

Regular City Commission Meeting Agenda May 8, 2017

Mayor Gib Coerper
Vice Mayor Shirley Green Brown
Commissioner Gary Hardacre
Commissioner Ben Boukari, Jr.
Commissioner Robert Wilford

City Manager Traci L. Gresham
City Attorney Marian Rush

The City Commission will conduct a
Regular City Commission Meeting
At 6:00 PM
to address the item(s) below.

Meeting Date: May 8, 2017

Meeting Location: James A. Lewis Commission Chambers, City Hall

CITY COMMISSION MEETING

Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

INVOCATION

PLEDGE TO THE FLAG

APPROVAL OF THE AGENDA

**APPROVE READING OF PROPOSED ORDINANCES AND RESOLUTIONS BY
TITLE ONLY**

I. SPECIAL PRESENTATIONS

- A.** Alachua Learning Academy Artwork Certificate Presentation

II. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

(Please Limit to 3 Minutes. Any citizen who is unable to speak at this time will have an opportunity to speak at the end of the meeting)

III. COMMITTEE REPORTS/COMMITTEE APPOINTMENTS/CITY ANNOUNCEMENTS

- A.** City Commission Board and Committee Appointments

IV. PUBLIC HEARINGS AND ORDINANCES

(Presentations, other than the applicant, please limit to **3 Minutes**)

V. AGENDA ITEMS

- A.** Resolution 17-12 Accepting the Comprehensive Annual Financial Report (CAFR) and Management Letter for the Fiscal Year ended September 30, 2016
- B.** Authorization for Addition of a Full-Time Equivalent (FTE) Recreation Assistant I position.
- C.** Recommendation of Appointment to Wild Spaces Public Places Citizen Oversight Committee

VI. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

(Please Limit to 3 Minutes. Any citizen who did not speak during the Citizen Comments period at the beginning of the meeting may do so at this time.)

VII. COMMENTS FROM CITY MANAGER AND CITY ATTORNEY

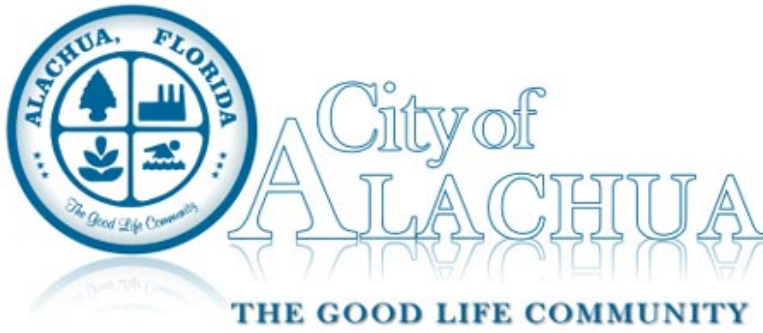
VIII.COMMISSION COMMENTS/DISCUSSION

ADJOURN

CONSENT AGENDA

CONSENT AGENDA ITEMS

March 13, 2017 City Commission Meeting Minutes
March 27, 2017 City Commission Meeting Minutes
April 10, 2017 City Commission Meeting Minutes
April 24, 2017 City Commission Meeting Minutes



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: Alachua Learning Academy Artwork Certificate Presentation

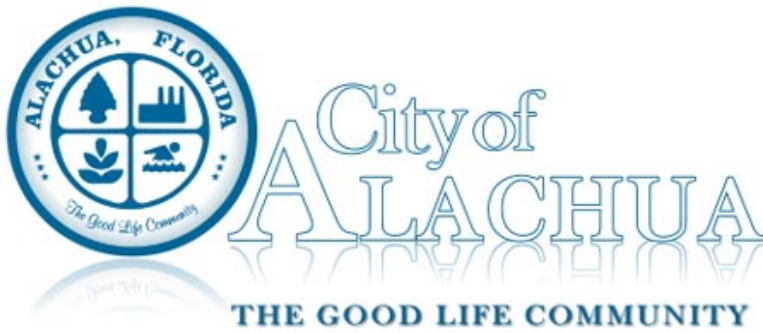
PREPARED BY: Alan Henderson, Deputy City Clerk

RECOMMENDED ACTION:

Mayor Coerper and Jessica Kreitzer to present certificates to the students.

