

2023

City of Alachua, Florida

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2023

CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:
Finance and Administrative Services

**CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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INTRODUCTORY SECTION

City of Alachua

Mayor and City Commissioners

Gib Coerper, Mayor
Dayna Miller, Vice-Mayor
Jennifer Blalock, Commissioner
Shirley Green Brown, Commissioner
Edward Potts, Commissioner

Mike DaRoza, 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



City of Alachua

MAYOR GIB COERPER

Vice-Mayor Dayna Miller

Commissioner Jennifer Blalock

Commissioner Shirley Green Brown

Commissioner Edward Potts

OFFICE OF THE CITY MANAGER

MIKE DAROZA

March 28, 2024

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, 2023, 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, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence of 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, 2023, 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 independent auditors' report. The remainder of this letter provides an overview of the City government, 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 11,015 as of September 30, 2023. 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 with 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 and reported as a single column. Non-major funds are disclosed separately in the combining and individual fund financial statements.

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 economic expansion is evidenced by the City's growth indicators. Particularly, the indicators related to infrastructure (water and wastewater) connections, when compared to prior levels, as this growth results in an 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 in order to retain the natural beauty and attractiveness of the 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 to fund capital projects essential to the creation, improvement, enhancement, and preservation of public facilities and infrastructure.

The City's Fiscal Year 2022-2023 five-year Capital Improvement Plan (CIP), covering the period from October 1, 2022, through September 30, 2027, has earmarked funding approximately of \$25.1 million for 42 projects throughout the City. Electric utility system projects account for the largest portion of the total Capital Improvement Plan funding at \$6.9 million or 27.56%. The Water utility system projects are the second largest, accounting for \$5.3 million, or 21.09%, and the Wastewater utility system projects are the third largest accounting for \$3.2 million, or 12.95%, 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 50.4% of the value. Grants represent 28.6% of CIP funding. General government funding for the CIP is 8.3% and the remaining 12.7% 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. Marketing costs were approximately \$29,337.

The construction of a downtown parking lot began during FY 2022-2023. This parking lot project was completed, adding 40 parking spaces behind Main Street businesses and including a sidewalk connecting it to downtown businesses. Fiscal year 2022-2023 CRA expenses were \$458,973.

TRANSPORTATION

The City's major transportation-related efforts during FY 2022-2023 centered around the continuation of normal annual maintenance of City streets. Most of the roadway improvement funding for FY 2022-2023 is being retained to supplement a \$700,000 Community Development Block Grant (CDBG) – Neighborhood Revitalization category grant received for segments of NW 125 St., NW 148 Ave., NW 147 Ln., NW 122 Terr., NW 121 Terr., NW 148 Pl., and NW 147 Pl. This project is set to be completed during FY 2023-2024.

GENERAL GOVERNMENT

In fiscal year 2022-2023, City staff began to expand on communication efforts to inform and engage the community. Approximately \$82,000 was expended on these efforts.

Additionally, a heating, ventilation, and air-conditioning (HVAC) unit was replaced at City Hall at a cost of approximately \$77,300.

PUBLIC SAFETY

First, and foremost, the Alachua Police Department (APD) achieved and was awarded accreditation from the Commission for Florida Law Enforcement Accreditation. Additionally, APD added two new Police Officer positions, one Evidence Technician position, and purchased 5 sport utility vehicles (SUV) for patrol. The total cost of these enhancements was approximately \$500,000.

Another element of the City's public safety functions, building inspections, purchased one sport utility vehicle (SUV) at a cost of approximately \$38,800.

HUMAN SERVICES

In fiscal year 2022-2023, the City was the recipient of an additional \$66,665 in grant funding from the Children's Trust of Alachua County (CTAC). The CTAC is dedicated funding intended to provide for the well-being of children in Alachua County. The City has programmed the funding towards providing youth enrichment programs for children and \$54,651 of these funds was expended during this fiscal year. Total expenditures on the youth enrichment programs were \$73,731.

RECREATION AND CULTURE

This fiscal year, the Recreation and Culture Department continued providing the community with athletic, cultural, and senior programming. These included both musical events and theatre performances at the Legacy Park amphitheater and the multi-purpose center. Over \$26,000 was expended on these activities to include the provision of Zumba and dance classes. Athletic programming and events included baseball, basketball, football, gymnastics, pickleball, soccer, table tennis, and volleyball.

Additionally, the playground equipment at the Hitchcock Baseball Park / Skinner Field was upgraded at a cost of approximately \$86,547.

PHYSICAL ENVIRONMENT

Improvement and expansion of infrastructure continue to be at the forefront of the City's utilities activities. The electric utility entered its first year of the new purchase power agreements with Florida Municipal Power Agency (FMPA) and Florida Power & Light (FPL). Additionally, about \$1.05 million was expended toward projects designed to upgrade and improve the electric distribution grid.

The water utility continued the design of a new wellfield during the fiscal year. This wellfield is anticipated to exceed \$5.4 million and will utilize both Florida Department of Environmental Protection (FDEP) and American Rescue Plan Act (ARPA) funding.

The wastewater utility continued its emphasis on collection system improvements through the purchase of a large generator and pump for existing lift stations. The cost of these improvements was approximately \$108,300. Additionally, the design of a 16-inch force main sewer line that is to extend from Lift Station #1 to the Alachua Water Reclamation Facility (AWRF) continued. This project is to be completed in conjunction with the new wellfield.

CREDIT RATING

The City of Alachua's credit rating was upgraded by Moody's Investor Service from A1 to Aa3 during fiscal year 2022-2023.

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.

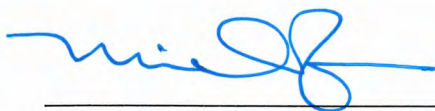
AWARDS AND ACKNOWLEDGEMENTS

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, 2022. This was the thirteenth 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 annual comprehensive 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 yet 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,

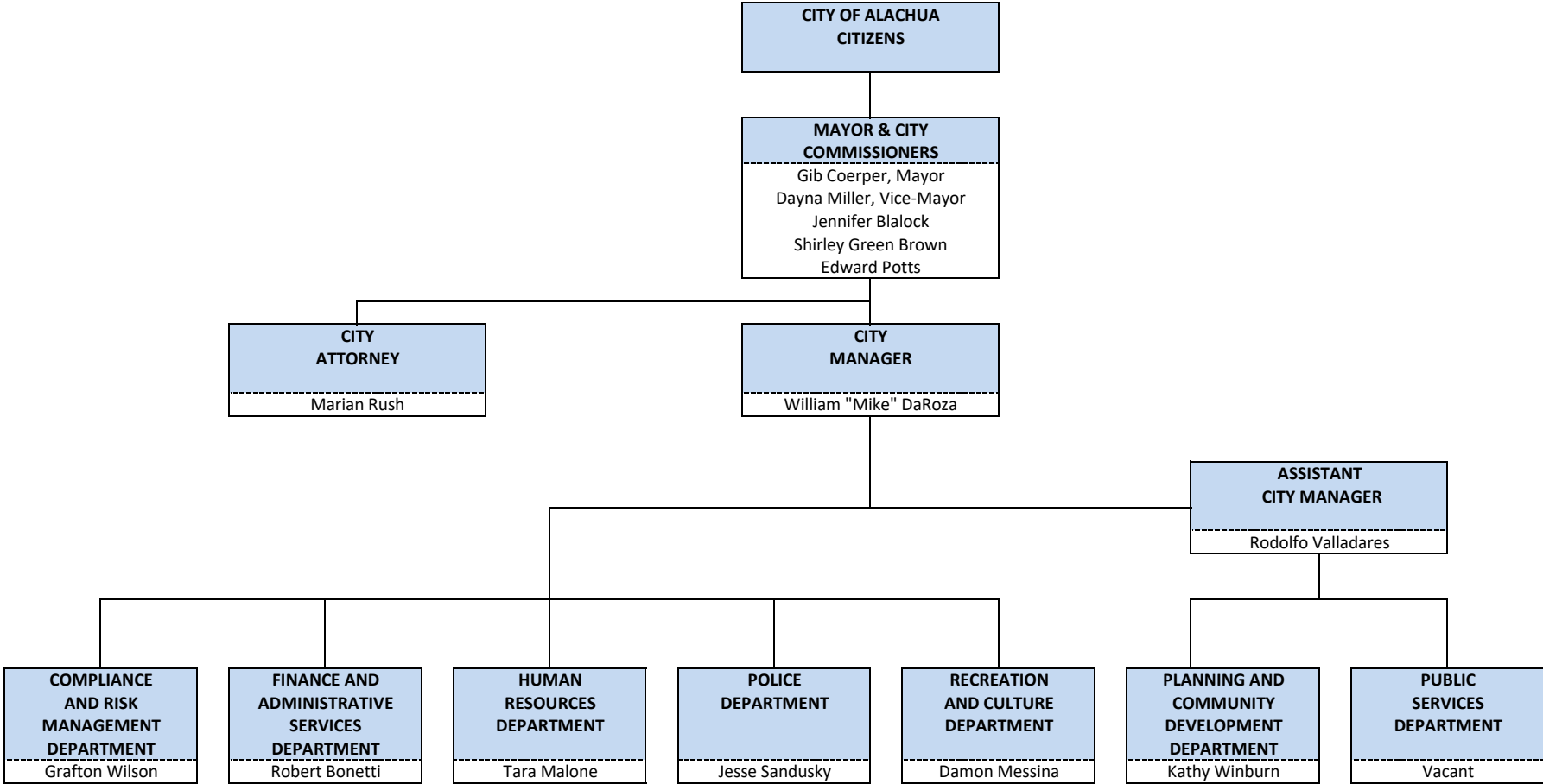


Mike DaRoza
City Manager



Robert A. Bonetti
Finance & Administrative Services Director

CITY OF ALACHUA GOVERNMENT



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 57 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

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

INDEPENDENT AUDITOR'S REPORT

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.

Supplementary 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 accompanying combining and individual non-major fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

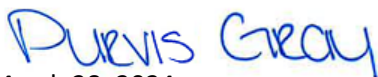
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 28, 2024
Gainesville, Florida

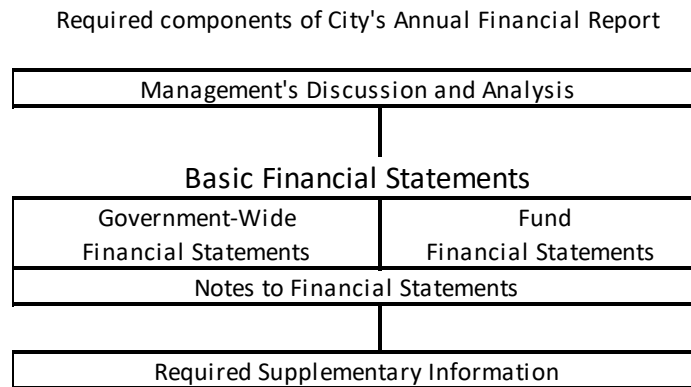
CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 on September 30, 2023, by \$93.7 million, which is a 6.30% increase from the previous year. Unrestricted net position was at \$14.0 million, a 27.27% increase from the previous year.
- Total net position increased by \$5,550,939 over the prior reported period. Despite the property tax rate remaining at 5.3900 mills, an increased net position was primarily achieved through net operating activity.
- The City of Alachua's total long-term debt (due in more than one year) decreased by \$1,171,967 during the current fiscal year. This decrease is due to the reduction of outstanding debt due to the normal debt payments.
- Other Postemployment Benefits (OPEB), Net Pension Liability, and Compensated Absences increased by \$1,041,938 due, primarily, to an increase in the Net Pension Liability.
- Total net position of \$93.7 million is comprised of the following:
 1. The \$78.0 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.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

2. \$1.7 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. \$14.0 million of unrestricted net position.

Fund Financial Statements

- At September 30, 2023, the City's governmental funds reported combined ending fund balances of \$12.7 million, an increase of \$3.3 million, in comparison with the prior fiscal year. This increase is the result of increased revenues coupled with a reduction in advances to other funds.
- Governmental fund revenues were \$16,113,836, or \$2.5 million more than the previous fiscal year. This was primarily the result of an increase in General Fund property tax and other taxes, along with a one-time \$1.8 million settlement related to a development surety instrument.

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 that of 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 one component unit. The Community Redevelopment Agency, a legally separate entity created by the City Commission, has been reported in the basic financial statements as a special revenue 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, 2023

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 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 interfund transfers as other financial sources

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 fourteen (14) 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 which is considered to be a major fund. 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 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 an *Internal Service Fund* 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 56 of this report.

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 63 through 76 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 \$93.7 million at the close of the fiscal year ended September 30, 2023.

A portion of the City's net position, \$1,734,624, represents resources that are subject to external restrictions on how they may be used.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The largest portion of the City's net position \$78,002,440, or 83%, 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, 2023 and 2022

	Governmental Activities		Business-type Activities		Total		Total % Change 2022-2023
	2023	2022	2023	2022	2023	2022	
Current Assets & Other Assets	\$ 13,489,102	10,037,188	26,213,297	22,167,510	39,702,399	32,204,698	23.28%
Capital Assets	51,934,054	51,615,494	51,427,010	51,065,907	103,361,064	102,681,401	0.66%
Total Assets	\$ 65,423,156	61,652,682	77,640,307	73,233,417	143,063,463	134,886,099	6.06%
Deferred Outflows	\$ 2,117,485	2,498,980	732,657	886,907	2,850,142	3,385,887	-15.82%
Total Assets and Deferred Outflows	\$ 67,540,641	64,151,662	78,372,964	74,120,324	145,913,605	138,271,986	5.53%
Long-Term Liabilities Outstanding	\$ 21,057,263	20,752,174	17,590,992	18,026,110	38,648,255	38,778,284	-0.34%
Other liabilities	1,004,779	842,368	11,810,569	10,130,851	12,815,348	10,973,219	16.79%
Total Liabilities	\$ 22,062,042	21,594,542	29,401,561	28,156,961	51,463,603	49,751,503	3.44%
Deferred Inflows	\$ 558,175	277,990	198,948	100,553	757,123	378,543	100.01%
Total Liabilities and Deferred Inflows	\$ 22,620,217	21,872,532	29,600,509	28,257,514	52,220,726	50,130,046	4.17%
Net Position							
Net Investment in Capital Assets	\$ 40,727,323	39,845,824	37,275,117	36,263,333	78,002,440	76,109,157	2.49%
Restricted	1,734,624	1,067,693	-	-	1,734,624	1,067,693	62.46%
Unrestricted	2,458,477	1,365,613	11,497,338	9,599,477	13,955,815	10,965,090	27.27%
Total Net Position	\$ 44,920,424	42,279,130	48,772,455	45,862,810	93,692,879	88,141,940	6.30%

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, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

City of Alachua
Changes in Net Position
For the Years Ended September 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Totals		Totals % change
	2023	2022	2023	2022	2023	2022	2022-2023
Revenues:							
Program Revenues:							
Charges for Services	\$ 2,946,763	2,773,395	20,745,473	24,059,226	23,692,236	26,832,621	-11.70%
Operating Grants and Contributions	320,283	258,650	-	-	320,283	258,650	23.83%
Capital Grants and Contributions	1,430,620	1,455,383	722,280	341,422	2,152,900	1,796,805	19.82%
General Revenues:							
Property Tax	5,585,088	5,079,266	-	-	5,585,088	5,079,266	9.96%
Utility Tax	1,742,543	1,670,498	-	-	1,742,543	1,670,498	4.31%
Other Tax	1,643,985	1,136,676	-	-	1,643,985	1,136,676	44.63%
Intergovernmental	1,202,264	1,189,151	-	-	1,202,264	1,189,151	1.10%
Other	2,038,662	110,569	120,208	16,045	2,158,870	126,614	1605.08%
Total Revenues	\$ 16,910,208	13,673,588	21,587,961	24,416,693	38,498,169	38,090,281	1.07%
Expenses:							
General Government	\$ 5,104,557	4,390,990	-	-	5,104,557	4,390,990	16.25%
Public Safety	5,625,838	4,596,139	-	-	5,625,838	4,596,139	22.40%
Physical Environment	1,100,907	751,599	-	-	1,100,907	751,599	46.48%
Transportation	1,574,783	1,374,633	-	-	1,574,783	1,374,633	14.56%
Economic Environment	502,830	466,375	-	-	502,830	466,375	7.82%
Human Services	79,110	86,665	-	-	79,110	86,665	-8.72%
Parks and Recreation	1,911,392	1,632,577	-	-	1,911,392	1,632,577	17.08%
Electric	-	-	11,414,410	15,257,771	11,414,410	15,257,771	-25.19%
Water and Sewer	-	-	5,212,628	4,906,437	5,212,628	4,906,437	6.24%
Mosquito Control	-	-	51,278	47,856	51,278	47,856	7.15%
Interest on Long-Term Debt	369,497	391,626	-	-	369,497	391,626	-5.65%
Total Expenses	\$ 16,268,914	13,690,604	16,678,316	20,212,064	32,947,230	33,902,668	-2.82%
Increase (Decrease) in Net Position Before Transfers	\$ 641,294	(17,016)	4,909,645	4,204,629	5,550,939	4,187,613	32.56%
Transfers	\$ 2,000,000	2,000,000	(2,000,000)	(2,000,000)	-	-	0.00%
Increase (Decrease) in Net Position	\$ 2,641,294	1,982,984	2,909,645	2,204,629	5,550,939	4,187,613	32.56%
Net Position - Beginning	42,279,130	40,296,146	45,862,810	43,658,181	88,141,940	83,954,327	4.99%
Net Position - Ending	\$ 44,920,424	42,279,130	48,772,455	45,862,810	93,692,879	88,141,940	6.30%

Government-Wide Net Position

The City's total net position at the end of fiscal year 2023 improved by \$5,550,939 resulting from an increase of \$2,641,294 in governmental activities and an increase of \$2,909,645 in business-type activities.

