expenses)							
Investment Earnings	44,337	3,148	5,180	461	53,126	5,853	
Intergovernmental Revenue	8	-	-	196	204	3,908	
Interest and Fiscal Charges	(16,242)	(87,276)	(290,637)	-	(394,155)	(146,237)	
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	(1,512)	
Total Non-Operating Revenues (Expenses)	28,103	(84,128)	(285,457)	657	(340,825)	(137,988)	
Income Before Capital Contributions and Transfers	3,788,570	309,687	(147,633)	23,745	3,974,369	(482,359)	

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Concluded)**

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Contributions and Transfers						
Transfers (out)	\$ (2,000,000)	\$ -	\$ (67,677)	\$ -	\$ (2,067,677)	\$ -
Total Contributions and Transfers	(2,000,000)	-	(67,677)	-	(2,067,677)	-
Change in Net Position	1,788,570	309,687	(215,310)	23,745	1,906,692	(482,359)
Net Position, Beginning of Year	19,273,738	2,510,039	16,498,914	213,220	38,495,911	1,667,515
Net Position, End of Year	<u>\$ 21,062,308</u>	<u>\$ 2,819,726</u>	<u>\$ 16,283,604</u>	<u>\$ 236,965</u>	<u>\$ 40,402,603</u>	<u>\$ 1,185,156</u>
Change in Net Position - Above					\$ 1,906,692	
Internal Service Fund Activities in the Enterprise Funds					(482,359)	
Change in Net Position of Business-Type Activities					<u>\$ 1,424,333</u>	

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund
	Major Funds			Non-Major Fund	Total	
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	
Cash Flows from Operating Activities						
Receipts from Customers	\$ 13,753,282	\$ 1,794,481	\$ 2,500,971	\$ 60,917	\$ 18,109,651	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	2,322,110
Cash from Other Sources	49,296	-	-	-	49,296	(17,848)
Payments to Suppliers for Goods and Services	(8,435,147)	(719,007)	(675,809)	(8,345)	(9,838,308)	(573,998)
Payments for Interfund Services Used	(989,487)	(787,135)	(527,706)	(17,783)	(2,322,111)	-
Payments to Employees for Services	(913,739)	(201,042)	(425,528)	(4,208)	(1,544,517)	(1,708,086)
Net Cash Provided by (Used in) Operating Activities	3,464,205	87,297	871,928	30,581	4,454,011	22,178
Cash Flows from Non-Capital Financing Activities						
Loans/Advances and Repayments from (to) Other Funds	91,000	(45,000)	(46,000)	-	-	-
Transfers in (out)	(2,000,000)	-	(67,677)	-	(2,067,677)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(1,909,000)	(45,000)	(113,677)	-	(2,067,677)	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(2,498,635)	(795,078)	(575,167)	(26,191)	(3,895,071)	(127,785)
Debt Principal Payments	(471,819)	(75,400)	(387,703)	-	(934,922)	(71,500)
Debt Interest Payments and Other Charges	(7,768)	(49,344)	(235,958)	-	(293,070)	(147,517)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,978,222)	(919,822)	(1,198,828)	(26,191)	(5,123,063)	(346,802)
Cash Flows from Investing Activities						
Interest Received	44,337	3,148	5,180	461	53,126	5,853
Net Cash Provided by (Used in) Investing Activities	44,337	3,148	5,180	461	53,126	5,853
Net Increase (Decrease) in Cash and Cash Equivalents	(1,378,680)	(874,377)	(435,397)	4,851	(2,683,603)	(318,771)
Cash and Cash Equivalents, Beginning of Year	12,427,711	2,023,274	2,158,946	99,079	16,709,010	1,315,228
Cash and Cash Equivalents, End of Year	\$ 11,049,031	\$ 1,148,897	\$ 1,723,549	\$ 103,930	\$ 14,025,407	\$ 996,457

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund
	Major Funds			Non-Major Fund	Total	
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	
Reconciliation of Cash and Cash Equivalents to Statement of Net Position						
Current Assets:						
Cash and Cash Equivalents	\$ 9,677,202	\$ 140,833	\$ 507,307	\$ 103,930	\$ 10,429,272	\$ 920,139
Restricted Assets:						
Cash and Cash Equivalents	-	232,013	403,516	-	635,529	76,318
Non-Current Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,371,829	776,051	812,726	-	2,960,606	-
Total	\$ 11,049,031	\$ 1,148,897	\$ 1,723,549	\$ 103,930	\$ 14,025,407	\$ 996,457
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 3,760,467	\$ 393,815	\$ 137,824	\$ 23,088	\$ 4,315,194	\$ (344,371)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	440,305	179,672	911,940	7,865	1,539,782	175,795
(Increase) Decrease in:						
Accounts Receivable, Net	(437,025)	(26,972)	(66,290)	131	(530,156)	(27,736)
Prepaid Items	(3,339)	(3,810)	(3,446)	-	(10,595)	(8,327)
Inventory	(255,506)	(18,958)	(5,783)	1	(280,246)	-
Increase (Decrease) in:						
Accounts Payable	123,887	(485,126)	(167,748)	(979)	(529,966)	(8,050)
Accrued Expenses	4,438	561	1,840	(76)	6,763	11,233
Due to Other Governments	2,872	-	-	-	2,872	-
Rate Stabilization Credit	(289,852)	-	-	-	(289,852)	-
Compensated Absences	(4,050)	8,594	9,825	-	14,369	14,645
Customer Deposits	22,611	18,623	3,594	-	44,828	-
Net Pension Liability	97,829	20,506	49,584	551	168,470	205,266
OPEB Liability	1,568	392	588	-	2,548	3,723
Net Cash Provided by (Used in) Operating Activities	\$ 3,464,205	\$ 87,297	\$ 871,928	\$ 30,581	\$ 4,454,011	\$ 22,178
Non-Cash Investing, Capital and Financing Activities						
Amortization of Discount and Refunding Loss	\$ 12,358	\$ 12,181	\$ 31,591	\$ -	\$ 56,130	\$ 2,490

See accompanying notes.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Alachua, Florida, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below:

Reporting Entity

The City is a political subdivision of the State of Florida, established in 1905 under the legal authority of Chapter 165, Florida Statutes, and is located in Alachua County. The legislative branch of the City is composed of a five-member elected commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager, who is appointed by the Commission.

The City's major operations include various utility services, electric, water and wastewater, as well as police protection, road and street maintenance, parks, recreation, and other general government services. Fire services are provided by Alachua County by means of a property assessment. The City leases the fire station and equipment to Alachua County at no cost. Sanitation services are provided by a private company, but billed by the City to its customers. The City retains an administrative fee on sanitation services.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the accompanying financial statements include all funds for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB has set forth criteria for consideration in determining financial accountability. These criteria include appointing a majority of an organization's governing body and: (1) the ability of the City to impose its will on that organization; or, (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Other considerations are whether the organization is legally separate, whether the City holds the corporate powers of the organization, and whether there is fiscal dependency by the organization on the City.

■ **Community Redevelopment Agency**

The Community Redevelopment Agency (the CRA) was created by the City Commission in 1982 pursuant to Ordinance 82-5 to carry out the community redevelopment purposes of Florida Statute, Chapter 163. Subsequent amendments were made to the CRA through Ordinances 98-14, 98-24, 99-03, and 13-07. The City Council serves as the CRA board and the City maintains operational responsibility for the CRA's activity. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government. Separate financial statements for the CRA are prepared and are available by contacting the City at P.O. Box 9, Alachua, FL 32616.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates 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 identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, claims and judgments, and pension benefits are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, such as in grants and similar items, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. Utility services, investment earnings, franchise fees, and utility taxes are recorded as earned, since they are measurable and available.

Property taxes are recognized as revenue at the time an enforceable legal claim is established. This is determined to occur November 1, of each year. The assessment roll is validated July 1, and the millage resolution is approved by September 30. The City's property tax becomes a lien on October 1, and the tax is levied by Alachua County each November 1, for real and personal property located in the City. Property taxes are due before April 1, with the maximum discount available, if payment is made on or before November 30. If payment remains delinquent, a tax certificate for the full amount of any unpaid taxes is sold no later than June 1. Under this arrangement, there are no property tax receivables at the end of the fiscal year on September 30.

The government reports the following major governmental funds:

■ **General Fund**

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

■ **FL Job Growth Fund**

The FL Job Growth Fund is a capital project fund used to account for grant revenues and capital expenditures from the Florida Growth Grant Fund related to the San Felasco Parkway Improvements.

■ **Wild Spaces Public Places Fund**

The Wild Spaces Public Places Fund is a special revenue fund used to account for the revenues and expenditures of the half-cent discretionary sales surtax for recreation activities.

The government reports the following major proprietary funds:

■ **Electric Fund**

The Electric Fund accounts for the revenues and expenses associated with the City's electric utility service.

■ **Water Fund**

The Water Fund accounts for the revenues and expenses associated with the City's water distribution system.

■ **Wastewater Fund**

The Wastewater Fund accounts for the revenues and expenses associated with the City's wastewater treatment plant, wastewater pumping stations, and collection system.

In addition, the government reports the following fund type:

■ **Internal Service Fund**

The Internal Service Fund accounts for goods or services provided by programs that provide support to the Electric, Water, Wastewater, and Mosquito Control Funds. These activities include Utility Administration, Utility Operations, Utility Billing, Warehouse Operations, Water Distribution and Collection, Safety and Compliance, Information Technology, and the Operations Center Capital Projects divisions.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water and wastewater function, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City's enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

■ **Deposits and Investments**

The City maintains a cash pool that is available for use by all funds. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances.

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as qualified public depositories, a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2020.

Investments of the City are held in the Florida PRIME portion of the State Investment Pool. These investments are classified as cash and cash equivalents and reported at amortized cost, which approximates fair value.

■ **Receivable and Payables**

Outstanding balances between funds are reported as "due to/from other funds" or "advances 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."

Receivables are reported net of an allowance of uncollectibles. The City has recorded a \$36,098 allowance for uncollectibles in the Electric Fund and \$56,140 in the General Fund.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

■ **Inventory**

Inventories are valued at cost, which approximates market value, using the first-in, first-out (FIFO) method. Generally, the costs of governmental fund type inventories are recorded as expenditures when consumed (consumption method) rather than when purchased.

■ **Prepays**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for by use of the consumption method.

■ **Restricted Assets**

Certain resources are set aside for debt reserves, customer deposits, unspent bond proceeds, and other purposes. These resources are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, ordinances, or regulations.

■ **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend assets lives, are not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10-50 Years
Improvements	10-35 Years
Infrastructure	40-55 Years
Furniture, Fixtures, and Equipment	3-20 Years

■ **Compensated Absences**

Accumulated unpaid vacation time, compensatory time, and sick time amounts, including the related direct and incremental salary-related payments, accrues in the enterprise funds, and appear as increases in salary expenses in the proprietary financial statements. In the governmental funds, these costs are recognized when payments are made to employees or when the costs mature as a result of an employee resignation or retirement. All vacation, compensatory and sick pay accrues when incurred in the government-wide financial statements.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

■ **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the bond premium or discount. Bond issuance costs are expensed when incurred, with the exception of bond insurance, which is amortized over the term of the related debt.

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt issued is 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, are reported as debt service expenditures.

■ **Deferred Inflows and Outflows of Resources**

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period and will not be recognized as an inflow of resources until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources related to unamortized refunding losses, as well as pension and OPEB related deferred inflows and outflows of resources.

- **Unavailable Revenues**—In the governmental funds, revenues not received within the City’s availability period are considered unavailable and, therefore, reported as a deferred inflow. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.
- **Pension and OPEB Related**—The difference between expected and actual experience with regard to economic or demographic factors and changes to assumption in the measurement of total pension and OPEB liability, the differences between expected and actual earnings on pension plan and OPEB investments, and the change in the proportionate share of the net pension liability and OPEB liability resulting from a change in proportion are reported as deferred inflows or outflows of resources, to be recognized in expense. Contributions made subsequent to the measurement date, but prior to the reporting date, are reported as deferred outflows of resources.

■ **Fund Balance**

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned:

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items and principal (corpus) of an endowment fund. On the governmental funds balance sheet, the prepaid balances reported is offset by a non-spendable fund balance classification which indicates it does not constitute “available spendable resources” even though it is a component of current assets.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., by ordinance) of the organization’s governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Council in accordance with the City’s fiscal policies. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund, as approved by the City Council through the budget process.
- **Unassigned**—This classification is used for: (a) deficit unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is generally the practice of the City to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the City’s practice to use committed resources first, then assigned, and then unassigned as needed.

■ **Net Position**

Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations. Net position not reported as net position invested in capital assets, net of related debt or restricted net position, are reported as unrestricted net position.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as needed.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Upcoming Governmental Accounting Standards Board (GASB) Pronouncements

GASB has recently issued two new accounting and financial reporting pronouncements which will become effective for the City's 2021 and 2022 fiscal year reporting periods:

- GASB Statement No. 84 – *Fiduciary Activities*, establishes criteria for identifying fiduciary activities by focusing on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This statement becomes effective for the fiscal 2021 reporting period.
- GASB Statement No. 87 – *Leases*, changes the accounting and financial reporting related to lease agreements for both lessees and lessors. Upon adoption, there will no longer be a distinction between the traditional capital and operating leases. The new guidance establishes that leases are a financing arrangement for the right to use an underlying asset. This statement becomes effective for the fiscal 2022 reporting period.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The City's procedures in preparing and adopting the annual budgets are as follows:

- The City Manager is responsible for preparing a proposed operating budget for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Two public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within any department, but may not revise total departmental expenditures without the approval of the City Commission.
- The budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level for the general fund and the fund level for all other governmental funds.
- Unused appropriations lapse at the end of the year.
- Budgets are adopted on a basis consistent with GAAP.

Budgeted amounts in the accompanying financial statements are as originally adopted, or as amended by the appropriate authority.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed throughout the fiscal year as an operating tool for budgeted funds. Encumbrances outstanding at year-end are reported as assigned, committed, or restricted fund balance in the governmental funds.

Deficit Fund Equity

At September 30, 2020, the following funds had deficit fund balances:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Wild Spaces Public Places	Major Governmental	\$ (1,760,873)
Florida Job Growth Grant	Major Governmental	(774,883)
CDBG Economic Development	Non-Major Governmental	(3,600)

The City anticipates that the deficit in the Wild Spaces Public Places fund will be recovered with sales tax receipts. The deficits from the Florida Job Growth Grant and CDBG Economic Development funds will be recovered through future grant reimbursements.