Summary

Recognition of the student artists and presentation of art certificates to Alachua Learning Center students who currently have their artwork, Art Bubbles, featured on display in the foyer of City Hall.



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: City Commission Board and Committee Appointments

PREPARED BY: Alan Henderson, Deputy City Clerk

RECOMMENDED ACTION:

Discuss and make appointments as desired.

Summary

Per the Commissioners Rules of Procedure, Rule 32, Commission Appointments to Boards and Committees:

“Members of the City Commission serve on various boards and committees (e.g., North Central Florida Regional Planning Council, etc.). Appointments are reviewed and made each year as soon after the election as practicable.

- (a) If there is no nominee or volunteer for a vacancy, the Chair will appoint a Commissioner to serve.
- (b) A listing of appointments will be disseminated to the City Commission in advance of the appropriate meeting so that Commissioners can determine his/her interest in serving on various boards/committees.”

Other boards and committees not listed may be constituted and filled at the Commission’s desire.

ATTACHMENTS:

Description

- ☐ Proposed 17-18 Committee Assignments
- ☐ Approved 16-17 Committee Assignments



Proposed Commission Committee Assignments

05/2017 through 05/2018

AFFORDABLE HOUSING

Delegate: Commissioner Gary Hardacre
Alternate: Commissioner Robert Wilford

ALACHUA CHAMBER OF COMMERCE

Delegate: Mayor Gib Coerper
Alternate: Commissioner Gary Hardacre

ALACHUA COUNTY LEAGUE OF CITIES

Delegate: Mayor Gib Coerper
Alternate: Commissioner Robert Wilford

DOWNTOWN REDEVELOPMENT TRUST BOARD

Delegate: Mayor Gib Coerper
Alternate: Commissioner Gary Hardacre

ELECTED OFFICIALS GROUP FOR SCHOOL FACILITY PLANNING

Delegate: Vice Mayor Shirley Green Brown
Alternate: Commissioner Ben Boukari, Jr.

FLORIDA LEAGUE OF CITIES

Delegate: Commissioner Ben Boukari, Jr.
Alternate: Mayor Gib Coerper

FLORIDA MUNICIPAL POWER ASSOCIATION

Delegate: Commissioner Gary Hardacre
Alternate: Public Services Director Rodolfo Valladares
2nd Alternate: City Manager Traci Gresham

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

Delegate: Commissioner Robert Wilford
Alternate: Vice Mayor Shirley Green Brown

PARKS & RECREATION ADVISORY BOARD

Delegate: Mayor Gib Coerper
Alternate: Commissioner Ben Boukari, Jr.

SENIOR RESOURCES ADVISORY BOARD

Delegate: Vice Mayor Shirley Green Brown
Alternate: Commissioner Robert Wilford

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

Delegate: Commissioner Gary Hardacre
Alternate: Commissioner Ben Boukari, Jr.

YOUTH ADVISORY COUNCIL

Delegate: Commissioner Ben Boukari, Jr.
Alternate: Vice Mayor Shirley Green Brown



Commission Committee Assignments

06/2016 through 05/2017

AFFORDABLE HOUSING

Delegate: Commissioner Gary Hardacre
Alternate: Vice Mayor Robert Wilford

ALACHUA CHAMBER OF COMMERCE

Delegate: Mayor Gib Coerper Alternate:
Commissioner Gary Hardacre

ALACHUA COUNTY LEAGUE OF CITIES

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Alternate: Vice Mayor Robert Wilford

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Alternate: Public Services Director
2nd Alternate: City Manager Traci Gresham

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Delegate: Vice Mayor Robert Wilford
Alternate: Commissioner Shirley Green Brown

PARKS & RECREATION ADVISORY BOARD

Delegate: Mayor Gib Coerper Alternate:
Commissioner Ben Boukari, Jr.