Governmental Activities

The City's net position within governmental activities was improved by \$2,641,294 during fiscal year 2023. This net position increase was, primarily, the result of an increase within sources of funding.

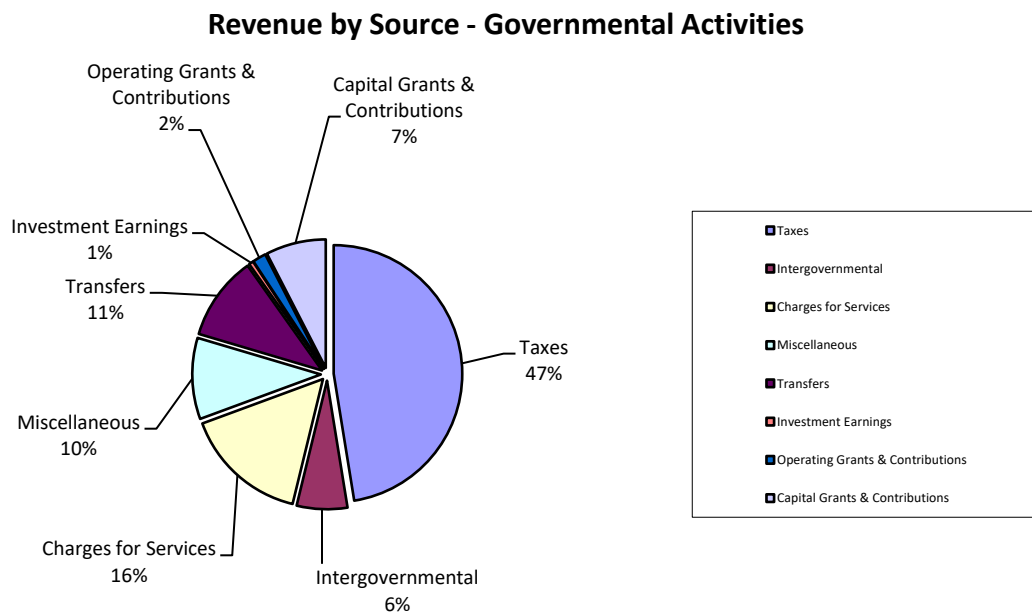
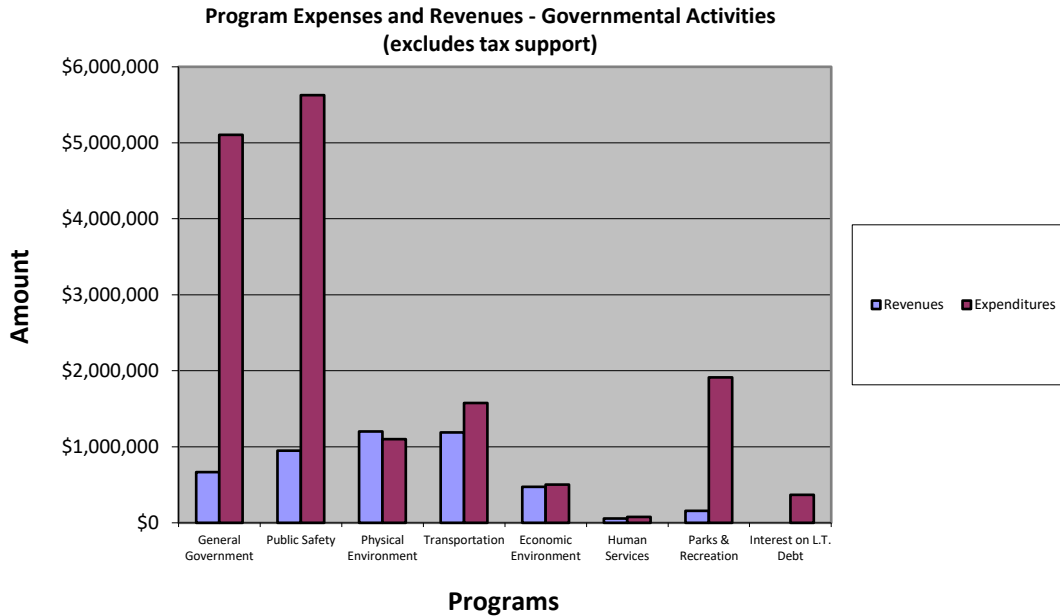
Major changes in revenues were caused by the following:

- For the fiscal year ending September 30, 2023, property taxes increased by \$505,822, primarily, due to the increased property valuation. Other revenue increased by \$1,928,093 due to a one-time \$1.8 million settlement related to a development surety instrument while other tax revenues increased by \$507,309.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of \$2,578,310. This increase was, in large part, the result of payroll costs and payroll-related benefits coupled with inflation related to the procurement of goods and services.



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

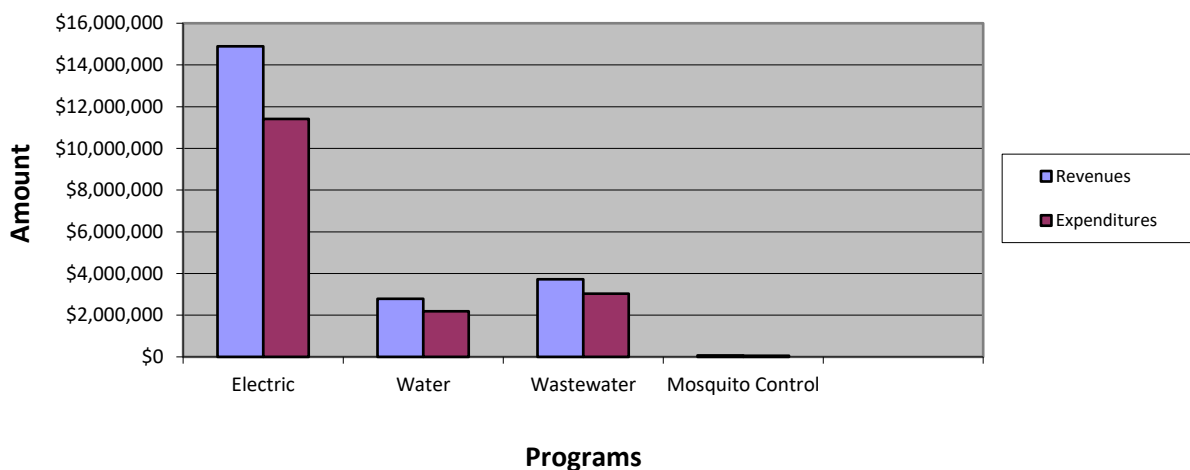
Business-Type Activities

The City's net position within business-type activities was improved by \$2,909,645 during fiscal year 2023.

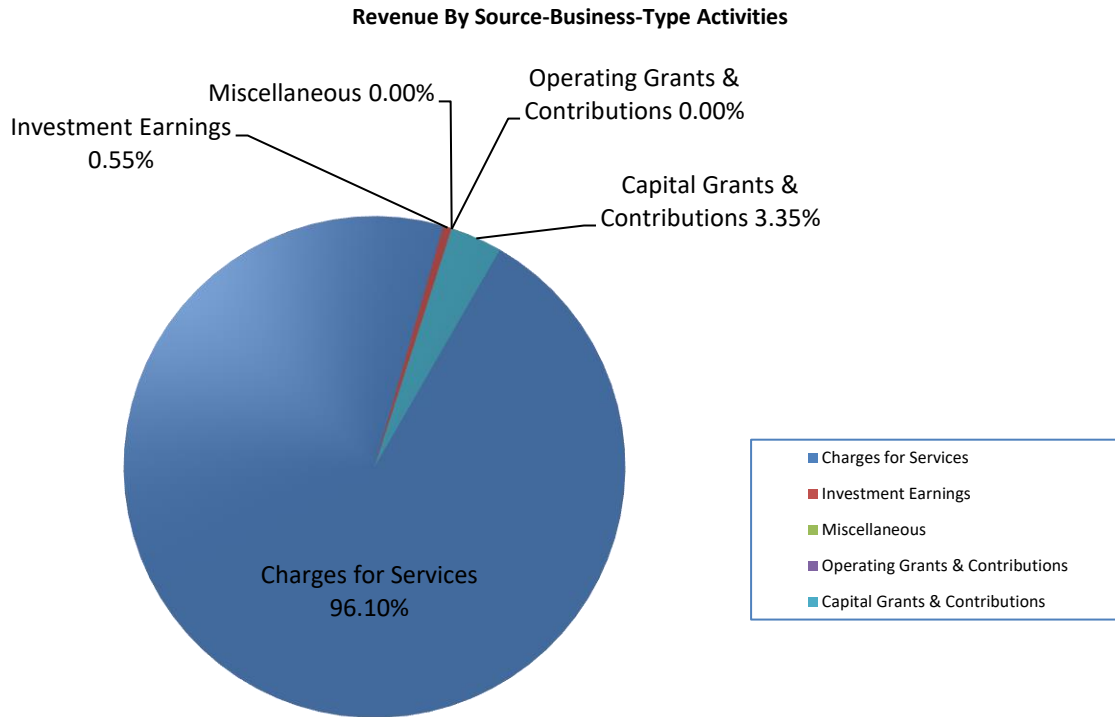
Net position increased overall due to decreased costs to purchase power coupled with increased water and sewer rates. Charges for services decreased by \$3,313,753. Capital grants and contributions increased by \$380,858 while other revenues increased by \$104,163 in 2023. Business-type expenses decreased by \$3,533,748 largely due to purchase power and transmission costs during the fiscal year.

- The Electric Utility of the City purchases power from Florida Power & Light (FPL) and Florida Municipal Power Agency (FMPA). The majority of the customers are supplied from the Alachua Substation, which receives power from FPL and is connected via the FPL and the Gainesville Regional Utilities transmission systems and operates at 12.47Y/138kV. The second source is the Legacy Substation, which became operational in the latter part of fiscal year 2021, operates at 12.47Y/69kV, and receives power from FMPA via the Duke Energy of Florida transmission system.
- The Water Utility obtains its water supply from the upper portion of the Floridan 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 before public distribution. The system's wells range in age from 31 to 54 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 available to be resold as reclaimed water.

Expenses and Program Revenues - Business-Type Activities



CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023



Fund Financial Analysis

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

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 2023, the City's governmental funds reported combined ending fund balances of \$12,680,261, an increase of \$3,278,790 in comparison with the prior year.

Major Funds

The General Fund is the only major governmental fund.

The General Fund is the chief operating fund of the City. The General Fund had an increase in fund balance of \$2,302,296. This increase was the result of additional revenue from property taxes coupled with a one-time \$1.8 million settlement. The total fund balance was \$10,213,904 of which \$6,519,909 was unassigned. The cash balance at the end of the year was \$10,265,631. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund revenues. Unassigned fund balance represents 45.9% of the total General Fund operating revenue, while total fund balance represents 71.8% of that same figure. The Government Finance Officers Association (GFOA), Best Practices guidelines call for an unassigned fund balance level of two (2) months of operating revenues. Total fund balance includes committed, restricted, assigned, and unassigned fund balances.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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, 2023, were \$72.9 million, total liabilities and deferred inflows were \$25.4 million. Net position was \$47.5 million.

General Fund Budgetary Highlights with Variances

The General Fund operating budget was \$11,357,951 at the beginning of fiscal year 2023. The final amended budget amount of \$13,267,129 was brought about by the following amendments:

- \$20,000: Increase to provide budget for expenses of the Public Services Department related to a grant from the Duke Energy Foundation and the Greater Gainesville Chamber Foundation.
- \$1,851,741: Increase to provide budget for the unanticipated revenue from a settlement related to a development surety instrument.
- \$12,437: Increase to provide budget for expenses of the Alachua Police Department related to two Edward Byrne Memorial Justice Assistance Grants.
- \$25,000: Increase to provide budget in Special Expenses related to a Duke Energy Economic Development grant.

General Fund Actual Results Highlights with Variances

At September 30, 2023, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue of \$949,270. This was due to increased taxes, permits and fees related to development, higher levels of intergovernmental revenues, and interest earnings relative to the budgetary forecast. The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures of \$3,440,237. This was primarily due to unspent operating and capital expense appropriations in the general government, public safety, economic environment, and transportation functions of the City.

Capital Asset and Debt Administration

The City's capital assets for its governmental and business-type activities as of September 30, 2023, totaled \$103.4 million (net of accumulated depreciation) and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

City of Alachua
Capital Assets
(in thousands)

	Governmental		Business-type		Total		Total %
	Activities		Activities				Change
	2023	2022	2023	2022	2023	2022	2022-2023
Land	\$ 7,841	7,841	586	586	8,427	8,427	0.0%
Buildings	16,912	16,908	9,991	9,972	26,903	26,880	0.1%
Improvements other than buildings	15,041	13,758	10,781	9,312	25,822	23,070	11.9%
Infrastructure	26,319	23,582	53,899	53,403	80,218	76,985	4.2%
Furniture, fixtures, and equipment	5,112	4,641	4,083	3,904	9,195	8,545	7.6%
Construction in progress	25	2,351	2,270	2,052	2,295	4,403	-47.9%
Less: Accumulated Depreciation	(19,316)	(17,466)	(30,183)	(28,163)	(49,499)	(45,629)	8.5%
Total Assets	\$ 51,934	51,615	51,427	51,066	103,361	102,681	0.7%

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 the completion of the downtown parking lot. Additionally, a heating, ventilation, and air conditioning unit was replaced at City Hall along with the purchase of five police sport utility vehicles, and a backhoe.

Major capital asset events for the business-type activities included electrical undergrounding projects, engineering activities related to the construction of a new wellhead, and the purchases of a large generator and heavy-duty pump for lift station operations.

Additional information on the City's capital assets can be found in Note 6 starting on page 38 of this report.

Long-Term Debt

At the end of fiscal year 2023, the City had total long-term debt outstanding of approximately \$25.4 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
	2023	2022	2023	2022	2023	2022	2022-2023
Revenue Bonds	\$ 11,248,384	11,672,019	4,015,328	4,164,617	15,263,712	15,836,636	-3.6%
Revenue Notes	-	97,651	3,495,000	3,705,000	3,495,000	3,802,651	-8.1%
Loans	-	-	6,641,565	6,932,957	6,641,565	6,932,957	-4.2%
Total Debt	\$ 11,248,384	11,769,670	14,151,893	14,802,574	25,400,277	26,572,244	-4.4%

The City's outstanding principal debt decreased \$1,171,967 during fiscal year 2023. Debt activity included normal principal/interest payments.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

During this fiscal year, the City of Alachua's credit rating was upgraded by Moody's Investor Service from A1 to Aa3.