Note 3 - Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 15,908,912
Restricted:	
Cash and Cash Equivalents	<u>4,865,192</u>
Total Cash and Investments	<u>\$ 20,774,104</u>

Deposits and investments consist of the following:

Cash Deposits	\$ 19,705,700
Investments	<u>1,068,404</u>
Total Cash and Investments	<u>\$ 20,774,104</u>

Deposits

All of the City's cash deposits are held in banks that qualify as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. Under the *Act*, all qualified 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 pledged level. The pledging level may range from 25% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Investments

The City's investment are summarized below, at September 30, 2020:

	Fair Value	FMV Level
Florida PRIME, at Amortized Costs	\$ 1,068,404	N/A

Fair Market Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value; Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Florida PRIME

The City's investments in the Florida Prime Investment Pool (Florida PRIME) are similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

Credit Risk—The City's policy limits investments of governmental and business-type funds to U.S. Treasury and agency obligations, federal instrumentalities, interest-bearing time deposit or saving accounts, repurchase agreements, money market funds, and intergovernmental investment pools. Investments in mutual funds must maintain a rating of AAm or AAm-G or better by Standard & Poor's, or the equivalent by another rating agency. Florida PRIME is rated by Standards & Poor's and has a rating at September 30, 2020, of AAAM.

Interest Rate Risk—The City's investment policy permits the investment of current operating funds with maturities of no longer than two years. Investments of non-operating funds such as bond reserves shall have a term appropriate to the need for funds and in accordance with debt covenants, but not exceeding five years. Custodians are primarily bank trust departments, insurance companies, brokerage firms, the State of Florida, and SBA. The dollar weighted-average days to maturity (WAM) of the Florida PRIME at September 30, 2020, is 48 days. The weighted average life (WAL) of Florida PRIME at September 30, 2020, is 63 days.

Custodial Credit Risk—For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third party custodians to help manage custodial credit risk.

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Concentration of Credit Risk—The City’s investment policy requires diversification of investments in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. All of the City’s investments are in external investment pools.

Note 4 - Restricted Assets

Restricted cash and investments at September 30, 2020, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cash and Cash Equivalents		
Debt Service Reserve and Sinking Funds	\$ 25,659	\$ 247,822
Cash with Fiscal Agent	439,213	464,025
Customer Deposit	-	1,784,996
Renewal and Replacement	-	250,000
Unspent Debt Proceeds	-	925,610
Economic Environment	648,956	-
Parks and Recreation	3,841	-
Public Safety	21,817	-
Physical Environment	23,660	-
Infrastructure	8,429	-
Other	<u>21,164</u>	<u>-</u>
Net Restricted Cash and Cash Equivalents	<u>\$ 1,192,739</u>	<u>\$ 3,672,453</u>

Note 5 - Inventory

Inventory at September 30, 2020, consists of the following:

Business-Type Activities	<u>Balance</u>
Electric Utility Supplies	\$ 623,001
Transformers	428,792
Meters	20,691
Water/Wastewater Supplies	<u>124,858</u>
Total	<u>\$ 1,197,342</u>

CITY OF ALACHUA, FLORIDA
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Note 6 - Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 7,841,280	\$ -	\$ -	\$ 7,841,280
Construction in Progress	6,791,390	6,278,454	(3,854,013)	9,215,831
Total Capital Assets Not Being Depreciated	<u>14,632,670</u>	<u>6,278,454</u>	<u>(3,854,013)</u>	<u>17,057,111</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	16,793,257	-	-	16,793,257
Improvements Other Than Building	7,590,736	5,311,401	-	12,902,137
Infrastructure	14,845,340	-	-	14,845,340
Furniture, Fixtures, and Equipment	4,397,328	672,478	(260,738)	4,809,068
Total Capital Assets Being Depreciated	<u>43,626,661</u>	<u>5,983,879</u>	<u>(260,738)</u>	<u>49,349,802</u>
Less Accumulated Depreciation:				
Building	(2,797,535)	(334,177)	-	(3,131,712)
Improvements Other Than Buildings	(1,903,330)	(417,523)	-	(2,320,853)
Infrastructure	(6,238,695)	(311,042)	-	(6,549,737)
Furniture, Fixtures, and Equipment	(2,752,974)	(436,046)	253,843	(2,935,177)
Total Accumulated Depreciation	<u>(13,692,534)</u>	<u>(1,498,788)</u>	<u>253,843</u>	<u>(14,937,479)</u>
Total Capital Assets Being Depreciated, Net	<u>29,934,127</u>	<u>4,485,091</u>	<u>(6,895)</u>	<u>34,412,323</u>
Governmental Activities Capital Depreciated, Net	<u>\$ 44,566,797</u>	<u>\$ 10,763,545</u>	<u>\$ (3,860,908)</u>	<u>\$ 51,469,434</u>

The following is a summary of changes in capital assets for the business-type activities for the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 586,447	\$ -	\$ -	\$ 586,447
Construction in Progress	4,441,925	3,158,453	(356,784)	7,243,594
Total Capital Assets Not Being Depreciated	<u>5,028,372</u>	<u>3,158,453</u>	<u>(356,784)</u>	<u>7,830,041</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	9,972,016	-	-	9,972,016
Improvements Other Than Building	7,013,295	811,853	(1,650)	7,823,498
Infrastructure	43,123,554	-	-	43,123,554
Furniture, Fixtures, and Equipment	3,093,587	409,333	(40,821)	3,462,099
Total Capital Assets Being Depreciated	<u>63,202,452</u>	<u>1,221,186</u>	<u>(42,471)</u>	<u>64,381,167</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,230,767)	(111,481)	-	(4,342,248)
Improvements Other Than Building	(2,843,106)	(265,687)	1,650	(3,107,143)
Infrastructure	(13,423,907)	(1,034,976)	-	(14,458,883)
Furniture, Fixtures, and Equipment	(2,253,119)	(303,433)	39,309	(2,517,243)
Total Accumulated Depreciation	<u>(22,750,899)</u>	<u>(1,715,577)</u>	<u>40,959</u>	<u>(24,425,517)</u>
Total Capital Assets Being Depreciated, Net	<u>40,451,553</u>	<u>(494,391)</u>	<u>(1,512)</u>	<u>39,955,650</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 45,479,925</u>	<u>\$ 2,664,062</u>	<u>\$ (358,296)</u>	<u>\$ 47,785,691</u>

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Depreciation expense was charged to functions of the governmental activities as follows:

Governmental Activities	
General Government	\$ 292,227
Public Safety	257,977
Physical Environment	54
Transportation	506,457
Economic Environment	53,677
Parks and Recreation	388,396
Total	<u>\$ 1,498,788</u>

Depreciation expense was charged to functions of the Business-Type activities as follows:

Business-Type Activities	
Electric	\$ 440,305
Water	179,672
Wastewater	911,940
Mosquito	7,865
Internal Service	175,795
Total	<u>\$ 1,715,577</u>

Note 7 - Long-Term Liabilities

Governmental Activities

The following schedule summarizes the changes in the City's governmental long-term liabilities during the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A	\$ 385,000	\$ -	\$ (185,000)	\$ 200,000	\$ 200,000
Capital Improvement and Refunding Revenue Bonds, Series 2016	11,738,075	-	(203,500)	11,534,575	222,000
Plus Premium	660,946	-	(24,034)	636,912	24,034
2013 Redevelopment Note	377,995	-	(91,394)	286,601	93,433
Compensated Absences	579,654	530,118	(504,604)	605,168	299,913
Total	<u>\$ 13,741,670</u>	<u>\$ 530,118</u>	<u>\$ (1,008,532)</u>	<u>\$ 13,263,256</u>	<u>\$ 839,380</u>

■ **Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A – Direct Placement**

On August 2, 2001, the City executed a loan agreement with the U.S. Department of Housing and Urban Development (the Sponsor) to borrow \$2,250,000 from the Sponsor's \$313,756,000 Section 108 Government Guaranteed Participation Certificates, Series HUD 2001A. The Sponsor guarantees timely payment of the notes issued by local governmental agencies. The City used the proceeds of the note to repay the outstanding balances on its Taxable Sales Tax Revenue Note, Series 1999A, and Sales Tax Revenue Note, Series 1999B and finance other costs related to economic development. On May 28, 2015, the remaining principal balance was refinanced with Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A. This refinancing was made at the request of the Sponsor and had no significant changes to annual debt service or economic gains to disclose.

CITY OF ALACHUA, FLORIDA
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The note is secured by the City’s local government half-cent sales tax, utility franchise fees, and state revenue sharing. Principal is payable annually and interest semiannually for twenty years. Interest accrues at the certificates’ rates which vary from 0.28% to 2.35% over the life of the note.

■ **Redevelopment Revenue Note, Series 2013 – Direct Placement**

On May 23, 2013, the City executed a loan agreement with BB&T Governmental Finance for the purposes of funding or financing redevelopment activities within the Redevelopment District. The City is required to expend the funds, together with the investment earnings thereon, within three years of the date of issue to pay the costs of the redevelopment project according to the City’s Redevelopment Plan.

The note is secured by a lien upon the tax increment revenues of the Redevelopment District. Interest is payable semiannually for ten years on June 1 and December 1 at a fixed interest rate of 2.22%. Principal payments are also due semiannually on June 1 and December 1.

■ **Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 – Direct Placement**

On April 11, 2016, the City issued bonds in the amount of \$16,545,000 to pay the cost of: (1) the construction of the new recreation facility at Legacy Park, including the acquisition and installation of furniture, fixtures, and equipment; (2) the construction of the City’s new operations center, including acquisition and installation of furniture, fixtures, and equipment; (3) the refunding of the City’s outstanding Capital Improvement and Refunding Revenue Bonds, Series 2006; and (4) to pay certain costs of issuance incurred with respect to the issue.

The bonds are secured by a covenant to budget and pledge of the legally available non-ad valorem revenues of the City. Interest is payable semiannually on April 1 and October 1, each year at interest rates ranging from 3.00% to 5.00%. Principal payments are due annually on October 1 with a maturity date of October 1, 2046.

■ **Compensated Absences**

Compensated absences reported as governmental activities in the statement of net position are liquidated by the fund which pays the employee’s payroll expenses.

The following schedule summarizes the retirement of the governmental long-term debt by fiscal year (excluding compensated absences):

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 539,467	\$ 439,423	\$ 978,890
2022	348,955	421,352	770,307
2023	521,285	403,495	924,780
2024	442,134	381,424	823,558
2025	460,634	360,056	820,690
2026-2030	2,654,672	1,452,056	4,106,728
2031-2035	3,187,472	941,678	4,129,150
2036-2040	1,951,672	534,056	2,485,728
2041-2045	1,799,972	272,780	2,072,752
2046-2050	751,825	25,724	777,549
Total	<u>\$ 12,658,088</u>	<u>\$ 5,232,044</u>	<u>\$ 17,890,132</u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Business-Type Activities

The following schedule summarizes the changes in the City's business-type long-term liabilities during the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2009 State Revolving Fund					
Loan – Florida Department of Environmental Protection	\$ 7,720,082	\$ -	\$ (224,921)	\$ 7,495,161	\$ 277,722
Utility Refunding Bonds, 2013	710,000	-	(710,000)	-	-
2016 Capital Improvement and Refunding Revenue Bonds, Series 2016 Plus Premium	4,176,926	-	(71,501)	4,105,425	78,000
Capital Improvement Revenue Note, Series 2019	244,457	-	(8,889)	235,568	8,889
Compensated Absences	4,500,000	-	-	4,500,000	390,000
Total	<u>\$ 17,594,444</u>	<u>\$ 251,530</u>	<u>\$ (1,237,827)</u>	<u>\$ 16,608,147</u>	<u>\$ 911,791</u>

■ **2009 State Revolving Fund Loan – Florida Department of Environmental Protection – Direct Borrowing**

In June 2009, the City authorized a loan agreement to finance construction costs related to the wastewater control facility in the amount of \$10,000,000 with additional increases in 2010 and 2011 of \$10,000,000 and \$550,074, respectively. The total loan was \$20,550,074, of which \$11,841,733 was forgiven pursuant to the loan agreement. Principal and interest are payable semiannually on November 15 and May 15 of each year until all amounts due under the agreement have been fully paid. Interest is payable at rates ranging from 2.24% to 2.67%.

Net utility revenues of the system and excise taxes are pledged as collateral for the loan. These pledged revenues are subordinate to the Utility Acquisition Bonds, Series 1993 and the Utility Systems Utility Revenue Bonds, Series 2013.

■ **Utility Systems Utility Revenue Bonds, Series 2013 – Direct Placement**

On January 30, 2013, the City adopted Resolution R-13-07, authorizing the issuance of the Utility Systems Utility Revenue Bonds, Series 2013. The bonds were issued at a par amount of \$4,800,000 to provide the funds required to refund the City's outstanding Utilities Revenue Bond of 1979 and Utility Refunding Revenue Bonds, Series 2003 and to pay certain expenses related to the issuance of the Series 2013 bonds. The bonds bear interest from 1.67% and mature annually on April 1 until final maturity April 1, 2020. The bond matured April 1, 2020.

Net utility revenues of the system and excise taxes are pledged as collateral for the revenue bonds. The Series 2013 Bonds are superior to the City's outstanding Utility Acquisition Bonds, Series 1993 and 2009 State Revolving Fund Loan as to lien upon and pledge of the pledged funds.

■ **Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 – Direct Placement**

On April 11, 2016, the City issued bonds in the amount of \$16,545,000 to pay the cost of: (1) the construction of the new recreation facility at Legacy Park, including the acquisition and installation of furniture, fixtures, and equipment; (2) the construction of the City's new operations center, including acquisition and installation of furniture, fixtures, and equipment; (3) the refunding of the City's outstanding Capital Improvement and Refunding Revenue Bonds, Series 2006; and (4) to pay certain costs of issuance incurred with respect to the issue.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The bonds are secured by a covenant to budget and pledge of the legally available non-ad valorem revenues of the City. Interest is payable semiannually on April 1 and October 1, each year at interest rates ranging from 3.00% to 5.00%. Principal payments are due annually on October 1 with a maturity date of October 1, 2046.

■ **Capital Improvement Revenue Note, Series 2019 – Direct Placement**

On January 14, 2019, the City adopted Resolution R-19-03, authorizing the issuance of the Capital Improvement Revenue Note, Series 2019. The note was issued at a par amount of \$4,500,000 to finance the cost of certain capital improvements related to the City’s water and wastewater capital improvement projects. Revenues pledged to cover the debt service related to the note include all Non-Ad Valorem Revenues of the City. The note carries a fixed interest rate of 3.29% payable semiannually on April 1 and October 1 of each year with a maturity date of October 1, 2035.

The following schedule summarizes the principal retirement for bonds and notes for business-type debt by fiscal year (excluding compensated absences liability):

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 754,611	\$ 477,861	\$ 1,232,472
2022	778,974	448,142	1,227,116
2023	650,681	425,588	1,076,269
2024	674,262	404,250	1,078,512
2025	698,017	382,086	1,080,103
2026-2030	3,843,770	1,551,904	5,395,674
2031-2035	4,202,088	887,174	5,089,262
2036-2040	3,225,777	411,535	3,637,312
2041-2045	1,064,315	123,402	1,187,717
2046-2050	443,659	20,117	463,776
Total	<u>\$ 16,336,154</u>	<u>\$ 5,132,059</u>	<u>\$ 21,468,213</u>

Interest

During the year, the City incurred \$940,775 of interest costs.