SENIOR RESOURCES ADVISORY BOARD

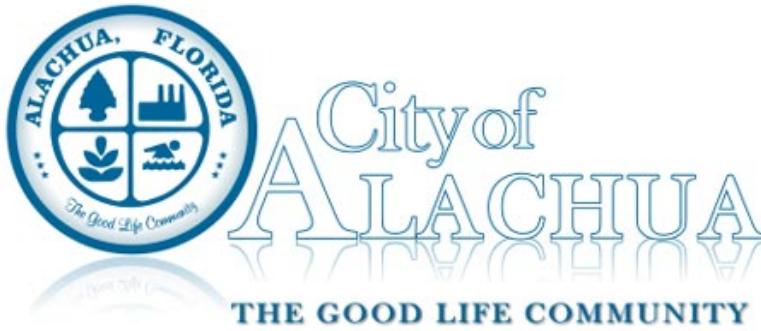
Delegate: Commissioner Shirley Green Brown
Alternate: Vice Mayor Robert Wilford

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

Delegate: Commissioner Gary Hardacre
Alternate: Commissioner Ben Boukari, Jr.

YOUTH ADVISORY COUNCIL

Delegate: Commissioner Ben Boukari, Jr.
Alternate: Commissioner Shirley Green Brown



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: Resolution 17-12 Accepting the Comprehensive Annual Financial Report (CAFR) and Management Letter for the Fiscal Year ended September 30, 2016

PREPARED BY: Robert A. Bonetti, Finance and Administrative Services Director

RECOMMENDED ACTION:

Adopt Resolution 17-12 Accepting the Comprehensive Annual Financial Report and Management Letter for the Fiscal Year ended September 30, 2016.

Summary

The annual audit of the City's Fiscal Year 2015-2016 financial statements has been completed by Purvis, Gray and Company, the City's independent Certified Public Accountants. This evening, Mr. Ron Whitesides and Mr. Trey Presnell of Purvis, Gray and Company will present the results of the Fiscal Year 2015-2016 audit process.

Overall, the City received an unmodified ("clean") opinion as it pertains to the financial statements for the year ended September 30, 2016. This is the highest audit opinion that can be received. This is the fourteenth consecutive year of receiving this distinction. Additionally, there were no current year written comments.

Once accepted by the City Commission, the Comprehensive Annual Financial Report (CAFR) will be submitted to the Government Finance Officers Association (GFOA) of the United States and Canada for review to receive the Certificate of Achievement for Excellence in Financial Reporting. Also, copies of the CAFR will be forwarded to all required governmental and financial organizations.

FINANCIAL IMPACT: No

BUDGETED: No

ATTACHMENTS:

Description

- ▢ Resolution 17-12
- ▢ FY 16 CAFR City of Alachua
- ▢ FY 16 Communication With Those Charged With Governance

RESOLUTION 17-12

A RESOLUTION OF THE CITY OF ALACHUA, FLORIDA; ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND MANAGEMENT LETTER FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Alachua City Commission has been presented with and reviewed the Comprehensive Annual Financial Report of the City of Alachua, presented by Purvis, Gray & Company for the fiscal year ending September 30, 2016;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ALACHUA COMMISSION:

1. Upon reviewing the Comprehensive Annual Financial Report, the Alachua City Commission does hereby accept the report.
2. That this resolution shall take effect immediately upon its adoption.

DULY ADOPTED in regular session, this 8th day of May, 2017.

**CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA**

Gib Coerper, Mayor

SEAL

ATTEST:

Traci L. Gresham, City Manager/Clerk

CITY OF ALACHUA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Prepared by
Department of Finance

**CITY OF ALACHUA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**CITY OF ALACHUA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**CITY OF ALACHUA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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INTRODUCTORY SECTION

City of Alachua

Mayor and City Commissioners

Gib Coerper, Mayor
Robert Wilford, Vice Mayor
Shirley Green Brown, Commissioner
Gary Hardacre, Commissioner
Ben Boukari Jr., Commissioner

Traci Gresham, City Manager
Marian Rush, City Attorney



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Alachua
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO



City of Alachua

MAYOR GIB COERPER

Vice-Mayor Robert Wilford
Commissioner Ben Boukari, Jr.
Commissioner Shirley Green Brown
Commissioner Gary Hardacre

OFFICE OF THE CITY MANAGER**TRACI L. GRESHAM**

May 8, 2017

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

Dear Honorable Mayor Coerper:

The Comprehensive Annual Financial Report of the City of Alachua, Florida (the “City”) for the fiscal year ended September 30, 2016, 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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s basic financial statements for the fiscal year ended September 30, 2016, were presented fairly in conformity with GAAP.