Additional information on the City's debt can be found in Note 7 starting on page 39 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA was 3.0%, which includes the City of Alachua. This is a 25% increase from the previous fiscal year's rate of 2.4%.
- The final certified City-wide taxable value of property increased to \$1.07 billion, representing an increase of 9.55%.
- The population increased approximately 1.6% from the prior year to an estimate of 11,015.
- During the current fiscal year, ad valorem taxes increased by \$505,820 to \$5,585,088 due, primarily, to increased property valuations. The ad valorem tax rate was 5.3900 mills.
- Next fiscal year property tax revenue is based on the millage rates of 5.9500 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, 2023

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash and Cash Equivalents	\$ 10,807,660	\$ 16,648,018	\$ 27,455,678
Receivables, Net of Allowance	279,007	3,163,279	3,442,286
Due from Other Governments	294,253	35,800	330,053
Inventories	4,961	3,704,563	3,709,524
Prepaid and Other Assets	96,020	132,742	228,762
Restricted Assets:			
Cash and Cash Equivalents	1,771,538	2,764,558	4,536,096
Capital Assets Not Being Depreciated:			
Land	7,841,280	586,447	8,427,727
Construction in Progress	24,900	2,269,762	2,294,662
Depreciable Capital Assets, Net	44,067,874	48,570,801	92,638,675
Internal Balances	235,663	(235,663)	-
Total Assets	65,423,156	77,640,307	143,063,463
Deferred Outflows of Resources			
OPEB Related	56,959	26,786	83,745
Pension Related	2,060,526	705,871	2,766,397
Total Deferred Outflows of Resources	2,117,485	732,657	2,850,142
Liabilities			
Accounts Payable	216,350	906,588	1,122,938
Accrued Expenses	403,701	131,152	534,853
Due to Other Governments	155,580	113,683	269,263
Unearned Revenue	33,210	4,847,950	4,881,160
Rate Stabilization Credit	-	3,565,111	3,565,111
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	195,938	186,584	382,522
Customer Deposit	-	2,059,501	2,059,501
Non-Current Liabilities:			
Due Within One Year	747,115	836,247	1,583,362
Due in More Than One Year	11,113,894	13,575,721	24,689,615
Net Pension Liability	8,971,679	3,073,414	12,045,093
Total OPEB Liability	224,575	105,610	330,185
Total Liabilities	22,062,042	29,401,561	51,463,603
Deferred Inflows of Resources			
OPEB Related	60,560	28,481	89,041
Pension Related	497,615	170,467	668,082
Total Deferred Inflows of Resources	558,175	198,948	757,123
Net Position			
Net Investment in Capital Assets	40,727,323	37,275,117	78,002,440
Restricted for:			
Law Enforcement	19,836	-	19,836
Physical Environment	733,931	-	733,931
Economic Environment	647,779	-	647,779
Parks and Recreation	333,078	-	333,078
Unrestricted	2,458,477	11,497,338	13,955,815
Total Net Position	\$ 44,920,424	\$ 48,772,455	\$ 93,692,879

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 5,104,557	\$ 662,254	\$ 6,931	\$ -	\$ (4,435,372)	\$ -	\$ (4,435,372)
Public Safety	5,625,838	896,118	52,220	-	(4,677,500)	-	(4,677,500)
Physical Environment	1,100,907	1,183,392	-	19,239	101,724	-	101,724
Transportation	1,574,783	47,723	205,931	937,145	(383,984)	-	(383,984)
Economic Environment	502,830	-	-	474,236	(28,594)	-	(28,594)
Parks and Recreation	1,911,392	157,276	550	-	(1,753,566)	-	(1,753,566)
Human Services	79,110	-	54,651	-	(24,459)	-	(24,459)
Interest on Long-Term Debt	369,497	-	-	-	(369,497)	-	(369,497)
Total Governmental Activities	16,268,914	2,946,763	320,283	1,430,620	(11,571,248)	-	(11,571,248)
Business-Type Activities							
Electric	11,414,410	14,788,541	-	100,540	-	3,474,671	3,474,671
Water	2,184,874	2,493,603	-	298,534	-	607,263	607,263
Wastewater	3,027,754	3,399,675	-	323,206	-	695,127	695,127
Mosquito Control	51,278	63,654	-	-	-	12,376	12,376
Total Business-Type Activities	16,678,316	20,745,473	-	722,280	-	4,789,437	4,789,437
Total Primary Government	\$ 32,947,230	\$ 23,692,236	\$ 320,283	\$ 2,152,900	(11,571,248)	4,789,437	(6,781,811)
General Revenues							
Ad Valorem					5,585,088	-	5,585,088
Utility Service Taxes					1,742,543	-	1,742,543
Discretionary Sales Surtax					1,273,912	-	1,273,912
Communication Service Taxes					327,756	-	327,756
Business License Taxes					42,317	-	42,317
Half-Cent Sales Tax					753,305	-	753,305
State Revenue Sharing					448,959	-	448,959
Investment Earnings					107,924	118,924	226,848
Miscellaneous					1,930,738	1,284	1,932,022
Transfers					2,000,000	(2,000,000)	-
Total General Revenues and Transfers					14,212,542	(1,879,792)	12,332,750
Change in Net Position					2,641,294	2,909,645	5,550,939
Net Position, Beginning of Year					42,279,130	45,862,810	88,141,940
Net Position, End of Year					\$ 44,920,424	\$ 48,772,455	\$ 93,692,879

See accompanying notes.

CITY OF ALACHUA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Non-Major Governmental	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 10,265,631	\$ 2,313,567	\$ 12,579,198
Receivables:			
Accounts, Net of Allowance	173,498	13,470	186,968
Taxes	43,038	-	43,038
Franchise Fees	49,001	-	49,001
Due from Other Governments	120,639	173,614	294,253
Inventory	-	4,961	4,961
Prepaid Items	95,083	937	96,020
Advances to Other Funds	239,010	-	239,010
Total Assets	<u>10,985,900</u>	<u>2,506,549</u>	<u>13,492,449</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	190,170	26,180	216,350
Accrued Liabilities	394,586	9,115	403,701
Due to Other Governments	155,580	-	155,580
Unearned Revenue	31,660	1,550	33,210
Advances from Other Funds	-	3,347	3,347
Total Liabilities	<u>771,996</u>	<u>40,192</u>	<u>812,188</u>
Fund Balances			
Non-Spendable:			
Prepays	95,083	937	96,020
Inventory	-	4,961	4,961
Advances to Other Funds	239,010	-	239,010
Restricted for:			
Law Enforcement	-	19,836	19,836
Physical Environment	-	733,931	733,931
Economic Environment	-	647,779	647,779
Parks and Recreation	-	333,078	333,078
Assigned for:			
Subsequent Year Budget	3,359,902	-	3,359,902
Debt Service	-	725,835	725,835
Unassigned	6,519,909	-	6,519,909
Total Fund Balances	<u>10,213,904</u>	<u>2,466,357</u>	<u>12,680,261</u>
Total Liabilities and Fund Balances	<u>\$ 10,985,900</u>	<u>\$ 2,506,549</u>	<u>\$ 13,492,449</u>

See accompanying notes.

CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Fund Balance - Total Governmental Funds \$ 12,680,261

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	\$ 71,250,619	
(Accumulated Depreciation)	<u>(19,316,565)</u>	51,934,054

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:

2016 Capital Improvement and Refunding Bonds	(10,683,575)	
Bond Issuance Premium	(564,809)	
Compensated Absences	<u>(612,625)</u>	(11,861,009)

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.		(224,575)
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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.		(8,971,679)
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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	2,060,526	
Deferred Inflows Related to Pensions	(497,615)	
Deferred Outflows Related to OPEB	56,959	
Deferred Inflows Related to OPEB	<u>(60,560)</u>	1,559,310

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>(195,938)</u>
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Net Position of Governmental Activities		<u><u>\$ 44,920,424</u></u>
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See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Non-Major Governmental	Total Governmental Funds
Revenues			
Taxes	\$ 8,033,726	\$ 1,273,912	\$ 9,307,638
Permits, Fees, and Special Assessments	1,038,745	19,239	1,057,984
Intergovernmental Revenues	1,240,653	528,887	1,769,540
Charges for Services	1,836,479	23,459	1,859,938
Fines and Forfeitures	41,916	6,164	48,080
Investment Income	100,608	7,316	107,924
Miscellaneous	1,924,272	38,460	1,962,732
Total Revenues	<u>14,216,399</u>	<u>1,897,437</u>	<u>16,113,836</u>
Expenditures			
Current:			
General Government	4,170,933	-	4,170,933
Public Safety	4,547,687	8,528	4,556,215
Physical Environment	1,075,548	25,305	1,100,853
Transportation	775,977	-	775,977
Economic Environment	9,480	327,282	336,762
Human Services	-	79,110	79,110
Parks and Recreation	1,428,427	26,783	1,455,210
Debt Service:			
Principal	-	497,251	497,251
Interest and Fiscal Charges	-	404,245	404,245
Capital Outlay	871,044	587,446	1,458,490
(Total Expenditures)	<u>(12,879,096)</u>	<u>(1,955,950)</u>	<u>(14,835,046)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,337,303</u>	<u>(58,513)</u>	<u>1,278,790</u>
Other Financing Sources (Uses)			
Transfers in	2,000,000	1,035,007	3,035,007
Transfers (out)	(1,035,007)	-	(1,035,007)
Total Other Financing Sources (Uses)	<u>964,993</u>	<u>1,035,007</u>	<u>2,000,000</u>
Net Change in Fund Balance	2,302,296	976,494	3,278,790
Fund Balance, Beginning of Year	<u>7,911,608</u>	<u>1,489,863</u>	<u>9,401,471</u>
Fund Balance, End of Year	<u>\$ 10,213,904</u>	<u>\$ 2,466,357</u>	<u>\$ 12,680,261</u>

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, 2023**

Net Change in Fund Balance - Total Governmental Funds \$ 3,278,790

**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	\$ 1,458,490	
Depreciation Expense	<u>(1,874,581)</u>	(416,091)

Donations of capital assets are not recorded in governmental funds.

However, in the statement of activities, the fair values of those assets are recorded as revenue.	796,372
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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	(61,721)
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Repayment of long-term liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.

497,251

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	24,035	
Change in Accrued Interest Payable	10,713	
Change in Compensated Absences Liability	<u>(27,264)</u>	7,484

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.

(23,427)

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.

(1,437,364)

Change in Net Position of Governmental Activities

\$ 2,641,294

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund
	Major Funds			Non-Major Fund	Total	
				Mosquito	Enterprise	
	Electric	Water	Wastewater	Control	Funds	
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 7,878,315	\$ 4,985,270	\$ 1,924,863	\$ 268,024	\$ 15,056,472	\$ 1,591,546
Receivables, Net of Allowance	2,353,323	340,767	461,166	5,664	3,160,920	2,359
Due from Other Governments	-	-	35,800	-	35,800	-
Prepaid Items	19,988	7,509	23,514	287	51,298	22,932
Inventories	3,413,358	280,712	10,493	-	3,704,563	-
Total Current Assets	13,664,984	5,614,258	2,455,836	273,975	22,009,053	1,616,837
Non-Current Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,393,825	474,613	827,277	-	2,695,715	68,843
Total Restricted Assets	1,393,825	474,613	827,277	-	2,695,715	68,843
Capital Assets:						
Land	92,630	-	163,310	-	255,940	330,507
Construction in Progress	1,439,639	609,924	220,199	-	2,269,762	-
Property, Plant and Equipment	24,258,093	11,054,369	37,403,583	125,966	72,842,011	5,911,321
(Accumulated Depreciation)	(10,232,503)	(5,692,249)	(13,073,883)	(94,534)	(29,093,169)	(1,089,362)
Total Net Capital Assets	15,557,859	5,972,044	24,713,209	31,432	46,274,544	5,152,466
Other Assets:						
Advances to Other Funds	1,542,343	-	40,347	-	1,582,690	215,065
Unamortized Bond Insurance	-	-	-	-	-	58,512
Total Other Assets	1,542,343	-	40,347	-	1,582,690	273,577
Total Non-Current Assets	18,494,027	6,446,657	25,580,833	31,432	50,552,949	5,494,886
Total Assets	32,159,011	12,060,915	28,036,669	305,407	72,562,002	7,111,723
Deferred Outflows of Resources						
OPEB Related	6,158	1,539	2,771	-	10,468	16,318
Pension Related	195,039	30,616	86,019	2,335	314,009	391,862
Total Deferred Outflows of Resources	201,197	32,155	88,790	2,335	324,477	408,180
Total Assets and Deferred Outflows	32,360,208	12,093,070	28,125,459	307,742	72,886,479	7,519,903

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023
(Concluded)

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund
	Major Funds			Non-Major Fund	Total	
				Mosquito	Enterprise	
	Electric	Water	Wastewater	Control	Funds	
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 804,489	\$ 43,328	\$ 28,882	\$ -	\$ 876,699	\$ 29,889
Accrued Expenses	31,968	6,102	14,595	1,537	54,202	76,950
Due to Other Governments	113,683	-	-	-	113,683	-
Rate Stabilization Credit	3,565,111	-	-	-	3,565,111	-
Compensated Absences	45,691	9,725	23,102	-	78,518	83,467
Current Portion of Long-Term Debt	-	-	-	-	-	155,789
Payable from Restricted Assets:						
Accrued Interest Payable	-	28,746	88,995	-	117,741	68,843
Current Portion of Long-Term Debt	-	110,000	408,473	-	518,473	-
Unearned Revenue	-	4,847,950	-	-	4,847,950	-
Total Current Liabilities	4,560,942	5,045,851	564,047	1,537	10,172,377	414,938
Non-Current Liabilities:						
Advances from Other Funds	-	785,956	1,247,462	-	2,033,418	-
Total OPEB Liability	24,278	6,070	10,925	-	41,273	64,337
Compensated Absences	24,653	2,962	26,410	-	54,025	44,065
Net Pension Liability	849,215	133,304	374,532	10,166	1,367,217	1,706,197
Long-Term Debt	-	1,637,500	7,980,593	-	9,618,093	3,859,538
Payable from Restricted Assets:						
Customer Deposits	1,393,825	335,867	329,809	-	2,059,501	-
Total Non-Current Liabilities	2,291,971	2,901,659	9,969,731	10,166	15,173,527	5,674,137
Total Liabilities	6,852,913	7,947,510	10,533,778	11,703	25,345,904	6,089,075
Deferred Inflows of Resources						
OPEB Related	6,548	1,637	2,946	-	11,131	17,350
Pension Related	47,102	7,394	20,773	564	75,833	94,634
Total Deferred Inflows of Resources	53,650	9,031	23,719	564	86,964	111,984
Net Position						
Net Investment in Capital Assets	15,557,859	4,224,544	16,324,143	31,432	36,137,978	1,137,139
Unrestricted	9,895,786	(88,015)	1,243,819	264,043	11,315,633	181,705
Total Net Position	25,453,645	4,136,529	17,567,962	295,475	47,453,611	1,318,844
Total Liabilities, Deferred Inflows, and Net Position	\$ 32,360,208	\$ 12,093,070	\$ 28,125,459	\$ 307,742	\$ 72,886,479	\$ 7,519,903
Net Position - Above					\$ 47,453,611	
Internal Service Fund Net Position in the Enterprise Funds					1,318,844	
Net Position of Business-Type Activities					\$ 48,772,455	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Operating Revenues						
Charges for Services	\$ 14,738,624	\$ 2,477,445	\$ 3,399,675	\$ 63,654	\$ 20,679,398	\$ -
Interfund Charges	-	-	-	-	-	3,717,271
Other Operating Revenue	49,917	16,158	-	-	66,075	6,077
Total Operating Revenues	14,788,541	2,493,603	3,399,675	63,654	20,745,473	3,723,348
Operating Expenses						
Electric Power Expenses:						
Purchased Power	7,502,329	-	-	-	7,502,329	-
Personal Services	1,290,387	189,547	500,198	14,280	1,994,412	2,386,464
Contractual Services	292,183	72,762	98,718	-	463,663	95,722
Supplies	106,793	33,444	127,563	3,600	271,400	118,522
Repairs and Maintenance	332,923	12,351	164,684	933	510,891	184,023
Billing and Administrative	1,391,913	1,571,395	728,463	25,500	3,717,271	-
Depreciation	599,475	288,383	977,173	8,558	1,873,589	160,071
Other Expenses	71,845	155,312	300,900	1,584	529,641	184,071
(Total Operating Expenses)	(11,587,848)	(2,323,194)	(2,897,699)	(54,455)	(16,863,196)	(3,128,873)
Operating Income	3,200,693	170,409	501,976	9,199	3,882,277	594,475
Non-Operating Revenues						
(Expenses)						
Investment Earnings	64,224	24,301	18,055	2,442	109,022	9,902
Interest and Fiscal Charges	-	(57,483)	(220,825)	-	(278,308)	(131,287)
Gain (Loss) on Disposal of Capital Assets	4,382	-	-	-	4,382	(3,098)
Total Non-Operating Revenues						
(Expenses)	68,606	(33,182)	(202,770)	2,442	(164,904)	(124,483)
Income Before Capital Contributions and Transfers	3,269,299	137,227	299,206	11,641	3,717,373	469,992