Debt Covenants

The City has covenanted to establish and collect fees from users of the Utility System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 100% of the bond service requirements for that year. In addition, the rate covenants require the City to establish and collect fees from users of the System and excise taxes sufficient to pay the costs of operation and maintenance of the System plus 120% of the bond service requirements.

The debt purchase agreement rate covenant requires that the City establish and collect fees from users of the System sufficient to provide supplemental pledged revenues (as defined in the debt purchase agreement) equal to or exceeding 115% of the State Revolving Fund (SRF) loan debt service requirements.

The City has also covenanted to establish a special fund called the “Bond and Interest Sinking Fund,” to be used exclusively for debt service payments on certain bonds.

As of September 30, 2020, the City has met its debt covenants.

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Note 8 - Pledged Revenues

The City has pledged certain revenues to repay bonds and notes outstanding as of September 30, 2020. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2020:

<u>Pledged Revenue</u>	<u>Description of Bonds</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Half-cent Sales Tax		\$ 589,750				
Utility Franchise Fees		394,621				
State Revenue Sharing		<u>287,895</u>				
	Section 108, HUD 2015A Series	<u>\$ 1,272,266</u>	<u>\$ 193,363</u>	15%	<u>\$ 204,700</u>	2021
Non-Ad Valorem	Capital Improvement and Refunding Revenue Bonds, Series 2016	<u>\$ 6,531,154</u>	<u>\$ 872,480</u>	14%	<u>\$ 23,385,478</u>	2047
Non-Ad Valorem	Capital Improvement Revenue Note Series, 2019	<u>\$ 6,531,154</u>	<u>\$ -</u>	0%	<u>\$ 5,866,128</u>	2035
Incremental Tax Revenue	2013 Redevelopment Note	<u>\$ 466,184</u>	<u>\$ 99,279</u>	21%	<u>\$ 297,838</u>	2023
Net Utility Revenues	State Revolving Fund Loan - 2009	<u>\$ 5,826,458</u>	<u>\$ 410,265</u>	7%	<u>\$ 9,604,201</u>	2041

Non-ad valorem revenues consist of local government half-cent sales tax, franchise fees, solid waste disposal fees, occupational license taxes, local communication services tax, guaranteed entitlement funds, utility tax, mobile home license fees, alcoholic beverages license fees, fines and forfeitures, licenses and permits, certain fees and charges, and surplus utility revenues.

Note 9 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2020:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 187,749
General Fund	Water Utility	235,663
General Fund	Wild Spaces Public Places	1,800,852
General Fund	Wastewater Utility	211,874
General Fund	FL Job Growth	508,644
Electric Utility	Water Utility	425,228
Electric Utility	Wastewater Utility	1,357,115
Non-Major Enterprise Fund	Water Utility	76,793
Internal Service Fund	Water Utility	<u>215,065</u>
Total		<u>\$ 5,018,983</u>

CITY OF ALACHUA, FLORIDA
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The outstanding balances between funds result from the time lag between the dates that: (1) interfund goods and services are provided, or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. Additionally, certain interfund loans were made to fund deficit unrestricted equity in pooled cash. All outstanding interfund balances are reported as long-term advances as of September 30, 2020.

Interfund Transfers:

<u>Transfers (Out)</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 965,944	\$ 965,944
Electric Utility	2,000,000	-	2,000,000
Wastewater Utility	-	67,677	67,677
Total	<u>\$ 2,000,000</u>	<u>\$ 1,033,621</u>	<u>\$ 3,033,621</u>

Transfers are normally recurring and are approved by the City commission during the budget process. A transfer in the amount of \$2,000,000 from the Electric Fund to the General Fund is in support of general government operations to the extent moneys are available after paying operating expenses and debt service on outstanding bonds. A transfer in the amount of \$965,944 from the General Fund to the Non-Major Governmental Funds is for debt service and the City's required portion of tax incremental funding and additional funding for construction projects being completed by the Community Redevelopment Agency. A transfer in the amount of \$67,677 from the Wastewater Utility Fund to the Non-Major Governmental Fund is for debt service.

Note 10 - Contingent Liabilities

Amounts received or receivable for grants are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures or expenses that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 11 - Restricted Net Position

Net position is restricted within governmental activities and business-type activities as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Debt Service	\$ 34,117	\$ 247,822
Renewal and Replacement	-	250,000
Economic Environment	650,973	-
Law Enforcement	21,998	-
Physical Environment	92,422	-
Parks and Recreation	25,005	-
Total	<u>\$ 824,515</u>	<u>\$ 497,822</u>

CITY OF ALACHUA, FLORIDA
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The City's restricted net position includes \$650,973 restricted by enabling legislation.

Note 12 - Power Purchase Agreements

City of Gainesville

The City entered into a wholesale electric service contract with the City of Gainesville, Florida, on January 21, 1987, for the purchase of the majority of the City's electric power requirements beginning January 6, 1988. The City constructed a 138 x 69 - 12.47Y/7.2kV substation to receive the power, which was placed into operation on that date. The substation is located in such a manner that the City has reasonable access to the transmission lines of both the City of Gainesville and Florida Power Corporation. A portion of the substation is owned by the City of Gainesville. The initial term of the contract was five years, with options for additional annual extensions. The contract was renegotiated on October 2, 1992, and extended for an additional fifteen years, beginning on December 31, 1992, with automatic extensions for succeeding periods of one year each. This contract was amended again on November 22, 2010, extending the contract for an initial ten-year term, with automatic extensions for up to three succeeding periods of one year each. Effective April 1, 2016, the City renewed its wholesale electric contract with the City of Gainesville. Provisions of the new agreement changed the pricing structure to a flat fifty-eight dollars per megawatt/hour. Total payments to the City of Gainesville for 2020 were \$7,699,968.

St. Lucie No. 2 Power Purchase Agreement

The City has negotiated a long-term agreement with Florida Power and Light Corporation through FMPA to purchase 0.3044 megawatts of generating capacity and a corresponding amount of energy monthly from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. Total payments for 2020 were \$232,563.

Florida Municipal Power Agency (FMPA) Solar Power Project

Effective May 16, 2018, the City entered into a solar project power sales contact with FMPA. As a participant in the project, the City is entitled to receive nine megawatts of electric power generated by the project. The project is currently under construction and is expected to become commercially operational June 2023. Also effective May 16, 2018, the City entered into an agreement with FMPA for the repurchase of the City's solar project entitlement until March 31, 2022, at which time the City of Gainesville purchase power agreement ends.

Note 13 - Defined Benefit Pension Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

CITY OF ALACHUA, FLORIDA
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Essentially all regular employees of the City are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other non-integrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The City's pension expense totaled \$2,411,235 for the fiscal year ended September 30, 2020. This included \$2,180,755 of expenses related to the FRS Pension Plan and \$230,480 related to the Health Insurance Subsidy Plan (HIS).

FRS Pension Plan

Plan Description. The FRS Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership applicable to the City are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed in special risk careers, such as law enforcement or fire rescue, and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**CITY OF ALACHUA, FLORIDA
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DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for FRS during the City’s 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2020</u>		<u>Year Ended June 30, 2021</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer⁽¹⁾</u>	<u>Employee</u>	<u>Employer⁽¹⁾</u>
Regular	3.00	6.75	3.00	8.28
Elected Officers	3.00	47.10	3.00	47.46
Senior Management				
Service	3.00	23.69	3.00	25.57
Special Risk Regular	3.00	23.76	3.00	22.73
DROP	N/A	12.94	N/A	15.32

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidiary of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The City’s contributions, to the Plan totaled \$742,187 for the fiscal year ended September 30, 2020. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2020, the City reported a liability of \$9,681,541 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on the City’s contributions during the Plan’s fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2020, the City’s proportionate share increased .0015494669% from its proportion measured as of June 30, 2019.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>(Deferred Inflows of Resources)</u>
Employer Contributions after Measurement Date	\$ 226,381	\$ -
Difference Between Expected and Actual		
Experience	370,532	-
Changes of Assumptions	1,752,667	-
Changes in Proportion and Difference Between City’s Contributions and Proportionate Share of Contributions	576,449	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	493,540	-
Total	<u>\$ 3,419,569</u>	<u>\$ -</u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The deferred outflows of resources related to pensions, totaling \$226,381, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
<u>Ending</u>	
2021	\$ 686,997
2022	988,435
2023	836,849
2024	518,734
2025	162,173
2026	-
Total	<u>\$ 3,193,188</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.80%
Investment Rate of Return	7.00%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of the actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Annual Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.7%

⁽¹⁾ As Outlined in the FRS Pension Plan's Investment Policy.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Discount Rate. The discount rate used to measure the total pension liability was 6.80%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.80% in the July 1, 2020, valuation.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City’s Proportionate Share of the Net Pension Liability	\$ 15,459,795	\$ 9,681,541	\$ 4,855,519

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS-participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ending June 30, 2020 and 2019, the contribution rates were both 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The City's contributions to the HIS Plan totaled \$111,606 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2020, the City reported a net pension liability of \$2,364,736 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's contributions during the Plan's fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2020, the City's proportionate share increased 0.0007044936% from its proportionate share measured as of June 30, 2019.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions after Measurement Date	\$ 30,637	\$ -
Difference Between Expected and Actual Experience	96,732	1,824
Changes of Assumptions	254,276	137,500
Changes in Proportion and Difference between City Contributions and Proportionate Share of Contributions	157,491	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,888	-
Total	<u>\$ 541,025</u>	<u>\$ 139,324</u>

The deferred outflows of resources related to pensions, totaling \$30,637, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2021	\$ 93,146
2022	76,722
2023	44,223
2024	53,655
2025	56,492
Thereafter	46,825
Total	<u>\$ 371,063</u>

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of the actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's Proportionate Share of the Net Pension Liability	\$ 2,733,529	\$ 2,364,736	\$ 2,062,879

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS - Defined Contribution Pension Plan

The City contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members’ accounts (employer and employee) during the 2019-20 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30%
FRS, Elected County Officers	11.34%
FRS, Senior Management Service	7.67%
FRS, Special Risk Regular	14.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-Vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City’s Investment Plan expense totaled \$269,912 for the fiscal year ended September 30, 2020.

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Note 14 - Other Postemployment Benefits (OPEB)

The City of Alachua's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical, vision and dental insurance coverage as a participant in the City's Plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, the Plan does not meet the requirements for an OPEB plan administered through a trust.

The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The authority for establishing and amending the funding policy rests with the City Council. The OPEB Plan does not issue a stand-alone financial report.

Membership of the Plan consisted of the following:

<u>Date of Actuarial Valuation</u>	<u>September 30, 2019</u>
Retirees and Beneficiaries Receiving Benefits	1
Active Plan Members	130
Total	131

Changes in the Total OPEB Plan Liability

The following table shows the change in the City's OPEB Plan liability:

	Increase/ (Decrease) in Total OPEB Liability
Reporting Period Ending September 30, 2019	\$ 203,003
Changes for the Year:	
Service Cost	19,067
Interest	9,118
Differences Between Expected and Actual Experience	(40,714)
Changes of Assumptions	53,674
Benefit Payments	(7,987)
Net Changes	33,158
Reporting Period Ending September 30, 2020	\$ 236,161

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

As of September 30, 2020, the total OPEB Plan liability was \$236,161, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$6,574,710, and the ratio of the total OPEB Plan liability to the covered payroll was 3.59%. Covered Employee Payroll was projected two years forward from the valuation date of September 30, 2019 for the reporting period ending September 30, 2020.

Actuarial Assumptions and Methods

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

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2018, actuarial valuation of the Florida Retirements System (FRS) Benefit Pension Plan.

The mortality rates are mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman’s July 1, 2018, FRS valuation report.

Healthcare inflation rates reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.

The discount rate used has been updated to utilize the mandated discount rate based on the 20-year Municipal Bond Rate as of the measurement date, as required under GASB Statement No. 75.

The valuation results were calculated using the Entry Age cost method. This is required cost method under GASB Statement Nos. 74 and 75 standards.

On September 30, 2020, the Sponsor 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	\$ -	\$ 35,625
Changes of Assumptions	46,965	13,279
Employer Contributions Subsequent to the Measurement Date	9,971	-
Total	\$ 56,936	\$ 48,904

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Year Ended September 30,	Amount
2021	\$ (422)
2022	(422)
2023	(422)
2024	(422)
2025	(422)
Thereafter	171

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	2.58%	3.58%	4.58%
	\$ 256,340	\$ 236,161	\$ 216,812
Total OPEB Liability	<u>\$ 256,340</u>	<u>\$ 236,161</u>	<u>\$ 216,812</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend	1% Increase
	3.00%-6.50%	4.00%-7.50%	5.00%-8.50%
	\$ 203,192	\$ 236,161	\$ 275,853
Total OPEB Liability	<u>\$ 203,192</u>	<u>\$ 236,161</u>	<u>\$ 275,853</u>

Note 15 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. Insurance against losses is provided by Florida Municipal Investment Trust for the following types of risk:

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

■ **Florida Municipal Insurance Trust**

- Workers' Compensation and Employer's Liability
- General Liability and Automobile Liability
- Real and Personal Property Damage
- Automobile Physical Damage
- Public Employees' Blanket Bond
- Boiler Officials' Liability
- Law Enforcement Officers' Professional Liability and Other Mandated Coverage
- Accidental Death and Dismemberment
- Auxiliary Reserve Policy

The City's coverage for workers' compensation is under a retrospectively related policy. Premiums are accrued based on the ultimate cost to date of the City's experience.