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

PROFILE OF THE GOVERNMENT

The City of Alachua is geographically located in North Central Florida. The City's boundaries encompass 46 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 United States Census Bureau, the City's population was approximately 9,892 as of September 30, 2016. 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, fire protection (via contract), solid waste collection (via contract) and recreational-cultural activities.

This Comprehensive Annual Financial Report (CAFR) includes the funds of the primary government and the following component unit:

- The Public Finance Authority for Affordable Housing. The Authority is a separate legal entity and is a component unit of the City. There have been no financial transactions by the Authority; therefore, no amounts related to the Authority are reported in the basic financial statements.

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 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 nonmajor funds. Only major funds are shown separately in the basic financial statements, while nonmajor funds are combined together and reported as a single column. Nonmajor funds are disclosed separately in the combining and individual fund financial statements and schedules section of this report.

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

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

ECONOMIC CONDITION AND OUTLOOK

LOCAL ECONOMY

The area's economy is beginning to see some growth from the economic downturn seen over the previous decade. Growth indicators such as building permits and infrastructure (water and wastewater) connections increased from their 2015 levels. The City continues to increase its commercial, technology and industrial customer base by attracting firms to locate their enterprises within City limits. This helps create additional jobs and provides for a stable tax base.

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

LONG-TERM FINANCIAL PLANNING

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

The City's Fiscal Year 2015-2016 five-year Capital Improvement Plan, covering the period from October 1, 2015 through September 30, 2020, has earmarked funding estimated at \$49.7 million for 145 projects throughout the City. Electric system projects account for the largest portion of the total Capital Improvement Plan funding at \$9.4 million or 18.8%. Recreation projects are the second largest, accounting for \$9.1 million, or 18.4%, and Water system projects are the third largest accounting for \$7.5 million, or 15.1%, of the Capital Improvement Plan.

City loans represent the third largest share of funding for the Capital Improvement Plan, accounting for 22% of the value. Capital project revenues (capital facility charges, utility charges, etc.) account for 39% of the funding, and the remaining 45% of the funding is from Federal, State, Local, Tax Increments, assessments, and other private donations.

MAJOR INITIATIVES

ECONOMIC ENVIRONMENT

The market study for the Community Redevelopment Agency was completed at a cost of \$50,000. This market study will enable the City to identify and better address the challenges, both present and future, that exist within the district. Additionally, initial costs of \$32,222 for engineering design of a downtown parking lot along N. W. 142 Terrace and N. W. 150 Avenue and \$61,138 for streetscaping along Main Street were expended during the fiscal year.

TRANSPORTATION

The City completed the Nanotherapeutics Road Improvements project. This project involved the reconstruction of an existing road, adding curb, gutter and sidewalks. It also involved the construction of a new road (Nano Court) that will support the functions of Nanotherapeutics. This project will create 150 jobs in the City. **Funding for the project is being provided through a grant from the Florida Department of Transportation. The total spent on design in 2014 was \$82,910.** The City also completed stormwater retention improvements in the Merrillwood subdivision at a cost of \$81,872. These costs were offset by a grant from the Suwannee River Water Management District in the amount of \$40,936. Additional projects completed included roadway improvements to N. W. 59 Terrace (\$102,512), and the chip sealing of a Hipp Way (\$11,000).

GENERAL GOVERNMENT

The City began construction of the Public Works Operations Center and Warehouse facility. This project is funded by proceeds from the Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016. This facility will replace multiple aging structures/facilities and consolidate most Public Services operational personnel and the warehouse in one central location. The \$4.5 million project is slated to be completed the latter part of the summer of 2017.