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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	
Contributions and Transfers						
Capital Contributions	\$ 100,540	\$ 298,534	\$ 323,206	\$ -	\$ 722,280	\$ -
Transfers (out)	(2,000,000)	-	-	-	(2,000,000)	-
Total Contributions and Transfers	<u>(1,899,460)</u>	<u>298,534</u>	<u>323,206</u>	<u>-</u>	<u>(1,277,720)</u>	<u>-</u>
Change in Net Position	1,369,839	435,761	622,412	11,641	2,439,653	469,992
Net Position, Beginning of Year	<u>24,083,806</u>	<u>3,700,768</u>	<u>16,945,550</u>	<u>283,834</u>	<u>45,013,958</u>	<u>848,852</u>
Net Position, End of Year	<u>\$ 25,453,645</u>	<u>\$ 4,136,529</u>	<u>\$ 17,567,962</u>	<u>\$ 295,475</u>	<u>\$ 47,453,611</u>	<u>\$ 1,318,844</u>
Change in Net Position - Above					\$ 2,439,653	
Internal Service Fund Activities in the Enterprise Funds					469,992	
Change in Net Position of Business-Type Activities					<u>\$ 2,909,645</u>	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	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	\$ 17,318,901	\$ 2,519,112	\$ 3,253,066	\$ 63,545	\$ 23,154,624	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	3,732,414
Cash from Other Sources	49,917	16,158	-	-	66,075	6,077
Payments to Suppliers for Goods and Services	(10,643,002)	(499,256)	(677,921)	(6,766)	(11,826,945)	(579,993)
Payments for Interfund Services Used	(1,391,913)	(1,571,395)	(728,463)	(25,500)	(3,717,271)	-
Payments to Employees for Services	(1,139,332)	(187,758)	(485,269)	(9,597)	(1,821,956)	(2,090,712)
Net Cash Provided by (Used in) Operating Activities	4,194,571	276,861	1,361,413	21,682	5,854,527	1,067,786
Cash Flows from Non-Capital Financing Activities						
Intergovernmental Revenue	-	-	-	-	-	-
Transfers in (out)	(2,000,000)	-	-	-	(2,000,000)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(2,000,000)	-	-	-	(2,000,000)	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(1,224,586)	(563,807)	(609,627)	-	(2,398,020)	4,541
Capital Contributions	100,540	298,534	323,206	-	722,280	-
Grants and Donations - Federal	-	(34,973)	-	-	(34,973)	-
Debt Principal Payments	-	(105,000)	(396,391)	-	(501,391)	(149,290)
Debt Interest Payments and Other Charges	-	(59,211)	(225,191)	-	(284,402)	(132,307)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,124,046)	(464,457)	(908,003)	-	(2,496,506)	(277,056)
Cash Flows from Investing Activities						
Interest Received	64,224	24,301	18,055	2,442	109,022	9,902
Net Cash Provided by (Used in) Investing Activities	64,224	24,301	18,055	2,442	109,022	9,902
Net Increase (Decrease) in Cash and Cash Equivalents	1,134,749	(163,295)	471,465	24,124	1,467,043	800,632
Cash and Cash Equivalents, Beginning of Year	8,137,391	5,623,178	2,280,675	243,900	16,285,144	859,757
Cash and Cash Equivalents, End of Year	\$ 9,272,140	\$ 5,459,883	\$ 2,752,140	\$ 268,024	\$ 17,752,187	\$ 1,660,389

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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	
<u>Reconciliation of Cash and Cash</u>						
<u>Equivalents to Statement of</u>						
<u>Net Position</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 7,878,315	\$ 4,985,270	\$ 1,924,863	\$ 268,024	\$ 15,056,472	\$ 1,591,546
Restricted Assets:						
Cash and Cash Equivalents	1,393,825	474,613	827,277	-	2,695,715	68,843
Total	\$ 9,272,140	\$ 5,459,883	\$ 2,752,140	\$ 268,024	\$ 17,752,187	\$ 1,660,389
<u>Reconciliation of Operating Income</u>						
<u>(Loss) to Net Cash Provided by</u>						
<u>(Used in) Operating Activities</u>						
Operating Income (Loss)	\$ 3,200,693	\$ 170,409	\$ 501,976	\$ 9,199	\$ 3,882,277	\$ 594,475
Adjustments to Reconcile						
Operating Income (Loss) to Net						
Cash Provided by (Used in)						
Operating Activities:						
Depreciation	599,475	288,383	977,173	8,558	1,873,589	160,071
(Increase) Decrease in:						
Accounts Receivable, Net	(1,251)	(113,748)	(120,841)	(73)	(235,913)	16,799
Due from Other Governments	163,846	132,860	(35,800)	-	260,906	-
Prepaid Items	14,789	(1,341)	(2,915)	(36)	10,497	(1,656)
Inventory	(1,698,900)	(133,409)	1,074	-	(1,831,235)	-
Increase (Decrease) in:						
Accounts Payable	(621,845)	(93,384)	15,252	(1,841)	(701,818)	(12,578)
Accrued Expenses	(9,329)	1,406	(2,382)	1,192	(9,113)	14,923
Due to Other Governments	(6,855)	-	-	-	(6,855)	-
Rate Stabilization Credit	2,369,956	-	-	-	2,369,956	-
Compensated Absences	7,762	519	3,780	-	12,061	7,009
Customer Deposits	32,937	23,896	12,947	-	69,780	-
Net Pension Liability	140,760	636	10,009	4,683	156,088	282,032
Total OPEB Liability	2,533	634	1,140	-	4,307	6,711
Net Cash Provided by (Used in)						
Operating Activities	\$ 4,194,571	\$ 276,861	\$ 1,361,413	\$ 21,682	\$ 5,854,527	\$ 1,067,786
<u>Non-Cash Investing, Capital and</u>						
<u>Financing Activities</u>						
Amortization of Discount and						
Refunding Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,490

See accompanying notes.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Alachua, Florida (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), 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 City 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. The 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 Commission 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, Florida 32616.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023

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.

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.

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 City's electric, water and wastewater function, and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 City'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, 2023.

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.

■ **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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

■ **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 \$5,000 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.

■ **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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

■ **Deferred Inflows and Outflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods 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 other postemployment benefits (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 deferred inflows. 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 City 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.

- **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 City Commission. These committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action employed to constrain those amounts.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- **Assigned**—This component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Commission 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 Commission 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 City’s policy to use restricted resources first, then unrestricted resources as needed.

Accounting Estimates

The preparation of financial statements in conformity with GAAP 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 GASB Pronouncements

The GASB has issued new accounting and financial reporting pronouncements, which will become effective for the City’s 2025 fiscal year reporting period:

- GASB Statement No. 101, *Compensated Absences*, updates the criteria for recognition and measurement of compensated absences liabilities. It also modifies certain disclosure requirements, including allowing for the presentation of a net change in the compensated absences liability instead of separate gross increases and decreases.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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.

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.

Note 3 - Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 27,455,678
Restricted:	
Cash and Cash Equivalents	4,536,096
Net Restricted Cash and Cash Equivalents	<u><u>\$ 31,991,774</u></u>

Deposits and investments consist of the following:

Cash Deposits	\$ 30,859,540
Investments	1,132,234
Total Cash and Investments	<u><u>\$ 31,991,774</u></u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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.

Investments

The City's investment are summarized below, at September 30, 2023:

	<u>Fair Value</u>	<u>Fair Market Value Level</u>
Florida PRIME, at Amortized Costs	\$ 1,132,234	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. Florida PRIME is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. 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, 2023, of AAAM.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 of the Florida PRIME at September 30, 2023, is 35 days. The weighted average life of Florida PRIME at September 30, 2023, is 75 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.

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, 2023, are as follows:

	Governmental Activities	Business-Type Activities
Cash and Cash Equivalents		
Debt Service Reserve and Sinking Funds	\$ -	\$ 232,441
Cash with Fiscal Agent	614,038	472,616
Customer Deposit	-	2,059,501
Economic Environment	457,455	-
Parks and Recreation	241,352	-
Physical Environment	449,449	-
Infrastructure	4,325	-
Other	4,919	-
Net Restricted Cash and Cash Equivalents	\$ 1,771,538	\$ 2,764,558

Note 5 - Inventory

Inventory at September 30, 2023, consists of the following:

Governmental Activities	Balance
Materials and Supplies	\$ 4,961
Total	\$ 4,961
 Business-Type Activities	 Balance
Electric Utility Supplies	\$ 1,540,389
Transformers	1,787,243
Meters	85,726
Water/Wastewater Supplies	291,205
Total	\$ 3,704,563

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 6 - Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended September 30, 2023:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 7,841,280	\$ -	\$ -	\$ 7,841,280
Construction in Progress	2,350,843	848,845	(3,174,788)	24,900
Total Capital Assets Not Being Depreciated	10,192,123	848,845	(3,174,788)	7,866,180
Capital Assets Being Depreciated:				
Buildings and Improvements	16,907,693	8,000	(3,454)	16,912,239
Improvements Other Than Building	13,758,495	1,282,518	-	15,041,013
Infrastructure	23,582,374	2,736,553	-	26,318,927
Furniture, Fixtures, and Equipment	4,641,404	493,131	(22,275)	5,112,260
Total Capital Assets Being Depreciated	58,889,966	4,520,202	(25,729)	63,384,439
Less Accumulated Depreciation:				
Building	(3,800,855)	(347,949)	3,455	(4,145,349)
Improvements Other Than Buildings	(3,291,913)	(523,310)	-	(3,815,223)
Infrastructure	(7,448,449)	(528,962)	-	(7,977,411)
Furniture, Fixtures, and Equipment	(2,925,378)	(474,360)	21,156	(3,378,582)
Total Accumulated Depreciation	(17,466,595)	(1,874,581)	24,611	(19,316,565)
Total Capital Assets Being Depreciated, Net	41,423,371	2,645,621	(1,118)	44,067,874
Total Governmental Activities Capital Assets Depreciated, Net	<u>\$ 51,615,494</u>	<u>\$ 3,494,466</u>	<u>\$ (3,175,906)</u>	<u>\$ 51,934,054</u>

The following is a summary of changes in capital assets for the business-type activities for the year ended September 30, 2023:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 586,447	\$ -	\$ -	\$ 586,447
Construction in Progress	2,051,632	965,768	(747,638)	2,269,762
Total Capital Assets Not Being Depreciated	2,638,079	965,768	(747,638)	2,856,209
Capital Assets Being Depreciated:				
Buildings and Improvements	9,972,016	18,721	-	9,990,737
Improvements Other Than Building	9,312,268	1,470,630	(1,729)	10,781,169
Infrastructure	53,402,394	496,178	-	53,898,572
Furniture, Fixtures, and Equipment	3,904,190	195,758	(17,094)	4,082,854
Total Capital Assets Being Depreciated	76,590,868	2,181,287	(18,823)	78,753,332
Less Accumulated Depreciation:				
Buildings and Improvements	(4,762,962)	(156,584)	-	(4,919,546)
Improvements Other Than Building	(3,780,083)	(452,999)	173	(4,232,909)
Infrastructure	(16,714,381)	(1,220,901)	-	(17,935,282)
Furniture, Fixtures, and Equipment	(2,905,614)	(203,176)	13,996	(3,094,794)
Total Accumulated Depreciation	(28,163,040)	(2,033,660)	14,169	(30,182,531)
Total Capital Assets Being Depreciated, Net	48,427,828	147,627	(4,654)	48,570,801
Total Business-Type Activities Capital Assets Depreciated, Net	<u>\$ 51,065,907</u>	<u>\$ 1,113,395</u>	<u>\$ (752,292)</u>	<u>\$ 51,427,010</u>

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

Governmental Activities	
General Government	\$ 361,289
Public Safety	250,075
Physical Environment	54
Transportation	746,730
Economic Environment	70,271
Parks and Recreation	446,162
Total	\$ 1,874,581

Depreciation expense was charged to functions of the business-type activities as follows:

Business-Type Activities	
Electric	\$ 599,475
Water	288,383
Wastewater	977,173
Mosquito	8,558
Internal Service	160,071
Total	\$ 2,033,660

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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Improvement and Refunding					
Revenue Bonds, Series 2016	\$ 11,083,175	\$ -	\$ (399,600)	\$ 10,683,575	\$ 418,100
Plus Premium	588,844	-	(24,035)	564,809	24,035
2013 Redevelopment Note	97,651	-	(97,651)	-	-
Compensated Absences	585,361	215,153	(187,889)	612,625	304,980
Total	\$ 12,355,031	\$ 215,153	\$ (709,175)	\$ 11,861,009	\$ 747,115

■ **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.

CITY OF ALACHUA, FLORIDA
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■ **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):

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 442,135	\$ 381,424	\$ 823,559
2025	460,634	360,056	820,690
2026	479,134	337,764	816,898
2027	508,734	314,269	823,003
2028	530,934	289,479	820,413
2029-2033	2,991,372	1,131,285	4,122,657
2034-2038	2,636,172	671,844	3,308,016
2039-2043	1,692,672	380,943	2,073,615
2044-2048	1,506,597	100,712	1,607,309
Total	\$ 11,248,384	\$ 3,967,776	\$ 15,216,160

Business-Type Activities

The following schedule summarizes the changes in the City's business-type long-term liabilities during the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2009 State Revolving Fund					
Loan – Florida Department of Environmental Protection	\$ 6,932,957	\$ -	\$ (291,392)	\$ 6,641,565	\$ 298,473
2016 Capital Improvement and Refunding Revenue Bonds	3,946,825	-	(140,400)	3,806,425	146,900
Series 2016 Plus Premium	217,792	-	(8,889)	208,903	8,889
Capital Improvement Revenue Note, Series 2019	3,705,000	-	(210,000)	3,495,000	220,000
Compensated Absences	241,005	145,321	(126,251)	260,075	161,985
Total	\$ 15,043,579	\$ 145,321	\$ (776,932)	\$ 14,411,968	\$ 836,247

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- **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.

- **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.

- **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):

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 674,262	\$ 404,250	\$ 1,078,512
2025	698,017	382,086	1,080,103
2026	726,949	359,007	1,085,956
2027	739,963	335,160	1,075,123
2028	770,563	310,507	1,081,070
2029-2033	4,189,961	1,186,601	5,376,562
2034-2038	3,855,873	577,312	4,433,185
2039-2043	1,912,662	190,159	2,102,821
2044-2048	583,643	35,385	619,029
Total	\$ 14,151,893	\$ 3,780,467	\$ 17,932,361

CITY OF ALACHUA, FLORIDA
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Interest

During the year, the City incurred \$813,810 of interest costs.

Debt Covenants

The City has covenanted to establish and collect fees from users of the Utility System (the 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, 2023, the City has met its debt covenants.

Note 8 - Pledged Revenues

The City has pledged certain revenues to repay bonds and notes outstanding as of September 30, 2023. 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, 2023:

Pledged Revenue	Description of Bonds	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Non-Ad Valorem	Capital Improvement and Refunding Revenue Bonds, Series 2016	\$ 10,736,280	\$ 1,088,588	10%	\$ 20,625,574	2047
Non-Ad Valorem	Capital Improvement Revenue Note, Series 2019	10,736,280	356,721	3%	4,290,769	2036
Incremental Tax Revenue	2013 Redevelopment Note	549,266	99,279	18%	-	2023
Net Utility Revenues	State Revolving Fund Loan - 2009	5,692,255	457,343	8%	8,232,178	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.