Note 16 - Commitments and Contingencies

As of September 30, 2020, the City had the following commitments related to significant unfinished capital projects:

	Expended as of September 30, 2020	Remaining Commitment
Mill Creek Sink Water Quality Improvements	\$ 225,145	\$ 17,144
Electrical Substation Design/Construction	2,925,010	3,344,958
Liftstation 8 Piping Rehabilitation	-	48,700
Phone System Upgrades	40,103	40,104
CDBG-ED High Point Crossing	87,300	13,497
Total	<u>\$ 3,277,558</u>	<u>\$ 3,464,403</u>

The City utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. Unexpended items at year-end must be reappropriated in the subsequent year.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred domestically in the United States and globally, including mandates from federal, state, and local authorities, leading to an overall decline in economic activity and significant changes to the City's operations as a result of various restrictions, including travel restrictions, restrictions on public gatherings, and stay-at-home orders. Although the economy has shown signs of recovery and certain restrictions have been lifted, the full extent to which the COVID-19 outbreak will impact the City's operations and financial condition remains uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,520,963	\$ 6,520,963	\$ 6,625,633	\$ 104,670
Permits, Fees, and Special Assessments	688,812	688,812	571,211	(117,601)
Intergovernmental Revenues	1,044,304	1,064,461	988,729	(75,732)
Charges for Services	1,304,415	1,304,415	1,312,746	8,331
Fines and Forfeitures	27,000	27,000	37,367	10,367
Investment Income	100,000	100,000	28,784	(71,216)
Miscellaneous	30,100	30,100	34,386	4,286
Total Revenues	<u>9,715,594</u>	<u>9,735,751</u>	<u>9,598,856</u>	<u>(136,895)</u>
Expenditures				
Current:				
General Government:				
Legislative	130,832	130,832	127,642	3,190
Executive	624,109	624,109	599,901	24,208
Finance	1,563,256	1,563,256	1,416,434	146,822
Information Technology	506,557	506,557	340,902	165,655
Legal	165,558	165,558	172,500	(6,942)
Planning and Zoning	924,763	946,972	885,469	61,503
Other	194,600	194,600	122,662	71,938
Public Safety:				
Police	3,966,858	3,987,015	3,903,250	83,765
Protective Inspections	210,065	210,065	196,821	13,244
Physical Environment:				
Solid Waste	718,200	718,200	694,688	23,512
Transportation:				
Streets and Roads	1,359,421	1,359,421	815,574	543,847
Parks and Recreation	1,340,837	1,340,837	1,260,404	80,433
Reserve for Contingency	200,000	177,791	-	177,791
(Total Expenditures)	<u>(11,905,056)</u>	<u>(11,925,213)</u>	<u>(10,536,247)</u>	<u>1,388,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,189,462)</u>	<u>(2,189,462)</u>	<u>(937,391)</u>	<u>1,252,071</u>
Other Financing Sources (Uses)				
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers (out)	(893,072)	(893,072)	(965,944)	(72,872)
Total Other Financing Sources (Uses)	<u>1,106,928</u>	<u>1,106,928</u>	<u>1,034,056</u>	<u>(72,872)</u>
Net Change in Fund Balance	(1,082,534)	(1,082,534)	96,665	1,179,199
Fund Balance, Beginning of Year	<u>3,100,406</u>	<u>3,100,406</u>	<u>7,051,389</u>	<u>3,950,983</u>
Fund Balance, End of Year	<u>\$ 2,017,872</u>	<u>\$ 2,017,872</u>	<u>\$ 7,148,054</u>	<u>\$ 5,130,182</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FL JOB GROWTH GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 5,671,048	\$ 5,671,048	\$ 5,442,603	\$ (228,445)
Total Revenues	<u>5,671,048</u>	<u>5,671,048</u>	<u>5,442,603</u>	<u>(228,445)</u>
Expenditures				
Capital Outlay	5,671,048	5,671,048	5,225,748	445,300
(Total Expenditures)	<u>(5,671,048)</u>	<u>(5,671,048)</u>	<u>(5,225,748)</u>	<u>445,300</u>
Net Change in Fund Balance	-	-	216,855	216,855
Fund Balance, Beginning of Year	-	-	(991,738)	(991,738)
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (774,883)</u>	<u>\$ (774,883)</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WILD SPACES PUBLIC PLACES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 732,513	\$ 732,513	\$ 571,527	\$ (160,986)
Investment Income	500	500	2	(498)
Total Revenues	<u>733,013</u>	<u>733,013</u>	<u>571,529</u>	<u>(161,484)</u>
Expenditures				
Capital Outlay	733,013	733,013	586,753	146,260
(Total Expenditures)	<u>(733,013)</u>	<u>(733,013)</u>	<u>(586,753)</u>	<u>146,260</u>
Net Change in Fund Balance	-	-	(15,224)	(15,224)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,745,649)</u>	<u>(1,745,649)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,760,873)</u>	<u>\$ (1,760,873)</u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN OTHER POSTEMPLOYMENT BENEFIT (OPEB)
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
CITY OF ALACHUA, FLORIDA

Reporting Period Ending Measurement Date	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Changes for the Year:			
Service Cost	\$ 19,067	\$ 19,968	\$ 21,024
Interest	9,118	7,584	6,074
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(40,714)	-	-
Changes of Assumptions	53,674	(9,227)	(9,152)
Benefit Payments	(7,987)	(7,361)	(6,769)
Net Change in Total OPEB Liability	33,158	10,964	11,177
Total OPEB Liability - Beginning	203,003	192,039	180,862
Total OPEB Liability - Ending	\$ 236,161	\$ 203,003	\$ 192,039
Covered Payroll*	\$ 6,574,710	\$ 6,240,140	\$ 6,000,134
Sponsor's Total OPEB Liability as Percentage of Covered Payroll	3.59%	3.25%	3.20%

* Covered Payroll was projected two years forward from the valuation date for the reporting period ending September 30, 2020.

Notes to Schedules

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

Fiscal Year 2020	3.58%
Fiscal Year 2019	4.18%
Fiscal Year 2018	3.64%
Fiscal Year 2017	3.06%

There are no assets accumulated in a trust to pay related benefits.

**CITY OF ALACHUA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS*
(UNAUDITED)**

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Proportion of the FRS Net Pension Plan	0.0223378222%	0.0207883555%	0.020641302%	0.0200198833%	0.018830837%	0.018337949%
Proportionate Share of the FRS Net Pension Plan	\$ 9,681,541	\$ 7,159,220	\$ 6,217,267	\$ 5,921,747	\$ 4,754,801	\$ 2,368,592
Covered Payroll**	6,722,238	6,241,681	5,939,507	5,642,229	5,284,260	5,024,124
Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	144.02%	114.70%	104.68%	104.95%	89.98%	47.14%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

** The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered payroll is for the year shown.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Proportion of the HIS Net Pension Plan	0.019367462%	0.018662965%	0.018194623%	0.017692579%	0.017117360%	0.017073473%
Proportionate Share of the HIS Net Pension Plan	\$ 2,364,736	\$ 2,088,199	\$ 1,925,739	\$ 1,891,772	\$ 1,994,957	\$ 1,741,226
Covered Payroll**	6,722,238	6,241,681	5,939,507	5,642,229	5,284,260	5,024,124
Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.18%	33.46%	32.42%	33.53%	37.75%	34.66%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

** The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered payroll is for the year shown.

**CITY OF ALACHUA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS***

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 742,187	\$ 644,589	\$ 588,261	\$ 521,167	\$ 459,220	\$ 447,095
FRS Contribution in Relation to the Contractually Required Contribution	<u>(742,187)</u>	<u>(644,589)</u>	<u>(588,261)</u>	<u>(521,167)</u>	<u>(459,220)</u>	<u>(447,095)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (FYE 9/30)	\$ 6,770,144	\$ 6,434,997	\$ 5,929,911	\$ 5,783,990	\$ 5,338,129	\$ 5,222,630
FRS Contributions as a Percentage of Covered-Employee Payroll	11%	10%	10%	9%	9%	9%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 111,606	\$ 103,634	\$ 98,670	\$ 93,634	\$ 87,737	\$ 65,265
HIS Contribution in Relation to the Contractually Required Contribution	<u>(111,606)</u>	<u>(103,634)</u>	<u>(98,670)</u>	<u>(93,634)</u>	<u>(87,737)</u>	<u>(65,265)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (FYE 9/30)	\$ 6,770,144	\$ 6,434,997	\$ 5,929,911	\$ 5,783,990	\$ 5,338,129	\$ 5,222,630
HIS Contributions as a Percentage of Covered-Employee Payroll	1.65%	1.61%	1.66%	1.62%	1.64%	1.25%

* GASB No. 68 was adopted for the 2015 Fiscal Year and 10-year trend information will be developed from 2015 forward.

CITY OF ALACHUA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

Note 1 - Basis of Presentation

The budget was prepared on the modified accrual basis of accounting. The budget was adopted on a basis consistent with generally accepted accounting principles, except as noted below.

Expenditures were controlled at the department level. All annual appropriations lapse at year-end.

Note 2 - Legally Adopted Budgets

The City legally adopted budgets for all funds with activity during the year. No budget has been legally adopted for the Municipal Complex capital project funds.

Note 3 - Pension Liability

A. Changes in Benefit Terms

There were no significant changes in benefit terms during the Pension Plan's fiscal year ended June 30, 2020 or 2019.

B. Changes in Assumption

- FRS—In the July 1, 2014, actuarial valuation, the inflation rate assumption was decreased from 3.00% to 2.60%, the real payroll growth assumption was decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%. The long-term expected rate of return decreased from 7.75% to 7.65%.

In the July 1, 2015, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.65% to 7.60%.

In the July 1, 2016, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.60% to 7.50%.

In the July 1, 2017, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.50% to 7.40%.

In the July 1, 2018, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.40% to 7.20%.

In the July 1, 2019, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 7.20% to 6.90%.

- HIS—In the July 1, 2014, actuarial valuation, the municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

In the July 1, 2015, actuarial valuation, the municipal rate used to determine total pension liability decreased from 3.80% to 2.85%.

In the July 1, 2016, actuarial valuation, the municipal rate used to determine total pension liability increased from 2.85% to 3.58%.

In the July 1, 2017, actuarial valuation, the municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

In the July 1, 2018, actuarial valuation, the municipal rate used to determine total pension liability increased from 3.87% to 3.50%.

In the July 1, 2019, actuarial valuation, the municipal rate used to determine total pension liability increased from 3.50% to 2.21%.

**COMBINING AND INDIVIDUAL FUND INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION**

**NON-MAJOR GOVERNMENTAL FUNDS
CITY OF ALACHUA, FLORIDA**

DEBT SERVICE FUND

The *Debt Service Fund* accounts for the resources accumulated and payments made for the principal and interest on long-term debt of government funds.

SPECIAL REVENUE FUNDS

The *Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- *Community Redevelopment Fund*—is used to account for the expenditure of incremental tax funds contributed by Alachua County and the City for the CRA district.
- The *Additional Court Costs Fund*—is used to account for the revenues and expenditures of funds received from court costs assessed under Florida Statute 318.18(11)(d) for certain non-criminal traffic infractions. These revenues will be used to fund criminal justice education degree programs and training courses.
- The *Donations Fund*—is used to account for the revenues and expenditures of donated funds from private sources for the intended purpose designated by the donor.
- The *Police Explorers Fund*—is used to account for the revenues and expenditures of funds received from the Alachua Police Explorers Program.
- The *TK Basin Special Assessment Fund*—is used to account for the revenues and expenditures of funds received from a special assessment to property owners for stormwater maintenance services.
- The *Children's Trust Grant*—is used to account for the revenues and expenditures of funds received from the Children's Trust of Alachua County.
- The *Tree Bank Fund*—is used to account for revenues and expenditures related to violations of Ordinance 06-11. The revenue received will be used for tree mitigation related to development.

CAPITAL PROJECT FUNDS

The *Capital Project Funds* are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- The *San Felasco Conservation Corridor Fund*—is used to account for improvements made to the San Felasco Corridor.
- The *Heritage Oaks Improvement Fund*—is used to account for expenditures for infrastructure improvements in the Heritage Oaks subdivision.
- The *CDBG Neighborhood Revitalization Fund*—is used to account for grant revenues and capital expenditures for projects approved under the Community Development Block Grant – Neighborhood Revitalization category.
- *Mill Creek Sink Fund*—is used to account for grant revenues and capital expenditures from the Suwannee River Water Management District to ensure safe water recharge of the Florida aquifer.
- *CDBG Economic Development*—is used to account for grant revenues and capital expenditures for project approved under the Community Development Block Grant – Economic Development category.

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and Cash Equivalents	\$ 633,359	\$ 770,906	\$ 12,270	\$ 1,416,535
Accounts Receivable	-	47,103	-	47,103
Due from Other Governments	-	-	42,638	42,638
Prepaid Items	-	589	-	589
Other Assets	-	7,631	-	7,631
Total Assets	633,359	826,229	54,908	1,514,496
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	-	6,543	1,800	8,343
Accrued Liabilities	-	2,880	4,104	6,984
Advances from Other Funds	96,899	46,412	44,438	187,749
Total Liabilities	96,899	55,835	50,342	203,076
Deferred Inflows of Resources				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Non-Spendable:				
Prepays	-	589	-	589
Restricted for:				
Law Enforcement	-	9,571	-	9,571
Physical Environment	-	88,097	4,325	92,422
Economic Environment	-	650,973	-	650,973
Parks and Recreation	-	21,164	3,841	25,005
Debt Service	34,117	-	-	34,117
Assigned	502,343	-	-	502,343
Unassigned	-	-	(3,600)	(3,600)
Total Fund Balances	536,460	770,394	4,566	1,311,420
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 633,359	\$ 826,229	\$ 54,908	\$ 1,514,496

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Permits, Fees, and Special Assessments	\$ -	\$ 10,623	\$ -	\$ 10,623
Intergovernmental Revenues	-	334,138	1,436,269	1,770,407
Fines and Forfeitures	-	3,620	-	3,620
Investment Income	109	1,371	17	1,497
Miscellaneous	-	13,251	-	13,251
Total Revenues	109	363,003	1,436,286	1,799,398
Expenditures				
Current:				
General Government	-	238	-	238
Public Safety	-	1,601	-	1,601
Physical Environment	-	12,939	1,440	14,379
Transportation	-	-	46,275	46,275
Economic Environment	-	233,817	-	233,817
Human Services	-	51,787	-	51,787
Parks and Recreation	-	2,181	-	2,181
Debt Service:				
Principal	388,500	91,392	-	479,892
Interest	448,627	7,887	-	456,514
Capital Outlay	-	41,199	1,328,266	1,369,465
(Total Expenditures)	(837,127)	(443,041)	(1,375,981)	(2,656,149)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(837,018)	(80,038)	60,305	(856,751)
Other Financing Sources (Uses)				
Transfers in	849,789	183,832	-	1,033,621
Total Other Financing Sources (Uses)	849,789	183,832	-	1,033,621
Net Change in Fund Balance	12,771	103,794	60,305	176,870
Fund Balance, Beginning of Year	523,689	666,600	(55,739)	1,134,550
Fund Balance, End of Year	\$ 536,460	\$ 770,394	\$ 4,566	\$ 1,311,420