PUBLIC SAFETY

The Alachua Police Department continued to upgrade its technology and equipment in order to more efficiently process operations of the department. Equipment purchased included a Universal Forensic Extraction Device (UFED), Simunition conversion kits for firearms training, tablets for patrol units and 3 new patrol vehicles. The UFED and Simunition conversion kits were funded by a grant awards from the U. S. Department of Justice through the Florida Department of Law Enforcement in the amount of \$14,622. The total cost for the equipment and vehicles was \$123,284. Additionally, technological enhancements to the communications capabilities of the Alachua Police Department were made possible via a \$270,127 capital lease purchase for the replacement of the radio communications system.

PARKS AND RECREATION

Planned improvements for the construction of a multipurpose facility at the Project Legacy site are underway. This facility will allow for indoor sporting events, primarily basketball and volleyball, as well as diverse public activities ranging from art and theater. This project is partially funded by proceeds from the Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016. The \$8.0 million project is anticipated to be completed in June of 2017.

PHYSICAL ENVIRONMENT

The City continued to improve its utility infrastructure while looking ahead to overall infrastructure expansion. Enhancements made included improvements to the electric substation and expansion of the underground distribution system, wastewater lift station improvements and replacement of water distribution lines. Total cost for these improvements was \$253,778.

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 for its Comprehensive

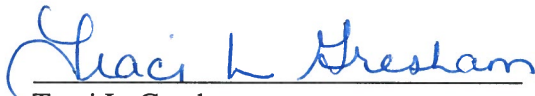
AWARDS AND ACKNOWLEDGEMENTS

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 for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. This was the sixth 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 CAFR. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

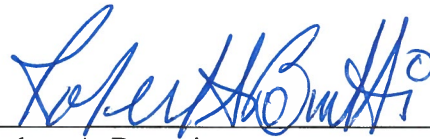
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive 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 Division Supervisors for their cooperation and assistance in matters pertaining to the financial affairs of the City.