CITY OF ALACHUA, FLORIDA
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Note 9 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2023:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Govt. Funds	\$ 3,347
General Fund	Water Utility	235,663
Electric Utility	Water Utility	335,228
Electric Utility	Wastewater Utility	1,207,115
Wastewater Utility	Wastewater Treatment Plan Expansion	40,347
Internal Service Fund	Water Utility	215,065
Total		\$ 2,036,765

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, 2023.

Interfund Transfers:

<u>Transfers (Out)</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ 1,035,007	\$ 1,035,007
Electric Utility	2,000,000	-	2,000,000
Total	\$ 2,000,000	\$ 1,035,007	\$ 3,035,007

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 \$1,035,007 from the General Fund to the Non-Major Governmental Funds is for debt service and the City's required portion of tax incremental funding, neighborhood revitalization, and additional funding for construction projects being completed by the CRA.

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 City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF ALACHUA, FLORIDA
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Note 11 - Restricted Net Position

Net position is restricted within governmental activities as follows:

	Governmental Activities
Law Enforcement	\$ 19,836
Physical Environment	733,931
Economic Environment	647,779
Parks and Recreation	333,078
Total	\$ 1,734,624

The City's restricted net position includes \$438,783 restricted by enabling legislation.

Note 12 - Power Purchase Agreements

Florida Power & Light Company (FPL)

Effective July 26, 2021, the City entered into an agreement for FPL to provide wholesale electric service to the Alachua Substation. The Alachua Substation was built in 1988 and has dual 138 x 69 - 12.47Y/7.2kV transformers to receive power. Load supply commenced on April 1, 2022, and the contract extends through December 31, 2029. Power from FPL is received via Gainesville Regional Utilities (GRU) and FPL transmission lines. Total purchase power payments to FPL for 2023 were \$3,952,179.

Florida Municipal Power Agency (FMPA)

Effective July 26, 2021, the City entered into an agreement for FMPA to provide wholesale electric service to the Legacy Substation. Construction of the Legacy Substation was completed in 2021 with a 138 x 69 - 12.47Y/7.2kV transformer. Primary load supply commenced on April 1, 2022, and the contract extends through December 31, 2027. Power from FMPA is received via Duke Energy (Duke) transmission lines. Total purchase power payments to FMPA for 2023 were \$1,778,094.

St. Lucie No. 2 Power Purchase Agreement

The City has negotiated a long-term agreement with FPL 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 2023 were \$159,543.

Other Power Costs

The City incurs other miscellaneous costs for the provision of purchased power, including transmission costs for energy received through FPL, Duke, and GRU transmission lines and net meter purchased power. Total other power costs for 2023 were \$1,612,513.

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

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defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Health Insurance Subsidy Plan (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.

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. An annual comprehensive 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' website (www.dms.myflorida.com).

The City's pension expense totaled \$3,013,468 for the fiscal year ended September 30, 2023. This included \$1,856,200 of expenses related to the FRS Pension Plan and \$1,157,268 related to 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*—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.

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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
Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<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.

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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for the FRS during the City's 2022-2023 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2023</u>		<u>Year Ended June 30, 2024</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	10.19	3.00	11.51
Elected Officers	3.00	55.28	3.00	56.62
Senior Management				
Service	3.00	29.85	3.00	32.46
Special Risk Regular	3.00	26.11	3.00	30.61
DROP	N/A	16.94	N/A	19.13

⁽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 \$1,140,160 for the fiscal year ended September 30, 2023. 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, 2023, the City reported a liability of \$8,962,206 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023, the City's proportion was .022491638%, which was a decrease of .001296441% from its proportion measured as of June 30, 2022.

At September 30, 2023, 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	\$ 296,573	\$ -
Difference Between Expected and Actual		
Experience	841,474	-
Changes of Assumptions	584,231	-
Changes in Proportion and Difference Between City's		
Contributions and Proportionate Share of Contributions	374,286	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	373,316	298,737
Total	<u>\$ 2,469,880</u>	<u>\$ 298,737</u>

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The deferred outflows of resources related to pensions, totaling \$296,573, 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, 2024. 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 Ending	Amount
2024	\$ 330,473
2025	(28,430)
2026	1,466,025
2027	87,310
2028	19,192
Total	\$ 1,874,570

Actuarial Assumptions. The total pension liability in the July 1, 2023, 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	6.70%
Investment Rate of Return	6.70%

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

The actuarial assumptions used in the July 1, 2023, 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 was 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:

Asset Class	Annual Target Allocation ⁽¹⁾	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed Inflation – Mean			2.4%	1.4%

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

CITY OF ALACHUA, FLORIDA
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SEPTEMBER 30, 2023

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. 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 6.70% in the July 1, 2023, 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 6.70%, 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 (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's Proportionate Share of the Net Pension Liability	\$ 15,309,273	\$ 8,962,206	\$ 3,264,701

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 Annual Comprehensive Financial Report. The effect of FRS on the City's net position has been determined on the same basis used by FRS.

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, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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 ended June 30, 2023 and 2024, respectively the contribution rates were 1.66% and 2.00% 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, 2023

The City's contributions to the HIS Plan totaled \$137,517 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2023, the City reported a net pension liability of \$3,082,887 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the City's proportion was .019412016%, which was a decrease of 0.000996082% from its proportion measured as of June 30, 2022.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 38,252	\$ -
Difference Between Expected and Actual		
Experience	45,131	7,236
Changes of Assumptions	81,048	267,143
Changes in Proportion and Difference Between City's		
Contributions and Proportionate Share of Contributions	1,592	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	130,494	94,966
Total	<u><u>\$ 296,517</u></u>	<u><u>\$ 369,345</u></u>

The deferred outflows of resources related to pensions, totaling \$38,252, 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, 2024. 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 Ending	Amount
2024	\$ 607
2025	3,468
2026	(13,654)
2027	(53,238)
2028	(40,798)
Thereafter	(7,465)
Total	<u><u>\$ (111,080)</u></u>

Actuarial Assumptions. The total pension liability in the July 1, 2022, 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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018.

The actuarial assumptions used in the July 1, 2022, 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 3.65%. 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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's Proportionate Share of the Net Pension Liability	\$ 3,517,093	\$ 3,082,887	\$ 2,722,959

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 Annual Comprehensive Financial Report. The effect of FRS on the City's net position has been determined on the same basis used by FRS.

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 Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 2022-2023 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	9.30%
FRS, Elected County Officers	14.34%
FRS, Senior Management Service	10.67%
FRS, Special Risk Regular	17.00%

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, 2023, 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 \$178,008 for the fiscal year ended September 30, 2023.

Note 14 - Other Postemployment Benefits (OPEB)

The City of Alachua's Retiree Health Care Plan (OPEB Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The OPEB 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 OPEB Plan does not meet the requirements for an OPEB plan administered through a trust.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 Commission. The OPEB Plan does not issue a stand-alone financial report.

Membership of the OPEB Plan consisted of the following:

<u>Date of Actuarial Valuation</u>	<u>September 30, 2022</u>
Retirees and Beneficiaries Receiving Benefits	2
Active Plan Members	126
Total	128

Changes in the Total OPEB Plan Liability

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

<u>Reporting Period Ending September 30, 2022</u>	<u>Increase/ (Decrease) in Total OPEB Liability</u>
Changes for the Year:	\$ 367,053
Service Cost	38,083
Interest	9,671
Changes of Assumptions	(70,316)
Benefit Payments	(14,306)
Net Changes	(36,868)
Reporting Period Ending September 30, 2023	\$ 330,185

As of September 30, 2023, the total OPEB Plan liability was \$330,185, 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 \$6,747,589, and the ratio of the total OPEB Plan liability to the covered payroll was 4.89%. Covered employee payroll was projected one year forward from the valuation date of September 30, 2022, for the reporting period ended September 30, 2023.

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, 2021, actuarial valuation of the FRS Benefit Pension Plan.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2021, 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, 2023, the City 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	\$ 6,344	\$ 20,358
Changes of Assumptions	60,022	68,683
Employer Contributions Subsequent to the Measurement Date	17,379	-
Total	\$ 83,745	\$ 89,041

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
2024	\$ (1,932)
2025	(1,932)
2026	(1,932)
2027	(917)
2028	(1,508)
Thereafter	(14,454)
Total	\$ (22,675)

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 3.77%	Current Discount Rate 4.77%	1% Increase 5.77%
Total OPEB Liability	\$ 358,821	\$ 330,185	\$ 303,655

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 3.00%-6.50%	Healthcare Cost Trend 4.00%-7.50%	1% Increase 5.00%-8.50%
Total OPEB Liability	\$ 286,500	\$ 330,185	\$ 382,794

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 Insurance Trust for the following types of risk:

■ **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, 2023, the City had the following commitments related to significant unfinished projects:

	Expended as of September 30, 2023	Remaining Commitment
CDBG-NR Alachua Hills Repaving	\$ -	\$ 901,648
Water Quality and Resiliency Improvements	235,952	6,478,281
16" Force Main Project	67,475	82,525
Phoenix Park Waterline Extension	24,900	88,100
Total	\$ 328,327	\$ 7,550,554

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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

In 2018, the City was awarded \$6,755,000 of Florida Job Growth funds from the Florida Department of Economic Development for the San Felasco Parkway Improvements Project. The funds come with certain return on investment criteria, including specified amounts of job creation and job retention, which must be met by the ten-year anniversary of the project's completion. Failure to meet any of the return on investment criteria could require the City to repay all or a portion of the awarded funds.

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 7,546,146	\$ 7,546,146	\$ 8,033,726	\$ 487,580
Permits, Fees, and Special Assessments	853,000	853,000	1,038,745	185,745
Intergovernmental Revenues	1,076,265	1,088,702	1,240,653	151,951
Charges for Services	1,801,940	1,801,940	1,836,479	34,539
Fines and Forfeitures	40,000	40,000	41,916	1,916
Investment Income	9,000	9,000	100,608	91,608
Miscellaneous	31,600	1,928,341	1,924,272	(4,069)
Total Revenues	11,357,951	13,267,129	14,216,399	949,270
Expenditures				
Current:				
General Government:				
Legislative	156,307	156,307	142,993	13,314
Executive	913,237	860,487	744,864	115,623
Finance	1,071,774	1,071,774	983,490	88,284
Information Technology	451,054	451,054	417,959	33,095
Legal	174,060	226,810	192,864	33,946
Planning and Zoning	1,108,143	1,076,743	972,039	104,704
Other	1,046,783	1,071,783	825,765	246,018
Public Safety:				
Police	4,679,268	4,691,705	4,473,892	217,813
Protective Inspections	308,403	339,803	322,579	17,224
Physical Environment:				
Solid Waste	1,079,066	1,079,066	1,075,548	3,518
Transportation:				
Streets and Roads	1,634,998	3,506,739	1,289,196	2,217,543
Economic Environment	54,000	54,000	9,480	44,520
Parks and Recreation	1,463,062	1,463,062	1,428,427	34,635
Reserve for Contingency	270,000	270,000	-	270,000
(Total Expenditures)	(14,410,155)	(16,319,333)	(12,879,096)	3,440,237
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,052,204)	(3,052,204)	1,337,303	4,389,507
Other Financing Sources (Uses)				
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers (out)	(1,035,008)	(1,035,008)	(1,035,007)	1
Total Other Financing Sources (Uses)	964,992	964,992	964,993	1
Net Change in Fund Balance	(2,087,212)	(2,087,212)	2,302,296	4,389,508
Fund Balance, Beginning of Year	2,087,212	2,087,212	7,911,608	5,824,396
Fund Balance, End of Year	\$ -	\$ -	\$ 10,213,904	\$ 10,213,904

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	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Changes for the Year:						
Service Cost	\$ 38,083	\$ 36,658	\$ 28,250	\$ 19,067	\$ 19,968	\$ 21,024
Interest	9,671	7,214	9,390	9,118	7,584	6,074
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	8,458	-	(40,714)	-	-
Changes of Assumptions	(70,316)	16,558	33,226	53,674	(9,227)	(9,152)
Benefit Payments	(14,306)	(4,591)	(4,271)	(7,987)	(7,361)	(6,769)
Net Change in Total OPEB Liability	(36,868)	64,297	66,595	33,158	10,964	11,177
Total OPEB Liability - Beginning	367,053	302,756	236,161	203,003	192,039	180,862
Total OPEB Liability - Ending	\$ 330,185	\$ 367,053	\$ 302,756	\$ 236,161	\$ 203,003	\$ 192,039
Covered-Employee Payroll*	\$ 6,747,589	\$ 6,488,066	\$ 6,837,698	\$ 6,574,710	\$ 6,240,140	\$ 6,000,134
Sponsor's Total OPEB Liability as Percentage of Covered-Employee Payroll	4.89%	5.66%	4.43%	3.59%	3.25%	3.20%

* Covered-Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2023.

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 2023	4.77%
Fiscal Year 2022	2.43%
Fiscal Year 2021	2.14%
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

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Proportion of the FRS Net Pension Plan	0.022491638%	0.023788079%	0.023108466%	0.022337822%	0.020788355%	0.020641302%	0.020019883%	0.018830837%	0.018337949%
Proportionate Share of the									
FRS Net Pension Plan	\$ 8,962,206	\$ 8,851,077	\$ 1,745,582	\$ 9,681,541	\$ 7,159,220	\$ 6,217,267	\$ 5,921,747	\$ 4,754,801	\$ 2,368,592
Covered Payroll**	7,908,962	7,437,315	7,092,748	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	113.32%	119.01%	24.61%	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	82.38%	82.89%	96.40%	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

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Proportion of the HIS Net Pension Plan	0.019412016%	0.020408098%	0.019850710%	0.019367462%	0.018662965%	0.018194623%	0.017692579%	0.017117360%	0.017073473%
Proportionate Share of the HIS									
Net Pension Plan	\$ 3,082,887	\$ 2,161,543	\$ 2,434,988	\$ 2,364,736	\$ 2,088,199	\$ 1,925,739	\$ 1,891,772	\$ 1,994,957	\$ 1,741,226
Covered Payroll**	7,908,962	7,437,315	7,092,748	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	38.98%	29.06%	34.33%	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	4.12%	4.81%	3.65%	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,081,992	\$ 1,015,081	\$ 880,333	\$ 742,187	\$ 644,589	\$ 588,261	\$ 521,167	\$ 459,220	\$ 447,095
FRS Contribution in Relation to the Contractually Required Contribution	(1,081,992)	(1,015,081)	(880,333)	(742,187)	(644,589)	(588,261)	(521,167)	(459,220)	(447,095)
FRS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (FYE 9/30)	\$ 7,908,962	\$ 7,240,836	\$ 7,174,623	\$ 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 Payroll	13.68%	14.02%	12.27%	10.96%	10.02%	9.92%	9.01%	8.60%	8.56%

* 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 127,696	\$ 123,486	\$ 116,683	\$ 111,606	\$ 103,634	\$ 98,670	\$ 93,634	\$ 87,737	\$ 65,265
HIS Contribution in Relation to the Contractually Required Contribution	(127,696)	(123,486)	(116,683)	(111,606)	(103,634)	(98,670)	(93,634)	(87,737)	(65,265)
HIS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (FYE 9/30)	\$ 7,908,962	\$ 7,240,836	\$ 7,174,623	\$ 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 Payroll	1.61%	1.71%	1.63%	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, 2023

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 of Alachua, Florida legally adopted budgets for all funds with activity during the year.

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, 2023 or 2022.

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%.

In the July 1, 2020, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 6.90 to 6.80%.

In the July 1, 2021, actuarial valuation, the maximum amortization period was decreased to 20 years for all current and future amortization bases.

In the July 1, 2022, actuarial valuation, the long-term expected rate of return, net of investment expense, decreased from 6.80% to 6.70%.

In the July 1, 2023, actuarial valuation, there were no significant changes in actuarial assumptions.

CITY OF ALACHUA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

- HIS—In the July 1, 2014, actuarial valuation, the municipal rate used to determine total pension liability decreased from 4.63% to 4.29%.

In the July 1, 2015, actuarial valuation, the municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

In the July 1, 2016, actuarial valuation, the municipal rate used to determine total pension liability decreased from 3.80% to 2.85%.

In the July 1, 2017, actuarial valuation, the municipal rate used to determine total pension liability increased from 2.85% to 3.58%.