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2020**

	Community Redevelopment Fund	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Assets								
Cash and Cash								
Equivalents	\$ 648,956	\$ 4,350	\$ 21,164	\$ 5,039	\$ 23,660	\$ -	\$ 67,737	\$ 770,906
Accounts Receivable	-	182	-	-	-	46,921	-	47,103
Prepaid Items	589	-	-	-	-	-	-	589
Other Assets	7,631	-	-	-	-	-	-	7,631
Total Assets	<u>657,176</u>	<u>4,532</u>	<u>21,164</u>	<u>5,039</u>	<u>23,660</u>	<u>46,921</u>	<u>67,737</u>	<u>826,229</u>
Liabilities and Fund Balances								
Liabilities								
Accounts Payable	2,734	-	-	-	3,300	509	-	6,543
Advances from Other Funds	-	-	-	-	-	46,412	-	46,412
Accrued Liabilities	2,880	-	-	-	-	-	-	2,880
Total Liabilities	<u>5,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,300</u>	<u>46,921</u>	<u>-</u>	<u>55,835</u>
Fund Balances								
Non-Spendable:								
Prepays	589	-	-	-	-	-	-	589
Restricted for:								
Law Enforcement	-	4,532	-	5,039	-	-	-	9,571
Economic Environment	650,973	-	-	-	-	-	-	650,973
Physical								
Environment	-	-	-	-	20,360	-	67,737	88,097
Parks and Recreation	-	-	21,164	-	-	-	-	21,164
Total Fund Balances	<u>651,562</u>	<u>4,532</u>	<u>21,164</u>	<u>5,039</u>	<u>20,360</u>	<u>-</u>	<u>67,737</u>	<u>770,394</u>
Total Liabilities and Fund Balances	<u>\$ 657,176</u>	<u>\$ 4,532</u>	<u>\$ 21,164</u>	<u>\$ 5,039</u>	<u>\$ 23,660</u>	<u>\$ 46,921</u>	<u>\$ 67,737</u>	<u>\$ 826,229</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Community Redevelopment Fund	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Revenues								
Permits, Fees, and Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 10,623	\$ -	\$ -	\$ 10,623
Intergovernmental Revenues	282,351	-	-	-	-	51,787	-	334,138
Fines and Forfeitures	-	2,570	-	1,050	-	-	-	3,620
Investment Income	856	11	90	-	112	-	302	1,371
Miscellaneous	5,275	-	7,976	-	-	-	-	13,251
Total Revenues	288,482	2,581	8,066	1,050	10,735	51,787	302	363,003
Expenditures								
Current:								
General Government	-	-	-	238	-	-	-	238
Economic Environment	233,817	-	-	-	-	-	-	233,817
Public Safety	-	-	-	1,601	-	-	-	1,601
Physical Environment	-	-	-	-	12,939	-	-	12,939
Human Services	-	-	-	-	-	51,787	-	51,787
Parks and Recreation	-	-	2,181	-	-	-	-	2,181
Debt Service:								
Principal	91,392	-	-	-	-	-	-	91,392
Interest	7,887	-	-	-	-	-	-	7,887
Capital Outlay	41,199	-	-	-	-	-	-	41,199
Total (Expenditures)	(374,295)	-	(2,181)	(1,839)	(12,939)	(51,787)	-	(443,041)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,813)	2,581	5,885	(789)	(2,204)	-	302	(80,038)
Other Financing Sources (Uses)								
Transfers in	183,832	-	-	-	-	-	-	183,832
Total Other Financing Sources (Uses)	183,832	-	-	-	-	-	-	183,832
Net Change in Fund Balances	98,019	2,581	5,885	(789)	(2,204)	-	302	103,794
Fund Balance, Beginning of Year	553,543	1,951	15,279	5,828	22,564	-	67,435	666,600
Fund Balance, End of Year	\$ 651,562	\$ 4,532	\$ 21,164	\$ 5,039	\$ 20,360	\$ -	\$ 67,737	\$ 770,394

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2020**

	San Felasco Conservation Corridor	Heritage Oaks Improvement	CDBG Neighborhood Revitalization	Mill Creek Sink Fund	CDBG Economic Development	Total
Assets						
Cash and Cash Equivalents	\$ 3,841	\$ 8,429	\$ -	\$ -	\$ -	\$ 12,270
Due from Other Governments	-	-	-	42,638	-	42,638
Total Assets	<u>3,841</u>	<u>8,429</u>	<u>-</u>	<u>42,638</u>	<u>-</u>	<u>54,908</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	-	-	-	-	1,800	1,800
Accrued Liabilities	-	4,104	-	-	-	4,104
Advances from Other Funds	-	-	-	42,638	1,800	44,438
Total Liabilities	<u>-</u>	<u>4,104</u>	<u>-</u>	<u>42,638</u>	<u>3,600</u>	<u>50,342</u>
Fund Balances						
Restricted for:						
Physical Environment	-	4,325	-	-	-	4,325
Parks and Recreation	3,841	-	-	-	-	3,841
Unassigned	-	-	-	-	(3,600)	(3,600)
Total Fund Balances	<u>3,841</u>	<u>4,325</u>	<u>-</u>	<u>-</u>	<u>(3,600)</u>	<u>4,566</u>
Total Liabilities and Fund Balances	<u>\$ 3,841</u>	<u>\$ 8,429</u>	<u>\$ -</u>	<u>\$ 42,638</u>	<u>\$ -</u>	<u>\$ 54,908</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	San Felasco Conservation Corridor	Heritage Oaks Improvement	CDBG Neighborhood Revitalization	Mill Creek Sink Fund	CDBG Economic Development	Total
Revenues						
Intergovernmental Revenues	\$ -	\$ -	\$ 371,743	\$ 112,263	\$ 952,263	\$ 1,436,269
Investment Income	17	-	-	-	-	17
Total Revenues	<u>17</u>	<u>-</u>	<u>371,743</u>	<u>112,263</u>	<u>952,263</u>	<u>1,436,286</u>
Expenditures						
Physical Environment	-	1,440	-	-	-	1,440
Transportation	-	-	7,875	-	38,400	46,275
Capital Outlay	-	-	336,295	98,506	893,465	1,328,266
(Total Expenditures)	<u>-</u>	<u>(1,440)</u>	<u>(344,170)</u>	<u>(98,506)</u>	<u>(931,865)</u>	<u>(1,375,981)</u>
Net Change in Fund Balances	17	(1,440)	27,573	13,757	20,398	60,305
Fund Balance, Beginning of Year	<u>3,824</u>	<u>5,765</u>	<u>(27,573)</u>	<u>(13,757)</u>	<u>(23,998)</u>	<u>(55,739)</u>
Fund Balance, End of Year	<u>\$ 3,841</u>	<u>\$ 4,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,600)</u>	<u>\$ 4,566</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Income	\$ 425	\$ 109	\$ (316)
Total Revenues	<u>425</u>	<u>109</u>	<u>(316)</u>
Expenditures			
Debt Service:			
Principal	388,500	388,500	-
Interest and Fiscal Charges	<u>448,627</u>	<u>448,627</u>	<u>-</u>
(Total Expenditures)	<u>(837,127)</u>	<u>(837,127)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(836,702)</u>	<u>(837,018)</u>	<u>(316)</u>
Other Financing Sources (Uses)			
Transfers in	<u>836,702</u>	<u>849,789</u>	<u>13,087</u>
Total Other Financing Sources (Uses)	<u>836,702</u>	<u>849,789</u>	<u>13,087</u>
Net Change in Fund Balance	-	12,771	12,771
Fund Balance, Beginning of Year	<u>-</u>	<u>523,689</u>	<u>523,689</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 536,460</u>	<u>\$ 536,460</u>

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

	Additional Court Costs		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and Forfeitures	\$ 3,800	\$ 2,570	\$ (1,230)
Investment Income	-	11	11
Miscellaneous	-	-	-
Total Revenues	<u>3,800</u>	<u>2,581</u>	<u>(1,219)</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	3,800	-	3,800
Parks and Recreation	-	-	-
(Total Expenditures)	<u>(3,800)</u>	<u>-</u>	<u>3,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	2,581	2,581
Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	2,581	2,581
Fund Balance, Beginning of Year	-	1,951	1,951
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 4,532</u>	<u>\$ 4,532</u>

Donations			Police Explorers		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 5,250	\$ 1,050	\$ (4,200)
-	90	90	-	-	-
15,451	7,976	(7,475)	-	-	-
<u>15,451</u>	<u>8,066</u>	<u>(7,385)</u>	<u>5,250</u>	<u>1,050</u>	<u>(4,200)</u>
-	-	-	-	238	(238)
-	-	-	5,250	1,601	3,649
<u>15,451</u>	<u>2,181</u>	<u>13,270</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(15,451)</u>	<u>(2,181)</u>	<u>13,270</u>	<u>(5,250)</u>	<u>(1,839)</u>	<u>3,411</u>
-	5,885	5,885	-	(789)	(789)
-	-	-	-	-	-
-	5,885	5,885	-	(789)	(789)
<u>12,856</u>	<u>15,279</u>	<u>2,423</u>	<u>-</u>	<u>5,828</u>	<u>5,828</u>
<u>\$ 12,856</u>	<u>\$ 21,164</u>	<u>\$ 8,308</u>	<u>\$ -</u>	<u>\$ 5,039</u>	<u>\$ 5,039</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Concluded)

	TK Basin Special Assessment			Children's Trust Grant		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Permits, Fees, and Special Assessments	\$ 28,390	\$ 10,623	\$ (17,767)	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	135,002	51,787	(83,215)
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Investment Income	300	112	(188)	-	-	-
Total Revenues	28,690	10,735	(17,955)	135,002	51,787	(83,215)
Expenditures						
Current:						
General Government	-	-	-	-	-	-
Human Services	-	-	-	135,002	51,787	83,215
Physical Environment	28,690	12,939	15,751	-	-	-
Economic Environment	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Reserve for Contingency	-	-	-	-	-	-
(Total Expenditures)	(28,690)	(12,939)	15,751	(135,002)	(51,787)	83,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,204)	(2,204)	-	-	-
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	-	(2,204)	(2,204)	-	-	-
Fund Balance, Beginning of Year	-	22,564	22,564	-	-	-
Fund Balance, End of Year	\$ -	\$ 20,360	\$ 20,360	\$ -	\$ -	\$ -

Tree Bank			Community Redevelopment Fund		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	282,693	282,351	(342)
66,847	-	(66,847)	-	-	-
-	-	-	7,500	5,275	(2,225)
-	302	302	3,500	856	(2,644)
66,847	302	(66,545)	293,693	288,482	(5,211)
-	-	-	-	-	-
-	-	-	-	-	-
66,847	-	66,847	-	-	-
-	-	-	468,821	233,817	235,004
-	-	-	91,393	91,392	1
-	-	-	7,887	7,887	-
-	-	-	158,949	41,199	117,750
-	-	-	10,000	-	10,000
(66,847)	-	66,847	(737,050)	(374,295)	362,755
-	302	302	(443,357)	(85,813)	357,544
-	-	-	183,959	183,832	(127)
-	-	-	183,959	183,832	(127)
-	302	302	(259,398)	98,019	357,417
-	67,435	67,435	259,398	553,543	294,145
\$ -	\$ 67,737	\$ 67,737	\$ -	\$ 651,562	\$ 651,562

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	San Felasco Conservation Corridor		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Intergovernmental Revenues	\$ 3,816	\$ -	\$ (3,816)
Investment Income	-	17	17
Total Revenues	<u>3,816</u>	<u>17</u>	<u>(3,799)</u>
Expenditures			
Current:			
Physical Environment	-	-	-
Parks and Recreation	3,816	-	3,816
Capital Outlay	-	-	-
(Total Expenditures)	<u>(3,816)</u>	<u>-</u>	<u>3,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>17</u>	<u>17</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	17	17
Fund Balance, Beginning of Year	<u>-</u>	<u>3,824</u>	<u>3,824</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 3,841</u>	<u>\$ 3,841</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

	Heritage Oaks Improvement		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Intergovernmental Revenues	\$ 5,776	\$ -	\$ (5,776)
Investment Income (Loss)	-	-	-
Total Revenues	<u>5,776</u>	<u>-</u>	<u>(5,776)</u>
Expenditures			
Current:			
Physical Environment	5,776	1,440	4,336
Parks and Recreation	-	-	-
Capital Outlay	-	-	-
(Total Expenditures)	<u>(5,776)</u>	<u>(1,440)</u>	<u>4,336</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,440)</u>	<u>(1,440)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(1,440)	(1,440)
Fund Balance, Beginning of Year	<u>-</u>	<u>5,765</u>	<u>5,765</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 4,325</u>	<u>\$ 4,325</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

	CDBG Neighborhood Revitalization		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Intergovernmental Revenues	\$ 356,071	\$ 371,743	\$ 15,672
Investment Income	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>356,071</u>	<u>371,743</u>	<u>15,672</u>
Expenditures			
Current:			
Physical Environment	-	-	-
Transportation	10,800	7,875	2,925
Economic Environment	-	-	-
Parks and Recreation	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	345,271	336,295	8,976
Reserve for Contingency	-	-	-
(Total Expenditures)	<u>(356,071)</u>	<u>(344,170)</u>	<u>11,901</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>27,573</u>	<u>27,573</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	27,573	27,573
Fund Balance, Beginning of Year	<u>-</u>	<u>(27,573)</u>	<u>(27,573)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Concluded)

	Mill Creek Sink Fund			CDBG Economic Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Intergovernmental Revenues	\$ 800,000	\$ 112,263	\$ (687,737)	\$ 974,683	\$ 952,263	\$ (22,420)
Investment Income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>800,000</u>	<u>112,263</u>	<u>(687,737)</u>	<u>974,683</u>	<u>952,263</u>	<u>(22,420)</u>
Expenditures						
Current:						
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	55,497	38,400	17,097
Economic Environment	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	800,000	98,506	701,494	919,186	893,465	25,721
Reserve for Contingency	-	-	-	-	-	-
(Total Expenditures)	<u>(800,000)</u>	<u>(98,506)</u>	<u>701,494</u>	<u>(974,683)</u>	<u>(931,865)</u>	<u>42,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>13,757</u>	<u>13,757</u>	<u>-</u>	<u>20,398</u>	<u>20,398</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>13,757</u>	<u>13,757</u>	<u>-</u>	<u>20,398</u>	<u>20,398</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>(13,757)</u>	<u>(13,757)</u>	<u>-</u>	<u>(23,998)</u>	<u>(23,998)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,600)</u>	<u>\$ (3,600)</u>

STATISTICAL SECTION
(unaudited)

This part of the City of Alachua, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends Information	81
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity Information	91
<p>These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.</p>	
Debt Capacity Information	96
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin, thus it is not reported in these schedules.</p>	
Demographic and Economic Information	103
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</p>	
Operating Information	106
<p>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p>	

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

FINANCIAL TRENDS INFORMATION

Schedule 1
CITY OF ALACHUA, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net Investment in Capital Assets	\$ 13,306,758	14,518,014	15,054,392	15,864,924
Restricted	2,768,100	2,302,270	2,104,955	1,328,668
Unrestricted	1,321,909	2,461,909	3,250,642	3,752,120
Total governmental activities net position	<u>\$ 17,396,767</u>	<u>19,282,193</u>	<u>20,409,989</u>	<u>20,945,712</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 22,062,135	21,041,023	25,448,736	26,121,070
Restricted	2,934,138	2,927,873	1,067,119	688,818
Unrestricted	2,294,312	2,992,216	3,139,610	4,979,974
Total business-type activities net position	<u>\$ 27,290,585</u>	<u>26,961,112</u>	<u>29,655,465</u>	<u>31,789,862</u>
Primary Government				
Net Investment in Capital Assets	\$ 35,368,893	35,559,037	40,503,128	41,985,994
Restricted	5,702,238	5,230,143	3,172,074	2,017,486
Unrestricted	3,616,221	5,454,125	6,390,252	8,732,094
Total primary government net position	<u>\$ 44,687,352</u>	<u>46,243,305</u>	<u>50,065,454</u>	<u>52,735,574</u>

Note: Net position for FY 2015, in both Governmental and Business-type Activities, includes a prior period adjustment of beginning net position as a result of the GASB 68 implementation. The effect of GASB 68 resulted in a change in net position in Governmental Activities by \$(3,186,541) and in Business-type Activities of \$(807,347).