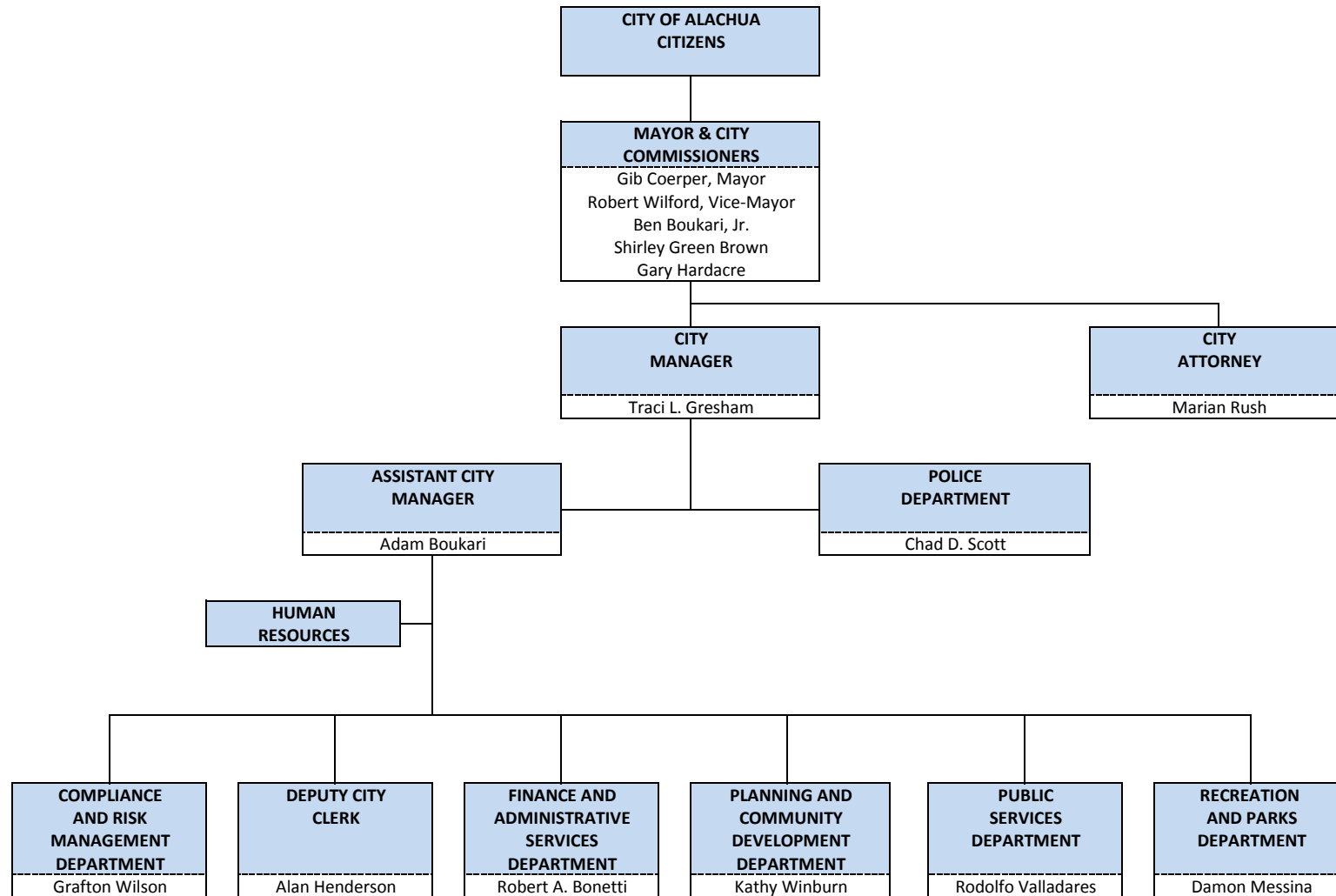
Respectfully submitted,



Traci L. Gresham
City Manager



Robert A. Bonetti
Finance & Administrative Services Director



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

INDEPENDENT AUDITORS' REPORT *(Continued)*

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules of proportionate share of the net pension liability and schedule of contributions, and the other postemployment benefits schedule of funding progress on pages 4 through 15 and 64 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to basic the 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 nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.


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

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


May 8, 2017
Gainesville, Florida

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

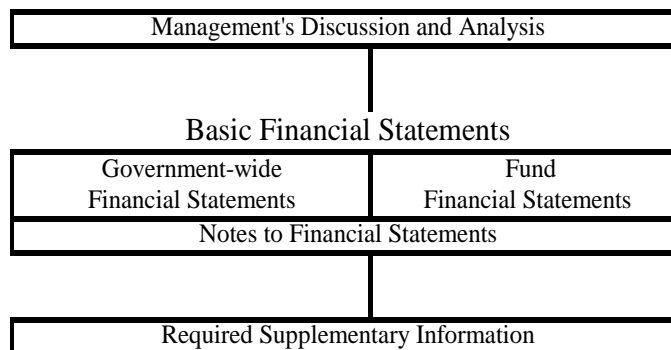
The City of Alachua's (the "City") Management's Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the 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 graph is provided to assist in understanding the component parts of the financial statements:

Required components of City's Annual Financial Report



Government-wide Financial Statements

- The City of Alachua's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2016, by \$57.2 million, which is a 7.75% increase from the previous year. Unrestricted net position was at \$9.1 million, which is a 53.25% increase from the previous year.
- The City's total net position increased by \$4,112,805 over the prior reported period. This increase was accomplished through an increase in property taxes of 0.4900 mills, and increase in utility charges for services collections, and reduced expenses resulting from lower wholesale power costs.
- The City of Alachua's total long-term debt (due in more than one year) increased by \$12,147,924 during the current fiscal year. This increase is due to the issuance of the \$16,545,000 Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 (Series 2016 Bonds). These bonds were issued in order to fund construction of a multi-purpose recreation facility, a Public Services operations center/warehouse complex and to refinance the prior Capital Improvement and Refunding Revenue Bonds, Series 2006.
- Total net position (\$57.1 million) is comprised of the following:
 1. The \$46.5 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 2. \$1.5 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. \$9.1 million of unrestricted net position.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Fund Financial Statements