In the July 1, 2018, actuarial valuation, the municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

In the July 1, 2019, actuarial valuation, the municipal rate used to determine total pension liability decreased from 3.87% to 3.50%.

In the July 1, 2020, actuarial valuation, the municipal rate used to determine total pension liability decreased from 3.50% to 2.21%.

In the July 1, 2021, actuarial valuation, the municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

In the July 1, 2022, actuarial valuation, the municipal rate used to determine total pension liability increased from 2.16% to 3.54%, the demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB007, HB689, and SB838, and the election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

In the July 1, 2023, actuarial valuation, the discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates. Additionally, Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from \$5.00 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits.

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

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 of Alachua, Florida for the CRA district.
- *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.
- *Infrastructure Surtax 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 *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.
- *CDBG Neighborhood Revitalization*—is used to account for grant revenues and capital expenditures for projects approved under the Community Development Block Grant – Neighborhood Revitalization category.

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and Cash Equivalents	\$ 725,835	\$ 1,366,837	\$ 220,895	\$ 2,313,567
Accounts Receivable	-	13,470	-	13,470
Due from Other Governments	-	173,614	-	173,614
Inventory	-	4,961	-	4,961
Prepaid Items	-	937	-	937
Total Assets	<u>725,835</u>	<u>1,559,819</u>	<u>220,895</u>	<u>2,506,549</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	-	26,180	-	26,180
Accrued Liabilities	-	9,115	-	9,115
Unearned Revenue	-	1,550	-	1,550
Advances from Other Funds	-	3,347	-	3,347
Total Liabilities	<u>-</u>	<u>40,192</u>	<u>-</u>	<u>40,192</u>
Fund Balances				
Non-Spendable:				
Prepays	-	937	-	937
Inventory	-	4,961	-	4,961
Restricted for:				
Law Enforcement	-	19,836	-	19,836
Physical Environment	-	729,606	4,325	733,931
Economic Environment	-	432,885	214,894	647,779
Human Services	-	-	-	-
Parks and Recreation	-	331,402	1,676	333,078
Assigned	725,835	-	-	725,835
Unassigned	-	-	-	-
Total Fund Balances	<u>725,835</u>	<u>1,519,627</u>	<u>220,895</u>	<u>2,466,357</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 725,835</u>	<u>\$ 1,559,819</u>	<u>\$ 220,895</u>	<u>\$ 2,506,549</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Taxes	\$ -	\$ 1,273,912	\$ -	\$ 1,273,912
Permits, Fees, and Special Assessments	-	19,239	-	19,239
Intergovernmental Revenues	-	528,887	-	528,887
Charges for Services	-	23,459	-	23,459
Fines and Forfeitures	-	6,164	-	6,164
Investment Income	95	7,205	16	7,316
Miscellaneous	-	38,460	-	38,460
Total Revenues	<u>95</u>	<u>1,897,326</u>	<u>16</u>	<u>1,897,437</u>
Expenditures				
Current:				
Public Safety	-	8,528	-	8,528
Physical Environment	-	25,305	-	25,305
Economic Environment	-	327,282	-	327,282
Human Services	-	79,110	-	79,110
Parks and Recreation	-	26,783	-	26,783
Debt Service:				
Principal	399,600	97,651	-	497,251
Interest	402,616	1,629	-	404,245
Capital Outlay	-	587,446	-	587,446
(Total Expenditures)	<u>(802,216)</u>	<u>(1,153,734)</u>	<u>-</u>	<u>(1,955,950)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(802,121)</u>	<u>743,592</u>	<u>16</u>	<u>(58,513)</u>
Other Financing Sources (Uses)				
Transfers in	809,977	225,030	-	1,035,007
Total Other Financing Sources (Uses)	<u>809,977</u>	<u>225,030</u>	<u>-</u>	<u>1,035,007</u>
Net Change in Fund Balance	7,856	968,622	16	976,494
Fund Balance, Beginning of Year	<u>717,979</u>	<u>551,005</u>	<u>220,879</u>	<u>1,489,863</u>
Fund Balance, End of Year	<u>\$ 725,835</u>	<u>\$ 1,519,627</u>	<u>\$ 220,895</u>	<u>\$ 2,466,357</u>

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023**

	Community Redevelopment Fund	Wild Spaces Public Places	Infrastructure Surtax	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Assets										
Cash and Cash										
Equivalents	\$ 457,455	\$ 239,676	\$ 424,808	\$ 15,769	\$ 4,919	\$ 5,139	\$ 24,641	\$ -	\$ 194,430	\$ 1,366,837
Accounts Receivable	-	-	-	-	-	-	-	13,470	-	13,470
Due from Other										
Governments	-	86,807	86,807	-	-	-	-	-	-	173,614
Inventory	4,961	-	-	-	-	-	-	-	-	4,961
Prepaid Items	937	-	-	-	-	-	-	-	-	937
Total Assets	463,353	326,483	511,615	15,769	4,919	5,139	24,641	13,470	194,430	1,559,819
Liabilities and Fund Balances										
Liabilities										
Accounts Payable	13,905	-	-	1,072	-	-	1,080	10,123	-	26,180
Accrued Liabilities	9,115	-	-	-	-	-	-	-	-	9,115
Unearned Revenue	1,550	-	-	-	-	-	-	-	-	1,550
Advances from										
Other Funds	-	-	-	-	-	-	-	3,347	-	3,347
Total Liabilities	24,570	-	-	1,072	-	-	1,080	13,470	-	40,192
Fund Balances										
Non-Spendable:										
Prepays	937	-	-	-	-	-	-	-	-	937
Inventory	4,961	-	-	-	-	-	-	-	-	4,961
Restricted for:										
Law Enforcement	-	-	-	14,697	-	5,139	-	-	-	19,836
Economic										
Environment	432,885									432,885
Physical										
Environment	-	-	511,615	-	-	-	23,561	-	194,430	729,606
Parks and										
Recreation	-	326,483	-	-	4,919	-	-	-	-	331,402
Total Fund Balances	438,783	326,483	511,615	14,697	4,919	5,139	23,561	-	194,430	1,519,627
Total Liabilities and Fund Balances	\$ 463,353	\$ 326,483	\$ 511,615	\$ 15,769	\$ 4,919	\$ 5,139	\$ 24,641	\$ 13,470	\$ 194,430	\$ 1,559,819

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, 2023

	Community Redevelopment Fund	Wild Spaces Public Places	Infrastructure Surtax	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Revenues										
Taxes	\$ -	\$ 763,687	\$ 510,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,273,912
Permits, Fees, and Special Assessments	-	-	-	-	-	-	19,239	-	-	19,239
Intergovernmental Revenues	474,236	-	-	-	-	-	-	54,651	-	528,887
Charges for Service	-	-	-	-	-	-	-	23,459	-	23,459
Fines and Forfeitures	-	-	-	6,164	-	-	-	-	-	6,164
Investment Income	2,901	484	1,390	167	79	-	264	-	1,920	7,205
Miscellaneous	33,630	-	-	-	4,830	-	-	-	-	38,460
Total Revenues	510,767	764,171	511,615	6,331	4,909	-	19,503	78,110	1,920	1,897,326
Expenditures										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Economic Environment	327,282	-	-	-	-	-	-	-	-	327,282
Public Safety	-	-	-	8,528	-	-	-	-	-	8,528
Physical Environment	-	-	-	-	-	-	16,247	-	9,058	25,305
Transportation	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	79,110	-	79,110
Parks and Recreation	-	7,622	-	-	19,161	-	-	-	-	26,783
Debt Service:										
Principal	97,651	-	-	-	-	-	-	-	-	97,651
Interest	1,629	-	-	-	-	-	-	-	-	1,629
Capital Outlay	458,973	128,473	-	-	-	-	-	-	-	587,446
Total (Expenditures)	(885,535)	(136,095)	-	(8,528)	(19,161)	-	(16,247)	(79,110)	(9,058)	(1,153,734)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(374,768)	628,076	511,615	(2,197)	(14,252)	-	3,256	(1,000)	(7,138)	743,592
Other Financing Sources (Uses)										
Transfers in	225,030	-	-	-	-	-	-	-	-	225,030
Total Other Financing Sources (Uses)	225,030	-	-	-	-	-	-	-	-	225,030
Net Change in Fund Balances	(149,738)	628,076	511,615	(2,197)	(14,252)	-	3,256	(1,000)	(7,138)	968,622
Fund Balance, Beginning of Year	588,521	(301,593)	-	16,894	19,171	5,139	20,305	1,000	201,568	551,005
Fund Balance, End of Year	\$ 438,783	\$ 326,483	\$ 511,615	\$ 14,697	\$ 4,919	\$ 5,139	\$ 23,561	\$ -	\$ 194,430	\$ 1,519,627

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2023**

	San Felasco Conservation Corridor	Heritage Oaks Improvement	CDBG Neighborhood Revitalization	Total
Assets				
Cash and Cash Equivalents	\$ 1,676	\$ 4,325	\$ 214,894	\$ 220,895
Total Assets	<u>1,676</u>	<u>4,325</u>	<u>214,894</u>	<u>220,895</u>
Fund Balances				
Fund Balances				
Restricted for:				
Physical Environment	-	4,325	-	4,325
Economic Environment	-	-	214,894	214,894
Parks and Recreation	1,676	-	-	1,676
Total Fund Balances	<u>1,676</u>	<u>4,325</u>	<u>214,894</u>	<u>220,895</u>
Total Fund Balances	<u>\$ 1,676</u>	<u>\$ 4,325</u>	<u>\$ 214,894</u>	<u>\$ 220,895</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, 2023

	San Felasco Conservation Corridor	Heritage Oaks Improvement	CDBG Neighborhood Revitalization	Total
Revenues				
Investment Income	\$ 16	\$ -	\$ -	\$ 16
Total Revenues	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
Net Change in Fund Balances	16	-	-	16
Fund Balance, Beginning of Year	<u>1,660</u>	<u>4,325</u>	<u>214,894</u>	<u>220,879</u>
Fund Balance, End of Year	<u>\$ 1,676</u>	<u>\$ 4,325</u>	<u>\$ 214,894</u>	<u>\$ 220,895</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, 2023

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Income	\$ -	\$ 95	\$ 95
Total Revenues	<u>-</u>	<u>95</u>	<u>95</u>
Expenditures			
Debt Service:			
Principal	399,600	399,600	-
Interest and Fiscal Charges	<u>402,617</u>	<u>402,616</u>	<u>1</u>
(Total Expenditures)	<u>(802,217)</u>	<u>(802,216)</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(802,217)</u>	<u>(802,121)</u>	<u>96</u>
Other Financing Sources (Uses)			
Transfers in	<u>809,977</u>	<u>809,977</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>809,977</u>	<u>809,977</u>	<u>-</u>
Net Change in Fund Balance	7,760	7,856	96
Fund Balance, Beginning of Year	<u>(7,760)</u>	<u>717,979</u>	<u>725,739</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 725,835</u>	<u>\$ 725,835</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, 2023

	Wild Spaces Public Places			Additional Court Costs		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	\$ 610,635	763,687	\$ 153,052	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-	5,000	6,164	1,164
Investment Income	-	484	484	-	167	167
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>610,635</u>	<u>764,171</u>	<u>153,536</u>	<u>5,000</u>	<u>6,331</u>	<u>1,331</u>
Expenditures						
Current:						
Public Safety	592,739	-	592,739	15,000	8,528	6,472
Parks and Recreation	-	7,622	(7,622)	-	-	-
Capital Outlay	361,886	128,473	233,413	-	-	-
(Total Expenditures)	<u>(954,625)</u>	<u>(136,095)</u>	<u>818,530</u>	<u>(15,000)</u>	<u>(8,528)</u>	<u>6,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(343,990)	628,076	972,066	(10,000)	(2,197)	7,803
Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(343,990)	628,076	972,066	(10,000)	(2,197)	7,803
Fund Balance, Beginning of Year	343,990	(301,593)	(645,583)	10,000	16,894	6,894
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 326,483</u>	<u>\$ 326,483</u>	<u>\$ -</u>	<u>\$ 14,697</u>	<u>\$ 14,697</u>

Donations			Police Explorers		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	79	79	-	-	-
-	4,830	4,830	-	-	-
-	4,909	4,909	-	-	-
-	-	-	-	-	-
-	-	-	5,000	-	5,000
19,161	19,161	-	-	-	-
-	-	-	-	-	-
(19,161)	(19,161)	-	(5,000)	-	5,000
(19,161)	(14,252)	4,909	(5,000)	-	5,000
-	-	-	-	-	-
(19,161)	(14,252)	4,909	(5,000)	-	5,000
19,161	19,171	10	5,000	5,139	139
\$ -	\$ 4,919	\$ 4,919	\$ -	\$ 5,139	\$ 5,139

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, 2023
(Concluded)

	TK Basin Special Assessment			Children's Trust Grant		
	Final		Variance	Final		Variance
	Budget	Actual	With	Budget	Actual	With
			Final Budget			Final Budget
Revenues						
Permits, Fees, and Special Assessments	\$ 19,600	\$ 19,239	\$ (361)	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	70,932	54,651	(16,281)
Charges for Service	-	-	-	20,000	23,459	3,459
Miscellaneous Income	20	-	(20)	-	-	-
Investment Income	-	264	264	-	-	-
Total Revenues	19,620	19,503	(117)	90,932	78,110	(12,822)
Expenditures						
Current:						
Economic Environment	-	-	-	-	-	-
Physical Environment	23,800	16,247	7,553	-	-	-
Human Services	-	-	-	90,932	79,110	11,822
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Reserve for Contingency	10,000	-	10,000	-	-	-
(Total Expenditures)	(33,800)	(16,247)	17,553	(90,932)	(79,110)	11,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,180)	3,256	17,436	-	(1,000)	(1,000)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(14,180)	3,256	17,436	-	(1,000)	(1,000)
Fund Balance, Beginning of Year	14,180	20,305	6,125	-	1,000	1,000
Fund Balance, End of Year	\$ -	\$ 23,561	\$ 23,561	\$ -	\$ -	\$ -

Tree Bank			Community Redevelopment Fund		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
-	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	324,236	474,236	150,000
-	-	-	-	-	-
-	-	-	18,300	2,901	(15,399)
-	1,920	1,920	-	33,630	33,630
-	1,920	1,920	342,536	510,767	168,231
-	-	-	-	-	-
-	-	-	471,014	327,282	143,732
201,400	9,058	192,342	-	-	-
-	-	-	-	-	-
-	-	-	97,651	97,651	-
-	-	-	1,629	1,629	-
-	-	-	638,584	458,973	179,611
-	-	-	20,000	-	20,000
(201,400)	(9,058)	192,342	(1,228,878)	(885,535)	343,343
(201,400)	(7,138)	194,262	(886,342)	(374,768)	511,574
-	-	-	225,031	225,030	(1)
-	-	-	225,031	225,030	(1)
(201,400)	(7,138)	194,262	(661,311)	(149,738)	511,573
201,400	201,568	168	661,311	588,521	(72,790)
\$ -	\$ 194,430	\$ 194,430	\$ -	\$ 438,783	\$ 438,783

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, 2023

	San Felasco Conservation Corridor		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Investment Income	\$ -	\$ 16	\$ 16
Total Revenues	-	16	16
Expenditures			
Current:			
Physical Environment	-	-	-
Parks and Recreation	1,657	-	1,657
Capital Outlay	-	-	-
(Total Expenditures)	<u>(1,657)</u>	<u>-</u>	<u>1,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,657)</u>	<u>16</u>	<u>1,673</u>
Net Change in Fund Balance	(1,657)	16	1,673
Fund Balance, Beginning of Year	<u>1,657</u>	<u>1,660</u>	<u>3</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,676</u>	<u>\$ 1,676</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, 2023
(Continued)

	Heritage Oaks Improvement		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Investment Income (Loss)	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Current:			
Physical Environment	4,326	-	4,326
Parks and Recreation	-	-	-
Capital Outlay	-	-	-
(Total Expenditures)	(4,326)	-	4,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,326)	-	4,326
Net Change in Fund Balance	(4,326)	-	4,326
Fund Balance, Beginning of Year	4,326	4,325	(1)
Fund Balance, End of Year	\$ -	\$ 4,325	\$ 4,325