Fiscal Year					
2015	2016	2017	2018	2019	2020
17,393,955	19,616,277	22,463,590	23,893,386	31,404,781	38,811,346
1,933,806	697,533	965,855	1,118,805	720,643	824,515
810,604	1,596,788	34,697	1,170,134	(228,560)	(1,331,158)
<u>20,138,365</u>	<u>21,910,598</u>	<u>23,464,142</u>	<u>26,182,325</u>	<u>31,896,864</u>	<u>38,304,703</u>
27,034,352	26,925,962	27,105,739	27,305,901	30,545,539	32,375,147
737,724	803,328	829,815	845,867	766,948	497,822
5,141,346	7,524,704	8,213,058	10,039,192	8,850,939	8,714,790
<u>32,913,422</u>	<u>35,253,994</u>	<u>36,148,612</u>	<u>38,190,960</u>	<u>40,163,426</u>	<u>41,587,759</u>
44,428,307	46,542,239	49,569,329	51,199,287	61,950,320	71,186,493
2,671,530	1,500,861	1,795,670	1,964,672	1,487,591	1,322,337
5,951,950	9,121,492	8,247,755	11,209,326	8,622,379	7,383,632
<u>53,051,787</u>	<u>57,164,592</u>	<u>59,612,754</u>	<u>64,373,285</u>	<u>72,060,290</u>	<u>79,892,462</u>

Schedule 2
CITY OF ALACHUA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 2,897,711	3,080,777	2,813,888	2,719,659
Public safety	2,882,263	3,009,977	3,085,939	3,164,017
Physical environment	761,634	737,191	795,886	789,404
Transportation	675,861	708,219	694,479	758,198
Economic environment	185,242	148,614	176,463	212,978
Human Services	-	-	-	-
Parks and recreation	722,994	748,726	758,883	1,318,191
Interest on long-term debt	435,371	426,780	435,587	418,674
Total governmental activities expenses	<u>8,561,076</u>	<u>8,860,284</u>	<u>8,761,125</u>	<u>9,381,121</u>
Business-type Activities				
Electric	10,903,730	9,745,061	10,083,138	11,863,813
Water and sewer	3,121,021	4,715,831	3,634,733	3,621,216
Mosquito control	47,326	55,105	49,446	53,461
Total business-type activities	<u>14,072,077</u>	<u>14,515,997</u>	<u>13,767,317</u>	<u>15,538,490</u>
Total primary government expenses	22,633,153	23,376,281	22,528,442	24,919,611
Program Revenues				
Governmental activities:				
Charges for services:				
General government	395,496	346,639	495,774	317,475
Public safety	155,580	156,036	54,418	297,144
Physical environment	785,330	816,165	809,118	823,782
Transportation	11,843	12,200	12,565	13,370
Economic environment	-	-	-	-
Human Services	-	-	-	-
Parks and recreation	31,174	40,295	32,615	27,243
Operating grants and contributions	218,571	217,569	270,027	251,953
Capital grants and contributions	1,168,258	1,033,364	756,335	577,993
Total governmental activities program revenues	<u>\$ 2,766,252</u>	<u>2,622,268</u>	<u>2,430,852</u>	<u>2,308,960</u>
Business-type activities:				
Charges for services:				
Electric	\$ 14,392,269	12,519,393	13,073,827	15,171,323
Water and sewer	3,257,081	2,952,806	3,144,427	3,350,473
Mosquito control	49,877	50,073	54,585	56,291
Operating grants and contributions	1,627,198	-	551,284	24,527
Capital grants and contributions	2,139,510	138,066	1,321,644	662,887
Total business-type activities program revenues	<u>21,465,935</u>	<u>15,660,338</u>	<u>18,145,767</u>	<u>19,265,501</u>
Total primary government program revenues	<u>24,232,187</u>	<u>18,282,606</u>	<u>20,576,619</u>	<u>21,574,461</u>
Net (Expense) Revenue				
Governmental activities	(5,794,824)	(6,238,016)	(6,330,273)	(7,072,161)
Business-type activities	7,393,858	1,144,341	4,378,450	3,727,011
Total primary government net expense	<u>\$ 1,599,034</u>	<u>(5,093,675)</u>	<u>(1,951,823)</u>	<u>(3,345,150)</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
2,690,754	3,028,258	3,486,727	3,599,652	3,929,844	4,312,620
3,215,211	3,610,483	4,085,731	3,654,092	4,005,543	4,448,163
840,642	828,282	724,084	728,897	697,179	709,120
813,619	918,754	982,780	1,009,907	1,146,987	1,132,041
192,386	239,226	237,578	347,468	361,475	348,111
-	-	-	-	-	51,787
892,715	741,416	730,895	1,113,466	1,240,993	1,354,105
413,851	567,472	472,693	458,943	441,643	425,762
<u>9,059,178</u>	<u>9,933,891</u>	<u>10,720,488</u>	<u>10,912,425</u>	<u>11,823,664</u>	<u>12,781,709</u>
12,377,194	11,250,351	10,487,281	10,421,132	10,993,671	10,973,016
3,365,172	3,403,639	3,974,417	3,861,470	4,376,020	4,496,164
41,815	43,026	33,859	43,389	64,968	41,531
<u>15,784,181</u>	<u>14,697,016</u>	<u>14,495,557</u>	<u>14,325,991</u>	<u>15,434,659</u>	<u>15,510,711</u>
24,843,359	24,630,907	25,216,045	25,238,416	27,258,323	28,292,420
371,184	398,171	356,558	424,864	465,209	499,375
237,108	294,121	334,904	320,734	460,845	557,469
842,168	864,936	805,619	796,313	811,177	819,832
14,656	23,104	33,871	34,790	40,108	41,157
-	-	-	-	-	-
-	-	-	-	-	-
31,901	30,654	34,865	73,653	113,726	48,268
485,404	266,003	300,985	243,010	399,811	277,541
1,029,007	1,032,140	763,611	1,864,531	5,292,668	7,004,740
<u>3,011,428</u>	<u>2,909,129</u>	<u>2,630,413</u>	<u>3,757,895</u>	<u>7,583,544</u>	<u>9,248,382</u>
15,693,189	15,129,466	13,736,261	14,066,610	14,098,831	14,454,678
3,429,227	3,969,605	3,852,329	4,089,464	4,158,288	4,366,496
57,115	57,991	58,909	59,831	60,487	60,786
24,527	-	-	-	75,407	6,266
-	-	-	350,000	768,000	-
<u>19,204,058</u>	<u>19,157,062</u>	<u>17,647,499</u>	<u>18,565,905</u>	<u>19,161,013</u>	<u>18,888,226</u>
<u>22,215,486</u>	<u>22,066,191</u>	<u>20,277,912</u>	<u>22,323,800</u>	<u>26,744,557</u>	<u>28,136,608</u>
(6,047,750)	(7,024,762)	(8,090,075)	(7,154,530)	(4,240,120)	(3,533,327)
3,419,877	4,460,046	3,151,942	4,239,914	3,726,354	3,377,515
<u>(2,627,873)</u>	<u>(2,564,716)</u>	<u>(4,938,133)</u>	<u>(2,914,616)</u>	<u>(513,766)</u>	<u>(155,812)</u>

Schedule 2 (Concluded)
CITY OF ALACHUA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 4,051,946	3,695,306	3,650,565	3,650,563
Utility taxes	1,233,554	1,191,592	1,120,707	1,118,050
Discretionary Sales Surtax	-	-	-	-
Communications services taxes	408,414	379,347	333,439	313,826
Local option gas tax	-	-	-	-
Business license tax	48,780	49,898	49,723	46,691
Franchise fees	-	-	-	-
Intergovernmental revenue	565,093	600,600	626,460	657,312
Unrestricted investment earnings	11,159	15,289	13,401	8,321
Miscellaneous	90,378	637,528	150,228	114,923
Capital asset transfers	-	-	-	-
Gain on disposal of capital assets	10,775	-	-	-
Special item	-	-	-	-
Transfers	1,691,792	1,553,882	1,698,102	1,698,198
Total governmental activities	<u>8,111,891</u>	<u>8,123,442</u>	<u>7,642,625</u>	<u>7,607,884</u>
Business-type activities:				
Unrestricted investment earnings	10,154	17,395	11,665	7,330
Miscellaneous	83,366	62,673	80,881	98,254
Capital asset transfers	-	-	-	-
Gain on disposal of capital assets	752	-	-	-
Special item	(921,611)	-	-	-
Transfers	(1,691,792)	(1,553,882)	(1,698,102)	(1,698,198)
Total business-type activities	<u>(2,519,131)</u>	<u>(1,473,814)</u>	<u>(1,605,556)</u>	<u>(1,592,614)</u>
Total primary government	<u>\$ 5,592,760</u>	<u>6,649,628</u>	<u>6,037,069</u>	<u>6,015,270</u>
Change in Net Position				
Governmental activities	\$ 2,317,067	1,885,426	1,312,352	535,723
Business-type activities	4,874,727	(329,473)	2,772,894	2,134,397
Total primary government	<u>\$ 7,191,794</u>	<u>1,555,953</u>	<u>4,085,246</u>	<u>2,670,120</u>

Note: Net position for FY 2015, in both Governmental and Business-type Activities, includes a prior period adjustment of beginning net position as a result of the GASB 68 implementation. The effect of GASB 68 resulted in a change in net position in Governmental Activities by \$(3,186,541) and in Business-type Activities of \$(807,347).

Fiscal Year					
2015	2016	2017	2018	2019	2020
3,638,572	3,982,499	4,171,075	4,090,645	4,280,381	4,489,384
1,165,926	1,387,113	1,423,860	1,450,979	1,506,043	1,481,057
-	-	368,655	605,530	609,820	571,527
346,275	338,750	311,859	323,331	332,749	361,901
-	-	-	-	-	-
49,645	48,398	48,649	49,970	51,497	47,733
-	-	-	-	-	-
703,123	743,242	801,244	823,041	853,502	790,075
6,617	25,692	32,812	58,385	114,730	30,281
902,230	194,070	103,364	97,195	140,609	101,531
-	-	-	-	-	-
-	-	-	-	-	-
(3,186,541)	(123,628)	-	-	-	-
1,614,556	2,200,859	2,382,101	2,362,597	2,065,328	2,067,677
<u>5,240,403</u>	<u>8,796,995</u>	<u>9,643,619</u>	<u>9,861,673</u>	<u>9,954,659</u>	<u>9,941,166</u>
4,280	7,166	23,498	99,537	187,324	58,977
117,079	74,219	101,279	58,336	124,115	55,518
-	-	-	-	-	-
-	-	-	-	-	-
(803,120)	-	-	-	-	-
<u>(1,614,556)</u>	<u>(2,200,859)</u>	<u>(2,382,101)</u>	<u>(2,362,597)</u>	<u>(2,065,328)</u>	<u>(2,067,677)</u>
<u>(2,296,317)</u>	<u>(2,119,474)</u>	<u>(2,257,324)</u>	<u>(2,204,724)</u>	<u>(1,753,889)</u>	<u>(1,953,182)</u>
<u>2,944,086</u>	<u>6,677,521</u>	<u>7,386,295</u>	<u>7,656,949</u>	<u>8,200,770</u>	<u>7,987,984</u>
(807,347)	1,772,233	1,553,544	2,707,143	5,714,539	6,407,839
<u>1,123,560</u>	<u>2,340,572</u>	<u>894,618</u>	<u>2,035,190</u>	<u>1,972,465</u>	<u>1,424,333</u>
<u>316,213</u>	<u>4,112,805</u>	<u>2,448,162</u>	<u>4,742,333</u>	<u>7,687,004</u>	<u>7,832,172</u>

Schedule 3
CITY OF ALACHUA, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Non-Spendable	\$ 1,754,694	1,768,547	1,819,012	1,411,513
Restricted	44,769	15,478	12,626	15,462
Assigned	162,624	157,490	653,673	727,248
Unassigned	1,438,093	2,384,803	2,689,621	3,434,709
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 3,400,180</u>	<u>4,326,318</u>	<u>5,174,932</u>	<u>5,588,932</u>
All Other Governmental Funds				
Non-Spendable	\$ 18,285	9,549	13,621	23,607
Restricted	2,884,071	2,453,267	2,072,294	1,459,511
Assigned	-	-	-	-
Unassigned	(1,646,843)	(1,402,080)	(1,216,869)	(1,282,361)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 1,255,513</u>	<u>1,060,736</u>	<u>869,046</u>	<u>200,757</u>

Note: GASB Statement No. 54 was implemented in fiscal year 2011, which changed the presentation of fund balance components

Fiscal Year					
2015	2016	2017	2018	2019	2020
1,726,625	1,128,744	627,675	750,470	3,104,103	3,022,285
26,154	26,167	10,448	3,693	12,824	12,427
549,035	2,050,825	306,543	2,354,747	1,228,534	1,597,253
3,324,514	2,931,335	3,813,331	2,774,649	2,705,928	2,516,089
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,626,328</u>	<u>6,137,071</u>	<u>4,757,997</u>	<u>5,883,559</u>	<u>7,051,389</u>	<u>7,148,054</u>
10,999	12,226	21,826	5,693	597	589
2,065,728	4,635,975	955,407	1,115,112	707,819	812,088
-	697,959	559,861	494,228	-	-
(1,194,361)	(667,489)	(300,000)	(95,699)	(2,802,715)	(2,539,356)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	491,462	502,343
-	-	-	-	-	-
<u>882,366</u>	<u>4,678,671</u>	<u>1,237,094</u>	<u>1,519,334</u>	<u>(1,602,837)</u>	<u>(1,224,336)</u>

Schedule 4
CITY OF ALACHUA, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 6,111,452	5,531,359	5,364,716	5,344,809
Permits, fees, and special assessments	426,656	410,673	448,531	507,102
Intergovernmental revenues	953,409	1,481,397	1,038,824	1,149,737
Charges for services	904,161	918,349	906,021	902,045
Fines and forfeitures	47,813	41,023	48,181	63,393
Interest	11,159	15,289	13,401	8,321
Miscellaneous	145,019	793,738	174,019	171,720
Total revenues	<u>8,599,669</u>	<u>9,191,828</u>	<u>7,993,693</u>	<u>8,147,127</u>
Expenditures				
General government	2,667,416	2,798,685	2,534,198	2,511,783
Public safety	2,755,777	2,869,912	2,916,255	3,004,179
Physical environment	761,580	737,137	795,832	789,349
Transportation	454,041	475,306	473,721	474,618
Economic environment	176,300	136,857	161,923	197,491
Human Services	-	-	-	-
Parks and recreation	624,179	645,313	657,592	710,454
Debt service:				
Principal	227,398	210,000	215,000	304,621
Interest and fiscal charges	431,476	420,787	430,470	421,513
Capital outlay	435,301	1,733,572	1,746,650	1,685,606
Total expenditures	<u>8,533,468</u>	<u>10,027,569</u>	<u>9,931,641</u>	<u>10,099,614</u>
Excess (deficiency) of revenues over (under) expenditures	66,201	(835,741)	(1,937,948)	(1,952,487)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	167,743	13,220	11,270	-
Proceeds from borrowing	-	-	885,500	-
Payments to refunding bond escrow agent	-	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	2,852,909	3,182,229	2,454,088	2,557,976
Transfers out	(1,161,117)	(1,628,347)	(755,986)	(859,778)
Total other financing sources (uses)	<u>1,859,535</u>	<u>1,567,102</u>	<u>2,594,872</u>	<u>1,698,198</u>
Net change in fund balances	<u>\$ 1,925,736</u>	<u>731,361</u>	<u>656,924</u>	<u>(254,289)</u>
Debt service as a percentage of noncapital expenditures	8.1%	7.6%	7.9%	8.6%

Source: City of Alachua Financial Reports

Note:

A) Section 108, Series 2001A loan refinanced in FY 2015.

B) Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 issued in FY 2016. Issue refunded \$7.1 million of outstanding Capital Improvement and Refunding Revenue Bonds, Series 2006.

Fiscal Year					
2015	2016	2017	2018	2019	2020
5,430,545	6,004,417	6,574,325	6,771,785	7,039,344	7,197,160
495,716	491,381	491,187	536,096	564,860	581,834
1,887,631	1,796,689	1,594,494	1,241,335	3,723,450	8,201,739
947,960	1,067,509	982,949	1,060,719	1,217,916	1,312,746
43,769	34,312	64,531	29,230	78,810	40,987
6,617	25,692	32,812	58,385	114,730	30,283
998,455	192,843	107,699	89,425	137,858	47,637
<u>9,810,693</u>	<u>9,612,843</u>	<u>9,847,997</u>	<u>9,786,975</u>	<u>12,876,968</u>	<u>17,412,386</u>
2,560,365	2,741,395	3,064,460	3,156,600	3,332,416	3,605,052
3,128,641	3,283,396	3,555,867	3,133,453	3,261,173	3,513,186
840,588	828,228	724,030	728,843	697,125	709,066
488,529	566,945	563,055	562,857	667,209	592,393
172,559	197,743	186,235	294,475	300,062	233,817
-	-	-	-	-	51,787
789,635	640,079	592,608	793,078	876,510	954,871
321,840	418,711	482,911	534,888	464,197	479,892
424,885	474,815	486,444	489,477	471,882	456,514
1,979,202	4,339,117	7,395,139	1,048,099	6,826,063	8,408,319
<u>10,706,244</u>	<u>13,490,429</u>	<u>17,050,749</u>	<u>10,741,770</u>	<u>16,896,637</u>	<u>19,004,897</u>
(895,551)	(3,877,586)	(7,202,752)	(954,795)	(4,019,669)	(1,592,511)
-	-	-	-	-	-
1,150,000	13,207,453	-	-	-	-
(1,150,000)	(7,100,000)	-	-	-	-
-	-	-	-	-	-
2,979,434	3,437,126	5,478,044	3,398,431	3,015,805	3,033,621
(1,364,878)	(1,236,267)	(3,095,943)	(1,035,834)	(950,476)	(965,944)
<u>1,614,556</u>	<u>8,308,312</u>	<u>2,382,101</u>	<u>2,362,597</u>	<u>2,065,329</u>	<u>2,067,677</u>
<u>719,005</u>	<u>4,430,726</u>	<u>(4,820,651)</u>	<u>1,407,802</u>	<u>(1,954,340)</u>	<u>475,166</u>
8.6%	9.8%	10.0%	10.6%	9.3%	8.8%

REVENUE CAPACITY INFORMATION

Schedule 5
CITY OF ALACHUA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Residential Property	Commercial Property	Agricultural Property	Industrial Property
2011	\$ 319,077,965	\$ 104,257,104	\$ 60,791,620	\$ 145,987,301
2012	275,660,490	104,238,080	59,247,070	129,060,290
2013	279,161,950	106,282,970	57,665,520	130,863,550
2014	281,698,170	106,926,610	56,734,615	128,789,230
2015	287,733,692	106,342,560	57,151,050	122,327,400
2016	298,701,155	107,851,700	57,903,000	120,895,840
2017	309,304,486	113,985,346	53,879,730	121,952,410
2018	335,714,108	103,460,140	54,743,787	176,570,660
2019	357,724,814	106,719,620	60,071,970	179,366,290
2020	375,232,012	117,826,179	58,052,873	176,592,913

Source: Alachua County Property Appraiser

Non-Taxable Real Property	Personal and Centrally Assessed Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 261,136,703	\$ 144,519,173	\$ 272,288,306	\$ 763,481,560	5.5000
260,266,024	146,380,912	272,929,424	701,923,442	5.5000
286,179,813	103,588,381	281,978,533	681,763,651	5.5000
285,937,360	108,914,101	281,927,200	687,072,886	5.5000
290,459,714	103,433,849	284,232,894	683,215,371	5.5000
287,466,114	100,745,527	285,472,955	688,090,381	5.9900
291,778,105	107,092,736	286,363,129	711,629,684	5.9900
306,847,540	107,354,328	302,079,280	782,611,283	5.3900
323,835,410	110,932,918	318,382,990	820,268,032	5.3900
329,621,158	124,683,997	325,488,330	856,520,802	5.3900

Schedule 6
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year Ended Sept. 30,	Direct			Overlapping							
	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Alachua County Library District	Library Debt Service	Alachua County Children's Trust	School Board	Suwannee River Water Management District	St. Johns River Water Management District
2010	5.5000	0.0000	5.5000	8.3763	0.2500	1.3638	0.1098	0.0000	9.1070	0.4399	0.4158
2012	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.1152	0.0000	9.0920	0.4143	0.3313
2013	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.1130	0.0000	8.5490	0.4143	0.3313
2014	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0950	0.0000	8.4020	0.4143	0.3283
2015	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0950	0.0000	8.4100	0.0420	0.3164
2016	5.9900	0.0000	5.9900	8.7950	0.1595	1.4538	0.0900	0.0000	8.3420	0.4104	0.3023
2017	5.9900	0.0000	5.9900	8.9290	0.0000	1.3371	0.0750	0.0000	7.9360	0.4093	0.2885
2018	5.3900	0.0000	5.3900	8.4648	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027	0.2724
2019	5.3900	0.0000	5.3900	8.2829	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948	0.2562
2020	5.3900	0.0000	5.3900	8.2729	0.0000	1.1825	0.0000	0.5000	7.1440	0.3840	0.2414

Source: Alachua County Property Appraiser

Schedule 7
CITY OF ALACHUA, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS PRIOR

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
			Value			Value
SNH Medical Office Properties, Trust	\$ 65,507,410	1	7.65%	\$ -		0.00%
Wal-Mart Stores East LP	58,766,400	2	6.86%	80,112,810	1	10.49%
Dolgencorp, Inc.	49,285,932	3	5.75%	63,865,630	2	8.37%
Baugh Southeast Cooperative, Inc.	34,080,899	4	3.98%	46,350,580	3	6.07%
Regeneration Technologies, Inc.	26,879,918	5	3.14%	23,082,150	4	3.02%
Alachua Development, LLC	16,232,975	6	1.90%	8,448,990	7	1.11%
Ology Bioservices, Inc.	9,389,701	7	1.10%	-		0.00%
Lowes Home Centers, Inc.	7,129,278	8	0.83%	10,165,510	6	1.33%
Alachua FL 0716 LLC	7,032,700	9	0.82%	-		0.00%
Publix Super Markets, Inc.	6,481,612	10	0.76%	-		0.00%
Waco of Alabama Inc.	-		0.00%	11,316,900	5	1.48%
Hunter Marine Corporation	-		0.00%	6,119,610	8	0.80%
MAS Holding Company, Inc.	-		0.00%	5,908,300	9	0.77%
Wigshaw LLC	-		0.00%	4,185,800	10	0.55%
	<u>\$ 280,786,825</u>		<u>32.78%</u>	<u>\$ 259,556,280</u>		<u>33.99%</u>

Source: Alachua County Property Appraiser

Schedule 8
CITY OF ALACHUA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 4,199,149	\$ 4,042,368	96.3%	\$ 9,578	\$ 4,051,947	96.5%
2012	3,860,579	3,688,577	95.5%	6,729	3,695,307	95.7%
2013	3,749,700	3,612,853	96.4%	37,712	3,650,565	97.4%
2014	3,778,901	3,643,042	96.4%	7,521	3,650,563	96.6%
2015	3,757,685	3,632,904	96.7%	5,669	3,638,573	96.8%
2016	4,130,829	3,975,018	96.2%	7,481	3,982,499	96.4%
2017	4,262,662	4,164,772	97.7%	6,303	4,171,075	97.9%
2018	4,230,837	4,085,398	96.6%	5,247	4,090,645	96.7%
2019	4,404,414	4,296,687	97.6%	(16,306)	4,280,381	97.2%
2020	4,539,399	4,475,397	98.6%	13,987	4,489,384	98.9%

Sources: City of Alachua Financial System Data
Department of Revenue
Alachua County Property Appraiser
Alachua County Tax Collector

DEBT CAPACITY INFORMATION

Schedule 9
CITY OF ALACHUA, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				
	Gen. Govt. Revenue Bonds	Gen. Govt. Participation Certificates	Sales Tax Revenue Notes	Tax Increment Revenue Note	Financing Loans / Capital Leases
2011	\$ 7,577,363	\$ 1,500,000	\$ -	\$ -	\$ -
2012	7,478,669	1,390,000	-	-	-
2013	7,379,974	1,275,000	-	885,500	-
2014	7,281,279	1,150,000	-	805,879	500,000
2015	7,177,584	1,015,000	-	724,038	500,000
2016	12,937,326	875,000	-	640,370	680,085
2017	12,839,292	725,000	-	554,834	506,710
2018	12,622,858	560,000	-	467,389	-
2019	12,399,024	385,000	-	377,994	-
2020	12,171,488	200,000	-	286,601	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Business-Type Activities

Utility Acquisition Bonds	Utility Refunding Bonds	Utility Revenue Bonds	Loans/ Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 665,000	\$ 6,515,000	\$ 319,000	\$ 9,504,291	\$ 26,080,654	7.79%	2,767
600,000	5,905,000	286,000	10,193,012	25,852,681	8.14%	2,838
530,000	4,695,000	-	8,362,907	23,128,381	7.00%	2,532
455,000	4,060,000	-	8,411,413	22,663,571	6.41%	2,437
375,000	3,410,000	-	8,345,992	21,547,614	5.86%	2,254
290,000	2,750,000	4,611,853	8,229,683	31,014,317	7.91%	3,135
200,000	2,085,000	4,576,964	8,086,990	29,574,790	7.36%	2,977
105,000	1,405,000	4,500,471	7,917,275	27,577,993	6.51%	2,716
-	710,000	4,421,382	12,220,079	30,513,479	6.95%	2,963
-	-	4,340,996	11,995,158	28,994,243	5.57%	2,769

Schedule 10
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Capital Improvement Revenue and Revenue Refunding Bonds, 2016	\$ 12,171,487	100.00%	\$ 12,171,487
Redevelopment Revenue Note, 2013	286,601	100.00%	286,601
HUD Section 108 Loan, 2015	200,000	100.00%	200,000
Total direct debt			12,658,088
Overlapping:			
Alachua County Board of County Commissioners:			
Public Improvement Revenue Note, 2014	5,206,000	5.52%	287,359
Capital Improvement Revenue Note, 2015A	2,380,000	5.52%	131,371
Public Improvement Revenue Refunding Note, 2015B	9,834,000	5.52%	542,815
Public Improvement Revenue Refunding Note, 2016	12,920,000	5.52%	713,155
Gas Tax Revenue Note, 2016	2,129,000	5.52%	117,516
Public Improvement Revenue Note, 2017	1,510,000	5.52%	83,349
Capital Improvement Revenue Refunding Note, 2017	1,956,000	5.52%	107,967
Local Option Gas Tax Revenue Note, 2018	11,715,000	5.52%	646,641
Capital Improvement Revenue Note, 2020A	3,750,000	5.52%	206,992
Capital Improvement Revenue Note, 2020B	50,001	5.52%	2,760
Capital Improvement Revenue Note, 2020C	1,000,000	5.52%	55,198
School Board of Alachua County:			
Bus Purchase 2020	8,037,063	4.90%	393,704
Certificates of Participation	132,529,642	4.90%	6,492,097
Quality Zone Academy Bonds	1,794,000	4.90%	87,881
Total overlapping debt			9,868,805
Total direct and overlapping debt			\$ 22,526,893

Sources: City of Alachua Finance Department and the Alachua County Finance Department.

Notes:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of Alachua. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

(2) Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Alachua.

Schedule 11
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
GENERAL GOVERNMENT DEBT
LAST TEN FISCAL YEARS

Fiscal Year	Pledged Revenue	Section 108 Loan Debt Service		Coverage
		Principal	Interest	
2011	\$ 928,496	\$ 100,000	\$ 101,930	4.60
2012	946,444	110,000	96,130	4.59
2013	966,702	115,000	89,530	4.73
2014	1,006,475	125,000	82,538	4.85
2015	1,057,098	135,000	77,762	4.97
2016	1,133,662	140,000	16,405	7.25
2017	1,190,516	150,000	15,242	7.20
2018	1,235,434	165,000	13,848	6.91
2019	1,310,196	175,000	11,654	7.02
2020	1,272,267	185,000	8,363	6.58

Fiscal Year	Pledged Revenue	Series 2006 Capital Improvement Debt Service		Coverage
		Principal	Interest	
2011	\$ 8,681,466	\$ 100,000	\$ 327,758	20.30
2012	3,795,453	100,000	324,258	8.95
2013	6,255,215	100,000	320,695	14.87
2014	6,123,156	100,000	316,883	14.69
2015	6,024,910	105,000	312,783	14.42
2016	6,402,248	110,000	304,448	15.45
2017	-	-	-	N/A
2018	-	-	-	N/A
2019	-	-	-	N/A
2020	-	-	-	N/A

Notes:

- (1) Pledged revenue for the Section 108 Loan consists of Half Cent Sales Tax, Franchise Fees, and Guaranteed Entitlement Revenue.
- (2) Original Section 108 Loan Series 2001A was refinanced by HUD in FY 2014-2015.
- (3) Pledged revenue for the Series 2006 bonds consists of various non ad valorem revenue. This issue was in FY 2016 by the covenant-to-budget Series 2016 Capital Improvement and Revenue Refunding bonds.

Schedule 12
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
SALES TAX REVENUE NOTES
LAST TEN FISCAL YEARS

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1995 Debt Service			Sales Tax Rev Note-1999A Debt Service		
		Principal	Interest	Coverage	Principal	Interest	Coverage
2011	\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0.00
2012	-	-	-	0.00	-	-	0.00
2013	-	-	-	0.00	-	-	0.00
2014	-	-	-	0.00	-	-	0.00
2015	-	-	-	0.00	-	-	0.00
2016	-	-	-	0.00	-	-	0.00
2017	-	-	-	0.00	-	-	0.00
2018	-	-	-	0.00	-	-	0.00
2019	-	-	-	0.00	-	-	0.00
2020	-	-	-	0.00	-	-	0.00

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1999B Debt Service			Sales Tax Rev Note-2000 Debt Service		
		Principal	Interest	Coverage	Principal	Interest	Coverage
2011	\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0.00
2012	-	-	-	0.00	-	-	0.00
2013	-	-	-	0.00	-	-	0.00
2014	-	-	-	0.00	-	-	0.00
2015	-	-	-	0.00	-	-	0.00
2016	-	-	-	0.00	-	-	0.00
2017	-	-	-	0.00	-	-	0.00
2018	-	-	-	0.00	-	-	0.00
2019	-	-	-	0.00	-	-	0.00
2020	-	-	-	0.00	-	-	0.00

Notes:

(1) The Sales Tax 1995 and 2000 were paid off in Fiscal Year 2006 with proceeds from Series 06 Capital Improvement/Refunding Bonds.