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, 2023
(Concluded)

	CDBG Neighborhood Revitalization		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental Revenues	\$ 680,035	\$ -	\$ (680,035)
Total Revenues	<u>680,035</u>	<u>-</u>	<u>(680,035)</u>
Expenditures			
Current:			
Economic Environment	36,087	-	36,087
Capital Outlay	865,562	-	865,562
(Total Expenditures)	<u>(901,649)</u>	<u>-</u>	<u>901,649</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(221,614)</u>	<u>-</u>	<u>221,614</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(221,614)	-	221,614
Fund Balance, Beginning of Year	<u>221,614</u>	<u>214,894</u>	<u>(6,720)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 214,894</u>	<u>\$ 214,894</u>

STATISTICAL SECTION

(unaudited)

This part of the City of Alachua, Florida's annual comprehensive 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	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	77
Revenue Capacity Information	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, which is property taxes.	87
Debt Capacity Information	
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.	92
Demographic and Economic Information	
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.	99
Operating Information	
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.	102

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				
	2014	2015	2016	2017	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 15,864,924	17,393,955	19,616,277	22,463,590	23,893,386
Restricted	1,328,668	1,933,806	697,533	965,855	1,118,805
Unrestricted	3,752,120	810,604	1,596,788	34,697	1,170,134
Total governmental activities net position	<u>\$ 20,945,712</u>	<u>20,138,365</u>	<u>21,910,598</u>	<u>23,464,142</u>	<u>26,182,325</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 26,121,070	27,034,352	26,925,962	27,105,739	27,305,901
Restricted	688,818	737,724	803,328	829,815	845,867
Unrestricted	4,979,974	5,141,346	7,524,704	8,213,058	10,039,192
Total business-type activities net position	<u>\$ 31,789,862</u>	<u>32,913,422</u>	<u>35,253,994</u>	<u>36,148,612</u>	<u>38,190,960</u>
Primary Government					
Net Investment in Capital Assets	\$ 41,985,994	44,428,307	46,542,239	49,569,329	51,199,287
Restricted	2,017,486	2,671,530	1,500,861	1,795,670	1,964,672
Unrestricted	8,732,094	5,951,950	9,121,492	8,247,755	11,209,326
Total primary government net position	<u>\$ 52,735,574</u>	<u>53,051,787</u>	<u>57,164,592</u>	<u>59,612,754</u>	<u>64,373,285</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				
2019	2020	2021	2022	2023
31,404,781	38,811,346	39,709,937	39,845,824	40,727,323
720,643	824,515	877,524	1,067,693	1,734,624
(228,560)	(1,331,158)	(292,015)	1,365,613	2,458,477
<u>31,896,864</u>	<u>38,304,703</u>	<u>40,295,446</u>	<u>42,279,130</u>	<u>44,920,424</u>
30,545,539	32,375,147	36,157,170	36,263,333	37,275,117
766,948	497,822	0	0	0
<u>8,850,939</u>	<u>8,714,790</u>	<u>7,501,011</u>	<u>9,599,477</u>	<u>11,497,338</u>
<u>40,163,426</u>	<u>41,587,759</u>	<u>43,658,181</u>	<u>45,862,810</u>	<u>48,772,455</u>
61,950,320	71,186,493	75,867,107	76,109,157	78,002,440
1,487,591	1,322,337	877,524	1,067,693	1,734,624
<u>8,622,379</u>	<u>7,383,632</u>	<u>7,208,996</u>	<u>10,965,090</u>	<u>13,955,815</u>
<u>72,060,290</u>	<u>79,892,462</u>	<u>83,953,627</u>	<u>88,141,940</u>	<u>93,692,879</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 2,719,659	\$ 2,690,754	\$ 3,028,258	\$ 3,486,727	\$ 3,599,652
Public safety	3,164,017	3,215,211	3,610,483	4,085,731	3,654,092
Physical environment	789,404	840,642	828,282	724,084	728,897
Transportation	758,198	813,619	918,754	982,780	1,009,907
Economic environment	212,978	192,386	239,226	237,578	347,468
Parks and recreation	1,318,191	892,715	741,416	730,895	1,113,466
Human Services	0	0	0	0	0
Interest on long-term debt	418,674	413,851	567,472	472,693	458,943
Total governmental activities expenses	<u>9,381,121</u>	<u>9,059,178</u>	<u>9,933,891</u>	<u>10,720,488</u>	<u>10,912,425</u>
Business-type Activities					
Electric	11,863,813	12,377,194	11,250,351	10,487,281	10,421,132
Water and sewer	3,621,216	3,365,172	3,403,639	3,974,417	3,861,470
Mosquito control	53,461	41,815	43,026	33,859	43,389
Total business-type activities	<u>15,538,490</u>	<u>15,784,181</u>	<u>14,697,016</u>	<u>14,495,557</u>	<u>14,325,991</u>
Total primary government expenses	24,919,611	24,843,359	24,630,907	25,216,045	25,238,416
Program Revenues					
Governmental activities:					
Charges for services:					
General government	317,475	371,184	398,171	356,558	424,864
Public safety	297,144	237,108	294,121	334,904	320,734
Physical environment	823,782	842,168	864,936	805,619	796,313
Transportation	13,370	14,656	23,104	33,871	34,790
Economic environment	0	0	0	0	0
Parks and recreation	27,243	31,901	30,654	34,865	73,653
Human Services	0	0	0	0	0
Operating grants and contributions	251,953	485,404	266,003	300,985	243,010
Capital grants and contributions	577,993	1,029,007	1,032,140	763,611	1,864,531
Total governmental activities program revenues	<u>\$ 2,308,960</u>	<u>\$ 3,011,428</u>	<u>\$ 2,909,129</u>	<u>\$ 2,630,413</u>	<u>\$ 3,757,895</u>
Business-type activities:					
Charges for services:					
Electric	\$ 15,171,323	\$ 15,693,189	\$ 15,129,466	\$ 13,736,261	\$ 14,066,610
Water and sewer	3,350,473	3,429,227	3,969,605	3,852,329	4,089,464
Mosquito control	56,291	57,115	57,991	58,909	59,831
Operating grants and contributions	24,527	24,527	0	0	0
Capital grants and contributions	662,887	0	0	0	350,000
Total business-type activities program revenues	<u>19,265,501</u>	<u>19,204,058</u>	<u>19,157,062</u>	<u>17,647,499</u>	<u>18,565,905</u>
Total primary government program revenues	<u>21,574,461</u>	<u>22,215,486</u>	<u>22,066,191</u>	<u>20,277,912</u>	<u>22,323,800</u>
Net (Expense) Revenue					
Governmental activities	(7,072,161)	(6,047,750)	(7,024,762)	(8,090,075)	(7,154,530)
Business-type activities	3,727,011	3,419,877	4,460,046	3,151,942	4,239,914
Total primary government net expense	<u>\$ (3,345,150)</u>	<u>\$ (2,627,873)</u>	<u>\$ (2,564,716)</u>	<u>\$ (4,938,133)</u>	<u>\$ (2,914,616)</u>

Fiscal Year				
2019	2020	2021	2022	2023
\$ 3,929,844	\$ 4,312,382	\$ 4,279,253	\$ 4,390,990	\$ 5,104,557
4,005,543	4,448,401	3,808,353	4,596,139	5,625,838
697,179	709,120	739,350	751,599	1,100,907
1,146,987	1,132,041	1,319,813	1,374,633	1,574,783
361,475	348,111	366,847	466,375	502,830
1,240,993	1,354,105	1,545,586	1,632,577	1,911,392
0	51,787	129,547	86,665	79,110
441,643	425,762	409,116	391,626	369,497
11,823,664	12,781,709	12,597,865	13,690,604	16,268,914
10,993,671	10,973,016	11,363,594	15,257,771	11,414,410
4,376,020	4,496,164	4,716,240	4,906,437	5,212,628
64,968	41,531	46,369	47,856	51,278
15,434,659	15,510,711	16,126,203	20,212,064	16,678,316
27,258,323	28,292,420	28,724,068	33,902,668	32,947,230
465,209	499,375	528,747	691,202	662,254
460,845	557,469	760,854	853,988	896,118
811,177	819,832	831,301	844,814	1,183,392
40,108	41,157	45,230	46,463	47,723
0	0	0	0	0
113,726	48,268	172,483	336,928	157,276
0	0	0	0	0
399,811	277,541	508,954	258,650	320,283
5,292,668	7,004,740	1,207,760	1,455,383	1,430,620
\$ 7,583,544	\$ 9,248,382	\$ 4,055,329	\$ 4,487,428	\$ 4,697,666
\$ 14,098,831	\$ 14,454,678	\$ 14,899,859	\$ 18,612,142	\$ 14,788,541
4,158,288	4,366,496	5,146,692	5,384,942	5,893,278
60,487	60,786	61,889	62,142	63,654
75,407	6,266	15,000	0	0
768,000	0	138,665	341,422	722,280
19,161,013	18,888,226	20,262,105	24,400,648	21,467,753
26,744,557	28,136,608	24,317,434	28,888,076	26,165,419
(4,240,120)	(3,533,327)	(8,542,536)	(9,203,176)	(11,571,248)
3,726,354	3,377,515	4,135,902	4,188,584	4,789,437
\$ (513,766)	\$ (155,812)	\$ (4,406,634)	\$ (5,014,592)	\$ (6,781,811)

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 3,650,563	\$ 3,638,572	\$ 3,982,499	\$ 4,171,075	\$ 4,090,645
Utility taxes	1,118,050	1,165,926	1,387,113	1,423,860	1,450,979
Discretionary Sales Surtax	0	0	0	368,655	605,530
Communications services taxes	313,826	346,275	338,750	311,859	323,331
Local option gas tax	0	0	0	0	0
Business license tax	46,691	49,645	48,398	48,649	49,970
Franchise fees	0	0	0	0	0
Intergovernmental revenue	657,312	703,123	743,242	801,244	823,041
Unrestricted investment earnings	8,321	6,617	25,692	32,812	58,385
Miscellaneous	114,923	902,230	194,070	103,364	97,195
Capital asset transfers	0	0	0	0	0
Gain on disposal of capital assets	0	0	0	0	0
Special item	0	(3,186,541)	(123,628)	0	0
Transfers	1,698,198	1,614,556	2,200,859	2,382,101	2,362,597
Total governmental activities	<u>7,607,884</u>	<u>5,240,403</u>	<u>8,796,995</u>	<u>9,643,619</u>	<u>9,861,673</u>
Business-type activities:					
Unrestricted investment earnings	7,330	4,280	7,166	23,498	99,537
Miscellaneous	98,254	117,079	74,219	101,279	58,336
Capital asset transfers	0	0	0	0	0
Gain on disposal of capital assets	0	0	0	0	0
Special item	0	(803,120)	0	0	0
Transfers	(1,698,198)	(1,614,556)	(2,200,859)	(2,382,101)	(2,362,597)
Total business-type activities	<u>(1,592,614)</u>	<u>(2,296,317)</u>	<u>(2,119,474)</u>	<u>(2,257,324)</u>	<u>(2,204,724)</u>
Total primary government	<u>\$ 6,015,270</u>	<u>\$ 2,944,086</u>	<u>\$ 6,677,521</u>	<u>\$ 7,386,295</u>	<u>\$ 7,656,949</u>
Change in Net Position					
Governmental activities	\$ 535,723	\$ (807,347)	\$ 1,772,233	\$ 1,553,544	\$ 2,707,143
Business-type activities	2,134,397	1,123,560	2,340,572	894,618	2,035,190
Total primary government	<u>\$ 2,670,120</u>	<u>\$ 316,213</u>	<u>\$ 4,112,805</u>	<u>\$ 2,448,162</u>	<u>\$ 4,742,333</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				
2019	2020	2021	2022	2023
\$ 4,280,381	\$ 4,489,384	\$ 4,726,998	\$ 5,079,266	\$ 5,585,088
1,506,043	1,481,057	1,608,171	1,670,498	1,742,543
609,820	571,527	684,556	774,727	1,273,912
332,749	361,901	321,121	313,796	327,756
0	0	0	0	0
51,497	47,733	39,549	48,153	42,317
0	0	0	0	0
853,502	790,075	1,019,001	1,189,151	1,202,264
114,730	30,281	5,407	10,524	107,924
140,609	101,531	57,535	100,045	1,930,738
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
2,065,328	2,067,677	2,071,641	2,000,000	2,000,000
9,954,659	9,941,166	10,533,979	11,186,160	14,212,542
187,324	58,977	6,161	12,051	118,924
124,115	55,518	0	3,994	1,284
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(2,065,328)	(2,067,677)	(2,071,641)	(2,000,000)	(2,000,000)
(1,753,889)	(1,953,182)	(2,065,480)	(1,983,955)	(1,879,792)
\$ 8,200,770	\$ 7,987,984	\$ 8,468,499	\$ 9,202,205	\$ 12,332,750
\$ 5,714,539	\$ 6,407,839	\$ 1,991,443	\$ 1,982,984	\$ 2,641,294
1,972,465	1,424,333	2,070,422	2,204,629	2,909,645
\$ 7,687,004	\$ 7,832,172	\$ 4,061,865	\$ 4,187,613	\$ 5,550,939

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Non-Spendable	\$ 1,411,513	1,726,625	1,128,744	627,675	750,470
Restricted	15,462	26,154	26,167	10,448	3,693
Assigned	727,248	549,035	2,050,825	306,543	2,354,747
Unassigned	3,434,709	3,324,514	2,931,335	3,813,331	2,774,649
Reserved	0	0	0	0	0
Unreserved	0	0	0	0	0
Total general fund	<u>\$ 5,588,932</u>	<u>5,626,328</u>	<u>6,137,071</u>	<u>4,757,997</u>	<u>5,883,559</u>
All Other Governmental Funds					
Non-Spendable	\$ 23,607	10,999	12,226	21,826	5,693
Restricted	1,459,511	2,065,728	4,635,975	955,407	1,115,112
Assigned	0	0	697,959	559,861	494,228
Unassigned	(1,282,361)	(1,194,361)	(667,489)	(300,000)	(95,699)
Reserved	0	0	0	0	0
Unreserved, reported in:					
Special revenue funds	0	0	0	0	0
Debt service funds	0	0	0	0	0
Capital projects funds	0	0	0	0	0
Total all other governmental funds	<u>\$ 200,757</u>	<u>882,366</u>	<u>4,678,671</u>	<u>1,237,094</u>	<u>1,519,334</u>

Fiscal Year				
2019	2020	2021	2022	2023
3,104,103	3,022,285	1,634,204	918,680	334,093
12,824	12,427	0	0	0
1,228,534	1,597,253	1,454,295	2,087,212	3,359,902
2,705,928	2,516,089	3,888,829	4,905,716	6,519,909
0	0	0	0	0
0	0	0	0	0
7,051,389	7,148,054	6,977,328	7,911,608	10,213,904
597	589	5,613	5,784	5,898
707,819	812,088	878,224	1,067,693	1,734,624
491,462	502,343	537,640	717,979	725,835
(2,802,715)	(2,539,356)	(1,098,942)	(301,593)	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(1,602,837)	(1,224,336)	322,535	1,489,863	2,466,357

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 5,344,809	5,430,545	6,004,417	6,574,325
Permits, fees, and special assessments	507,102	495,716	491,381	491,187
Intergovernmental revenues	1,149,737	1,887,631	1,796,689	1,594,494
Charges for services	902,045	947,960	1,067,509	982,949
Fines and forfeitures	63,393	43,769	34,312	64,531
Interest	8,321	6,617	25,692	32,812
Miscellaneous	171,720	998,455	192,843	107,699
Total revenues	<u>8,147,127</u>	<u>9,810,693</u>	<u>9,612,843</u>	<u>9,847,997</u>
Expenditures				
General government	2,511,783	2,560,365	2,741,395	3,064,460
Public safety	3,004,179	3,128,641	3,283,396	3,555,867
Physical environment	789,349	840,588	828,228	724,030
Transportation	474,618	488,529	566,945	563,055
Economic environment	197,491	172,559	197,743	186,235
Human Services	0	0	0	0
Parks and recreation	710,454	789,635	640,079	592,608
Debt service:				
Principal	304,621	321,840	418,711	482,911
Interest and fiscal charges	421,513	424,885	474,815	486,444
Capital outlay	<u>1,685,606</u>	<u>1,979,202</u>	<u>4,339,117</u>	<u>7,395,139</u>
Total expenditures	<u>10,099,614</u>	<u>10,706,244</u>	<u>13,490,429</u>	<u>17,050,749</u>
Excess (deficiency) of revenues over (under) expenditures	(1,952,487)	(895,551)	(3,877,586)	(7,202,752)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	0	0	0	0
Proceeds from borrowing	0	1,150,000	13,207,453	0
Payments to refunding bond escrow agent	0	(1,150,000)	(7,100,000)	0
Insurance proceeds	0	0	0	0
Transfers in	2,557,976	2,979,434	3,437,126	5,478,044
Transfers out	(859,778)	(1,364,878)	(1,236,267)	(3,095,943)
Total other financing sources (uses)	<u>1,698,198</u>	<u>1,614,556</u>	<u>8,308,312</u>	<u>2,382,101</u>
Net change in fund balances	<u>\$ (254,289)</u>	<u>719,005</u>	<u>4,430,726</u>	<u>(4,820,651)</u>
Debt service as a percentage of non-capital expenditures	8.6%	8.6%	9.8%	10.0%

Source: City of Alachua Financial Reports

Note:

A) Section 108, Series 2001A loan refinanced in FY 2015 and paid off in FY2021.