(2) The Sales Tax 1999A and 1999B were paid off in Fiscal Year 2001 with proceeds from Section 108 Loan.

Schedule 13
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
TAX INCREMENT REVENUE NOTES
LAST TEN FISCAL YEARS

Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$ 461,621	\$ 27,399	\$ 1,389	\$ 28,788	16.04
2012	451,046	-	-	-	N/A
2013	440,175	-	-	-	N/A
2014	445,355	79,622	19,658	99,280	4.49
2015	430,915	81,841	17,439	99,280	4.34
2016	446,504	83,668	15,612	99,280	4.50
2017	461,807	85,535	13,744	99,279	4.65
2018	442,610	87,445	11,835	99,280	4.46
2019	459,275	89,397	9,882	99,279	4.63
2020	466,184	91,392	7,887	99,279	4.70

Notes:

- (1) The Tax Increment Revenue Notes are backed by the property tax revenue produced by the property tax rate of the City of Alachua and Alachua County applied to the increase in taxable assessed values above the base year taxable assessed valued multiplied by 95%.
- (2) 2000 Tax Increment Note paid off during FY 2010-2011.
- (3) 2013 Redevelopment Note Debt Service payment began in FY 2013-2014.

Schedule 14
CITY OF ALACHUA, FLORIDA
PLEDGED-REVENUE COVERAGE
UTILITY SYSTEM BONDS
LAST TEN FISCAL YEARS

Net Debt Service Requirements

Fiscal Year	Net Utility Revenue Available	Excise Taxes	Revenue Available for Debt Service	Total Debt	Coverage
2011	\$ 5,035,639	\$ 1,641,968	\$ 6,677,607	\$ 1,114,203	5.99
2012	3,921,653	1,570,939	5,492,592	1,040,865	5.28
2013	4,555,312	1,454,146	6,009,458	1,162,198	5.17
2014	3,840,677	1,431,876	5,272,553	1,000,935	5.27
2015	3,295,525	1,512,201	4,807,726	1,120,818	4.29
2016	3,949,967	1,725,863	5,675,830	1,142,493	4.97
2017	3,042,563	1,735,719	4,778,282	1,158,811	4.12
2018	3,587,827	1,774,310	5,362,137	1,184,685	4.53
2019	3,137,138	1,838,792	4,975,930	1,214,577	4.10
2020	3,711,173	1,842,958	5,554,131	1,132,122	4.91

Source: City of Alachua Financial Statements (Combining Statements of Revenues, Expenses, and Changes In Fund Net Position).

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 15
CITY OF ALACHUA, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	City Population	Gainesville MSA Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate
2011	9,424	281,475	\$ 35,543	\$ 334,957,232	7.70%
2012	9,108	266,369	34,859	317,495,772	6.90%
2013	9,134	268,232	36,179	330,458,986	4.80%
2014	9,300	270,382	38,045	353,818,500	5.50%
2015	9,561	273,377	38,462	367,735,182	4.20%
2016	9,892	277,163	39,650	392,217,800	4.40%
2017	9,936	280,708	40,444	401,851,584	4.50%
2018	10,155	280,715	41,718	423,646,290	3.40%
2019	10,298	285,072	42,663	439,343,574	2.50%
2020	10,470	289,857	49,689	520,243,830	4.30%

Notes:

A) Per Capita Personal Income figures are based on Gainesville Metropolitan Statistical Area.

B) Unemployment rate figures are based on the Gainesville Metropolitan Statistical Area.

C) Population estimate as published by University of Florida Bureau of Economic and Business Research (BEBR).

Schedule 16
CITY OF ALACHUA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR

Employer	Fiscal Year 2020			
	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	1080	1	30.85%
Dollar General Distribution Center	Retail	790	2	22.56%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	359	3	10.25%
School Board of Alachua County	Public Education	259	4	7.40%
Ology Bioservices, Inc.	Biologic Technologies	247	5	5.28%
Publix Supermarkets	Retail	185	6	7.06%
Sandvik Mining & Construction USA, LLC	Manufacturing	180	7	5.28%
Lowe's	Retail	143	8	4.08%
City of Alachua	City Government	138	9	3.94%
Baugh Southeast Cooperative, Inc. (Sysco)	Retail	120	10	3.43%
				0.00%
	Total City Employment	3,501		

Source: Individual Employers, Council for Economic Opportunity

Employer	Fiscal Year 2011			
	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	736	1	21.02%
Dollar General Distribution Center	Retail	624	2	17.82%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	365	3	10.43%
Hunter Marine Corporation	Manufacturing	325	4	9.28%
School Board of Alachua County	Public Education	261	5	7.46%
Sage Software	Healthcare Management	220	6	4.28%
Sandvik Mining & Construction USA, LLC	Manufacturing	150	7	6.28%
State of Florida	State Government	144	8	4.28%
Hitchcock & Sons, Inc.	Grocery	129	9	4.11%
City of Alachua	City Government	115	10	3.28%
	Total City Employment	3,069		

Source: Individual Employers, Council for Economic Opportunity

OPERATING INFORMATION

Schedule 17
CITY OF ALACHUA, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Administration	18.00	18.00	18.00	18.00	19.00	13.00	12.00	13.00	13.00	13.00
Culture and Recreation	6.00	6.00	7.00	7.00	7.00	7.00	5.00	6.00	7.00	8.00
Finance/Administrative Services	14.00	14.00	14.00	14.00	14.00	20.00	25.00	26.00	26.00	27.00
Police	29.50	29.50	29.50	29.50	30.00	31.50	32.50	34.50	34.50	36.50
Community Development and Planning	10.00	10.00	10.00	10.00	10.00	10.50	11.00	13.00	13.00	13.00
Public Services	38.00	38.00	38.00	38.00	37.00	38.00	38.00	40.00	40.00	41.00
Total	115.50	115.50	116.50	116.50	117.00	120.00	123.50	132.50	133.50	138.50

Source: City of Alachua Annual Budget

Notes:

- A) Community Development and Planning includes Compliance and Risk Management - 3.5 FTE in FY 2016.
- B) Purchasing, IT, and Facilities consolidated under Finance & Administrative Services during FY 2016.
- C) FTE for Electric System Planner added to Public Services during FY 2016.
- D) Recreation maintenance staff consolidated with Facilities in FY 2017.

Schedule 18
CITY OF ALACHUA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014
Public Safety:				
Arrests	191	162	228	161
Traffic citations issued	2,516	2,307	3,149	3,491
Planning and Development:				
New local business tax receipts issued	121	83	73	46
Building permits issued	348	441	489	539
Culture and Recreation:				
Participants in Summer Recreation Program	-	-	-	-
Electric Utility:				
Number of residential customers	3,569	3,605	3,645	3,721
Kilowatts per hour sold-residential	42,672,474	39,334,834	39,441,390	41,192,449
Number of commercial customers	801	819	855	868
Kilowatts per hour sold-commercial	79,834,390	78,085,867	73,371,218	75,053,504
Water Utility:				
Number of residential customers	3,127	3,166	3,244	3,296
Gallons sold	232,392,400	208,178,387	184,798,177	205,179,769
Number of commercial customers	481	493	505	530
Gallons sold	174,406,479	162,035,512	146,422,961	150,610,000
Wastewater Utility:				
Number of customers	2,656	2,702	2,755	2,820
Gallons of wastewater billed to customers	270,628,629	251,098,965	240,707,541	240,160,431
Reclaimed Water:				
Number of customers	-	-	-	1
Gallons of wastewater billed to customers	-	-	-	103,205,640
Solid Waste:				
Number of customers	3,269	3,300	3,343	3,411

Source: Various City Departments

Notes:

(A) Reclaimed Water became available for sale in Fiscal Year 2014.

2015	2016	2017	2018	2019	2020
206	217	247	320	304	228
1,941	2,196	1,889	1,144	1,813	1,567
76	58	42	49	54	35
642	605	531	948	668	716
-	-	-	42	165	62
3,790	3,866	3,855	3,828	3,881	3,901
42,873,312	44,908,136	49,536,179	43,899,437	45,432,789	44,486,790
845	850	833	939	1,086	1,102
76,684,358	76,684,358	88,739,370	85,042,289	86,828,532	77,724,048
3,377	3,455	3,435	3,481	3,532	3,569
181,027,654	195,392,511	239,218,578	190,649,990	203,401,990	210,642,294
534	544	524	526	534	547
160,707,699	183,371,258	151,993,571	185,630,701	192,225,666	184,659,250
2,886	2,977	2,953	2,984	3,035	3,073
238,979,271	239,973,349	271,199,248	266,929,170	281,685,710	271,043,085
1	1	1	1	1	1
138,011,490	220,200	58,655,900	177,262,500	173,520,740	25,575
3,490	3,532	3,554	3,604	3,685	3,695

Schedule 19
CITY OF ALACHUA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Public Services:										
Streets (miles)	55.77	55.77	48.00	48.00	48.00	48.00	49.10	49.97	52.00	52.00
Culture and Recreation:										
Parks	6	6	6	6	6	6	7	7	7	7
Tennis courts	2	2	2	2	2	2	2	2	2	2
Ball fields	11	11	11	11	11	11	11	11	11	11
Community centers	3	3	3	3	3	3	3	3	3	3
Skate park	1	1	1	1	1	1	1	1	1	1
Spray pool	1	1	1	1	1	1	1	1	1	1
Electric Utility:										
Substations	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	3	3	3	3	3	3	3	3	3	3
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: Various City Departments

**OTHER INDEPENDENT AUDITOR'S
REPORTS AND SCHEDULES**

**CITY OF ALACHUA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA/ CSFA Number	Grant/Contract Number	Expenditures
Federal Awards			
U.S. Department of Housing and Urban Redevelopment			
Passed-Through Florida Department of Economic Opportunity:			
Community Development Block Grant - Neighborhood Revitalization	14.228	18DB-OM-03-11-02-N-14	\$ 344,170
Community Development Block Grant - Economic Development	14.228	18DB-OK-03-11-02-E-02	<u>931,865</u>
Total U.S. Department of Housing and Urban Redevelopment			<u>1,276,035</u>
U.S. Department of Justice			
Passed-Through Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-ALAC-6-Y5-089	<u>19,540</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,295,575</u></u>
State Financial Assistance Projects			
Department of Environmental Protection			
Florida Springs Initiative Grant Program-Mill Creek Sink	37.052	16/17-182	\$ 98,506
Department of Economic Opportunity			
Florida Job Growth Grant Fund	40.043	442902-1-54-01	5,225,748
Department of Law Enforcement			
Violent Crime Investigations	71.004	N/A	<u>12,279</u>
Total Expenditures of State Awards			<u><u>\$ 5,336,533</u></u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
CITY OF ALACHUA, FLORIDA**

Note 1 - General

The accompanying schedule of expenditures of federal awards and state financial assistance projects presents the activity of all state financial assistance projects of the City of Alachua, Florida (the City).

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2020. All federal awards and state financial assistance received directly from federal agencies and state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance projects is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note 1 to the City's financial statements.

Note 3 - De Minimis Indirect Cost Rate Election

The City did not elect to use 10% de minimis indirect cost rate as covered in § 200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF ALACHUA, FLORIDA**

1. Summary of Audit Results

Financial Statements

I. Type of Audit Report Issued on Financial Statements

Unmodified Opinion

II. Significant Deficiency and/or Material Weaknesses in Internal Control

Audit disclosed no significant deficiencies in internal control over financial reporting.

III. Non-Compliance Material to Auditee Financial Statements

Audit disclosed no material instances of non-compliance.

Federal Programs/State Projects

IV. Significant Deficiencies and/or Material Weaknesses in Internal Control Over Major Federal Programs/State Projects

Audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs or major state projects that are required to be reported in the schedule of findings and questioned costs.

V. Type of Audit Report Issued on Compliance with Requirements Applicable to Major Federal Programs/State Projects

Unmodified Opinion

VI. Audit Findings Relative to Major Federal Programs/State Projects

The audit disclosed no findings required to be reported.

VII. Programs Tested as Major Federal Programs/State Projects Included

■ Federal Programs	<u>CFDA No.</u>
Community Development Block Grant	14.228
■ State Projects	<u>CSFA No.</u>
Florida Job Growth Grant Fund	40.043

VIII. Dollar Threshold Used to Distinguish Between Type A and Type B Federal Programs/State Projects

■ Federal Programs	\$ 750,000
■ State Projects	\$ 750,000

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF ALACHUA, FLORIDA**

IX. Low-Risk Auditee

The City did not qualify as a low-risk auditee.

X. Financial Statement Findings

No matters are reported.

XI. Federal Awards/State Financial Assistance Findings and Questioned Costs

No matters are reported.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Alachua, Florida's, (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on the City's major Federal programs and State projects for the year ended September 30, 2020. The City'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 and State awards applicable to its Federal programs and State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City'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 the audit requirements of Chapter 10.550, *Rules of the Auditor General*. These standards, 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 and/or State project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal programs and State projects. However, our audit does not provide a legal determination of the City's compliance.

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Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal programs and State projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal programs and State projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal programs and State projects and to test and report on internal control over compliance in accordance with 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 City'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 major Federal program and/or State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a major Federal program and/or State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major Federal program and/or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



March 9, 2021
Gainesville, 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***

Honorable Mayor, City Commissioners, and
City Manager
Alachua, 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 remaining fund information of the City of Alachua, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 9, 2021.

Internal Control Over Financial Reporting

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

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

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

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 9, 2021
Gainesville, Florida

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

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

We have examined the City of Alachua, Florida's (the City) compliance with the requirements of 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 City's compliance with those requirements. Our responsibility is to express an opinion on the City'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 City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City 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 of the City's compliance with the specified requirements.

In our opinion, the City 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, Federal and other granting agencies, the City Commissioners, and management and is not intended to be and should not be used by anyone other than these specified parties.



March 9, 2021
Gainesville, Florida

MANAGEMENT LETTER

Honorable Mayor, City Commissioners, and
City Manager
Alachua, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Alachua, Florida (the City) as of and for the year ended September 30, 2020, and have issued our report thereon dated March 9, 2021.

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* (the 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 on 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; Schedule of Findings and Questioned Costs; and Independent Accountant's Report 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 and schedule, which are dated March 9, 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 financial audit report. There were no such findings in the preceding audit report.

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. These disclosures can be found in Note 1 to the financial statements.

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MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City 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 for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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 statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter 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, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



March 9, 2021
Gainesville, Florida

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