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					
2018	2019	2020	2021	2022	2023
6,771,785	7,039,344	7,197,160	7,661,926	8,201,819	9,307,638
536,096	564,860	581,834	797,763	1,005,843	1,057,984
1,241,335	3,723,450	8,201,739	2,908,312	2,495,080	1,769,540
1,060,719	1,217,916	1,312,746	1,459,927	1,735,312	1,859,938
29,230	78,810	40,987	46,308	56,253	48,080
58,385	114,730	30,283	5,407	10,524	107,924
89,425	137,858	47,637	47,324	86,681	1,962,732
9,786,975	12,876,968	17,412,386	12,926,967	13,591,512	16,113,836
3,156,600	3,332,416	3,604,814	4,131,805	3,951,708	4,170,933
3,133,453	3,261,173	3,513,424	3,771,476	4,216,129	4,556,215
728,843	697,125	709,066	739,296	751,545	1,100,853
562,857	667,209	592,393	684,572	699,970	775,977
294,475	300,062	233,817	315,730	410,344	336,762
0	0	51,787	129,547	86,665	79,110
793,078	876,510	954,871	1,136,982	1,176,277	1,455,210
534,888	464,197	479,892	515,433	324,918	497,251
489,477	471,882	456,514	440,173	422,102	404,245
1,048,099	6,826,063	8,408,319	1,757,449	1,450,246	1,458,490
10,741,770	16,896,637	19,004,897	13,622,463	13,489,904	14,835,046
(954,795)	(4,019,669)	(1,592,511)	(695,496)	101,608	1,278,790
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,398,431	3,015,805	3,033,621	3,048,523	3,248,809	3,035,007
(1,035,834)	(950,476)	(965,944)	(976,882)	(1,248,809)	(1,035,007)
2,362,597	2,065,329	2,067,677	2,071,641	2,000,000	2,000,000
1,407,802	(1,954,340)	475,166	1,376,145	2,101,608	3,278,790
10.6%	9.3%	8.8%	8.1%	6.2%	6.7%

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
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
2021	384,017,832	121,199,899	59,666,304	194,476,724
2022	409,264,640	129,231,583	61,894,175	210,246,042
2023	460,164,061	147,124,615	62,321,063	223,287,162

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
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
349,185,630	129,653,433	331,380,488	906,819,334	5.3900
357,686,564	142,274,830	335,026,671	975,571,163	5.3900
369,369,192	148,544,616	342,036,425	1,068,774,284	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
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
2021	5.3900	0.0000	5.3900	7.8935	0.0000	1.1289	0.0000	0.5000	6.9150	0.3696	0.2287
2022	5.3900	0.0000	5.3900	7.8662	0.0000	1.0856	0.0000	0.5000	6.8430	0.3615	0.2189
2023	5.3900	0.0000	5.3900	7.7662	0.0000	1.0565	0.0000	0.4612	6.4980	0.3368	0.1974

Source: Alachua County Property Appraiser

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

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores East LP	\$ 68,596,108	1	6.42%	\$ 74,952,140	1	10.91%
Dolgencorp, Inc.	55,393,144	2	5.18%	50,838,550	2	7.40%
National Resilience (Ology Bioservices)	54,822,710	3	5.13%			
Regeneration Technologies, Inc.	32,920,344	4	3.08%	23,123,760	4	3.37%
Baugh Southeast Cooperative, Inc.	27,121,080	5	2.54%	30,910,600	3	4.50%
Alachua Copeland Park Investments LLC	16,774,040	6	1.57%			
Alachua Highpoint LLC	11,620,007	7	1.09%			
HF Holdings Colorado LLC	9,896,477	8	0.93%			
Alachua FL 0716 LLC	8,417,805	9	0.79%			
Publix Super Markets INC	7,433,446	10	0.70%			
SNH Medical Office Properties				15,491,700	5	2.25%
Waco Properties, Inc.				10,918,700	6	1.59%
South Redistribution Center Inc.				10,120,750	7	1.47%
Alachua Development, LLC				9,328,240	8	1.36%
Lowes Home Centers, Inc.				8,534,170	9	1.24%
MAS Holding Company, Inc.				5,213,620	10	0.76%
	<u>\$ 292,995,161</u>		<u>27.41%</u>	<u>\$ 239,432,230</u>		<u>34.85%</u>

Source: Alachua County Tax Collector

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
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%
2021	4,892,610	4,719,365	96.5%	7,636	4,727,001	96.6%
2022	5,274,051	5,066,133	96.1%	13,135	5,079,268	96.3%
2023	5,785,556	5,584,523	96.5%	565	5,585,088	96.5%

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	Financing Loans	Capital Leases
2014	7,281,279	1,150,000	0	500,000	0
2015	7,177,584	1,015,000	0	500,000	0
2016	12,937,326	875,000	0	1,140,370	180,085
2017	12,839,292	725,000	0	971,501	90,043
2018	12,622,858	560,000	0	467,389	0
2019	12,399,024	385,000	0	377,995	0
2020	12,171,488	200,000	0	286,601	0
2021	11,925,453	0	0	193,168	0
2022	11,672,019	0	0	97,651	0
2023	11,248,384	0	0	0	0

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	Financing Loans	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
455,000	4,060,000	0	8,411,413	0	22,663,571	6.41%	2,437
375,000	3,410,000	0	8,345,992	0	21,547,614	5.86%	2,254
290,000	2,750,000	4,611,853	8,229,683	0	31,014,317	7.91%	3,135
200,000	2,085,000	4,576,964	8,086,990	0	29,574,790	7.36%	2,977
105,000	1,405,000	4,500,471	7,917,275	0	27,577,993	6.51%	2,716
0	710,000	4,421,382	12,220,079	0	30,513,479	6.95%	2,963
0	0	4,340,996	11,995,158	0	28,994,243	5.57%	2,769
0	0	4,254,106	11,327,436	0	27,709,054	5.45%	2,576
0	0	4,164,617	10,637,957	0	26,483,483	4.82%	2,442
0	0	4,015,328	10,136,566	0	25,400,278	4.53%	2,306

Schedule 10
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Capital Improvement Revenue and Revenue Refunding Bonds, 2016	\$ 10,683,575	100.00%	\$ 10,683,575
Plus Premium	564,809	100.00%	564,809
Total direct debt	11,248,384		11,248,384
Overlapping:			
Alachua County Board of County Commissioners:			
Public Improvement Revenue Note, 2014	2,147,000	5.61%	120,513
Capital Improvement Revenue Note, 2015A	1,230,000	5.61%	69,041
Public Improvement Revenue Refunding Note, 2015B	5,807,000	5.61%	325,952
Public Improvement Revenue Refunding Note, 2016	5,510,000	5.61%	309,281
Public Improvement Revenue Note, 2017	846,000	5.61%	47,487
Local Option Gas Tax Revenue Note, 2018	6,985,000	5.61%	392,074
Capital Improvement Revenue Note, 2020A	2,695,000	5.61%	151,273
Capital Improvement Revenue Note, 2020B	3,470,000	5.61%	194,774
Capital Improvement Revenue Note, 2020C	9,860,000	5.61%	553,451
Tourist Development Tax Revenue Note, 2021AB	29,770,000	5.61%	1,671,017
Capital Improvement Revenue Note, 2022	33,310,000	5.61%	1,869,721
Capital Improvement Revenue Note, 2023	8,000,000	5.61%	449,047
School Board of Alachua County:			
Bus Purchase 2020	2,749,497	4.79%	131,759
Certificates of Participation	85,145,000	4.79%	4,080,249
Qualified School Construction Bonds	11,211,997	4.79%	537,292
Build America Bonds	2,486,625	4.79%	119,162
Total overlapping debt	211,223,119		11,022,093
Total direct and overlapping debt	\$ 222,471,503		\$ 22,270,477

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	
		Principal	Interest
2014	1,006,475	125,000	82,538
2015	1,057,098	135,000	77,762
2016	1,133,662	140,000	16,405
2017	1,190,516	150,000	15,242
2018	1,235,434	165,000	13,848
2019	1,310,196	175,000	11,654
2020	1,272,267	185,000	8,363
2021	1,428,992	200,000	3,917
2022	0	0	0
2023	0	0	0

Fiscal Year	Pledged Revenue	Series 2006 Capital Improvement Debt Service	
		Principal	Interest
2014	6,123,156	100,000	316,883
2015	6,024,910	105,000	312,783
2016	6,402,248	110,000	304,448
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0

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 and paid off in FY 2021.

(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		Coverage
		Principal	Interest	Principal	Interest	
2014	0	0	0	0	0	0.00
2015	0	0	0	0	0	0.00
2016	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2021	0	0	0	0	0	0.00
2022	0	0	0	0	0	0.00
2023	0	0	0	0	0	0.00

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1999B Debt Service		Sales Tax Rev Note-2000 Debt Service		Coverage
		Principal	Interest	Principal	Interest	
2014	0	0	0	0	0	0.00
2015	0	0	0	0	0	0.00
2016	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2021	0	0	0	0	0	0.00
2022	0	0	0	0	0	0.00
2023	0	0	0	0	0	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	
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
2021	470,975	93,433	5,847	99,280	4.74
2022	490,008	95,518	3,761	99,279	4.94
2023	549,266	97,651	1,629	99,280	5.53

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) 2013 Redevelopment Note was paid of Fiscal Year 2023.

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
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
2021	4,003,398	1,929,292	5,932,690	1,059,513	5.60
2022	3,958,469	1,984,294	5,942,880	990,900	6.00
2023	3,473,484	2,070,299	5,543,783	785,803	7.05

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
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%
2021	10,756	328,517	47,302	508,780,312	5.20%
2022	10,844	351,001	50,623	548,955,812	2.40%
2023	11,015	357,446	50,892	560,575,380	3.00%

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 2023			
	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	793	1	23.48%
Dollar General Distribution Center	Retail	738	2	21.85%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	298	3	8.82%
National Resilience (Ology Bioservices)	Biologic Technologies	294	4	8.70%
School Board of Alachua County	Public Education	291	5	8.61%
Sandvik Mining & Construction USA, LLC	Manufacturing	270	6	7.99%
Publix Supermarkets	Retail	238	7	7.05%
Baugh Southeast Cooperative, Inc. (Sysco)	Retail	177	8	5.24%
City of Alachua	City Government	145	9	4.29%
Lowe's	Retail	134	10	3.97%
Total City Employment		3,378		

Source: Individual Employers

Employer	Fiscal Year 2014			
	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	736	1	25.65%
Dollar General Distribution Center	Retail	624	2	21.75%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	365	3	12.72%
School Board of Alachua County	Public Education	254	4	8.85%
Sage Software	Healthcare Management	220	5	7.67%
Sandvik Mining & Construction USA, LLC	Manufacturing	150	6	5.23%
State of Florida	State Government	144	7	5.02%
Baugh Southeast Cooperative, Inc.	Retail	132	8	4.60%
Hitchcock & Sons, Inc.	Grocery	129	9	4.50%
City of alachua	City Government	115	10	4.01%
	Total City Employment	2,869		

Source: Individual Employers

OPERATING INFORMATION

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

Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Administration	18.00	19.00	13.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00
Culture and Recreation	7.00	7.00	7.00	5.00	6.00	7.00	8.00	8.00	8.00	12.00
Finance/Administrative Services	14.00	14.00	20.00	25.00	26.00	26.00	27.00	28.00	29.00	26.00
Police	29.50	30.00	31.50	32.50	34.50	34.50	36.50	36.50	38.50	41.50
Community Development and Planning	10.00	10.00	10.50	11.00	13.00	13.00	13.00	13.00	12.00	13.00
Public Services	38.00	37.00	38.00	38.00	40.00	40.00	41.00	43.00	48.00	50.00
Total	116.50	117.00	120.00	123.50	132.50	133.50	138.50	141.50	150.50	157.50

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 and transferred back in FY2023.
- E) Safety Specialist transferred to Human Resources from Compliance and Risk Management in FY 2022.

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
Arrests	161	206	217	247	320	304	228	183	343	242
Traffic citations issued	3,491	1,941	2,196	1,889	1,144	1,813	1,567	1,861	1,682	1,192
Planning and Development:										
New local business tax receipts issued	46	76	58	42	49	54	35	41	47	60
Building permits issued	539	642	605	531	948	668	716	641	952	1,095
Culture and Recreation:										
Participants in Summer Recreation Program	0	0	0	0	42	165	62	194	190	177
Electric Utility:										
Number of residential customers	3,721	3,790	3,866	3,855	3,828	3,881	3,901	3,988	4,034	4,046
Kilowatts per hour sold-residential	41,192,449	42,873,312	44,908,136	49,536,179	43,899,437	45,432,789	44,486,790	46,932,453	47,876,451	45,066,429
Number of commercial customers	868	845	850	833	939	1,086	1,102	1,134	1,157	1,158
Kilowatts per hour sold-commercial	75,053,504	76,684,358	76,684,358	88,739,370	85,042,289	86,828,532	77,724,048	86,999,274	96,251,278	98,827,071
Water Utility:										
Number of residential customers	3,296	3,377	3,455	3,435	3,481	3,532	3,569	3,676	3,756	3,833
Gallons sold	205,179,769	181,027,654	195,392,511	239,218,578	190,649,990	203,401,990	210,642,294	201,998,290	215,566,410	215,908,840
Number of commercial customers	530	534	544	524	526	534	547	570	573	572
Gallons sold	150,610,000	160,707,699	183,371,258	151,993,571	185,630,701	192,225,666	184,659,250	196,476,140	212,258,580	215,379,015
Wastewater Utility:										
Number of customers	2,820	2,886	2,977	2,953	2,984	3,035	3,073	3,133	3,211	3,271
Gallons of wastewater billed to customers	240,160,431	238,979,271	239,973,349	271,199,248	266,929,170	281,685,710	271,043,085	285,272,510	305,450,040	311,847,795
Reclaimed Water:										
Number of customers	1	1	1	1	1	1	1	1	1	1
Gallons of wastewater billed to customers	103,205,640	138,011,490	220,200	58,655,900	177,262,500	173,520,740	25,575	31,930	6,102,000	0
Solid Waste:										
Number of customers	3,411	3,490	3,532	3,554	3,604	3,685	3,695	3,774	3,834	3,891

Source: Various City Departments

Notes:

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

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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)	48.00	48.00	48.00	49.10	49.97	52.00	52.00	56.00	56.00	56.00
Culture and Recreation:										
Parks	6	6	6	7	7	7	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	2	2
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

**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, 2023, 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 28, 2024.

Report on 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 or significant deficiencies may exist that were not identified.

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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***

Report on 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 28, 2024
Gainesville, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS**

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

We have examined the City of Alachua, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. City 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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 28, 2024
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 fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

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; 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*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 28, 2024, 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.

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 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.

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

MANAGEMENT LETTER

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.

Specific Information

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the City of Alachua Community Redevelopment Agency (the CRA) have been reported in the separately-issued audited financial statements of the CRA.

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, the City Commissioners, 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 28, 2024
Gainesville, Florida