- At September 30, 2016, the City's governmental funds reported combined ending fund balances of \$10.8 million, an increase of \$4.31 million, in comparison with the prior fiscal year. This increase is largely due to the receipt of proceeds from the Series 2016 Bonds for the construction of the multi-purpose recreation facility within the Project Legacy Fund.
- Governmental fund revenues were \$9,612,843 or \$198 thousand less than the previous fiscal year. While General Fund revenues increased by \$800 thousand, this decrease was due, primarily, to a reduction of revenues resulting from the one-time recognition of deferred revenue in the amount of \$777 thousand that occurred the prior year within the Capital Projects Funds.

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 three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business, and consist of the following two statements:

- The *statement of net position* presents information on all of the City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is strengthening or weakening.
- The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, and parks and recreation. The business-type activities of the City include physical environment (electric, water, wastewater, and mosquito control utilities).

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

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

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

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

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

the comparison between governmental funds and governmental activities. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The City reports thirteen (13) 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, Project Legacy Fund, and Community Redevelopment Agency, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The City adopts an annual budget for its general, special revenue, debt service, and capital projects funds. Budgetary comparison schedules have been provided as required supplementary information for the General Fund, Project Legacy Fund, and Community Redevelopment Agency to demonstrate budgetary compliance. Budgetary comparison schedules have been provided for all of the other governmental funds that have adopted budgets in the supplementary information section.

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

Proprietary Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 63 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 70 through 83 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 \$57.1 million at the close of the fiscal year ended September 30, 2016.

A portion of the City's net position, \$1,975,322, represents resources that are subject to external restriction on how they may be used.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

The largest portion of the City's net position (\$46,542,239 or 81.4%) 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, 2016 and 2015

	Governmental Activities		Business-type Activities		Total		Total % Change
	2016	2015	2016	2015	2016	2015	2015-2016
Current Assets & Other Assets	\$ 11,571,377	7,079,078	19,394,511	12,075,880	30,965,888	19,154,958	61.66%
Capital Assets	30,284,449	26,810,577	38,172,333	38,853,505	68,456,782	65,664,082	4.25%
Deferred Outflows	2,019,522	729,195	822,210	495,617	2,841,732	1,224,812	132.01%
Total Assets and Deferred Outflows	\$ 43,875,348	34,618,850	58,389,054	51,425,002	102,264,402	86,043,852	18.85%
Long-term liabilities outstanding	\$ 20,942,775	13,250,152	17,656,932	13,201,631	38,599,707	26,451,783	45.92%
Other liabilities	984,176	733,736	5,467,116	5,184,790	6,451,292	5,918,526	9.00%
Deferred Inflows	37,799	496,597	11,012	125,159	48,811	621,756	-92.15%
Total Liabilities and Deferred Inflows	\$ 21,964,750	14,480,485	23,135,060	18,511,580	45,099,810	32,992,065	36.70%
Net Position							
Net Investment in Capital Assets	\$ 19,616,277	17,393,955	26,925,962	27,034,352	46,542,239	44,428,307	4.76%
Restricted	697,533	1,933,806	803,328	737,724	1,500,861	2,671,530	-43.82%
Unrestricted	1,596,788	810,604	7,524,704	5,141,346	9,121,492	5,951,950	53.25%
Total Net Position	\$ 21,910,598	20,138,365	35,253,994	32,913,422	57,164,592	53,051,787	7.75%

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. There is a second impact, an increase in invested in 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, 2016

City of Alachua
Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	Governmental Activities		Business-type Activities		Totals		Totals % change
	2016	2015	2016	2015	2016	2015	2015-2016
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,610,986	1,497,017	19,157,062	19,179,531	20,768,048	20,676,548	0.44%
Operating Grants and Contributions	266,003	485,404	-	24,527	266,003	509,931	-47.84%
Capital Grants and Contributions	1,032,140	1,029,007	-	-	1,032,140	1,029,007	0.30%
General Revenues:							
Property Tax	3,982,499	3,638,572	-	-	3,982,499	3,638,572	9.45%
Utility Tax	1,387,113	1,165,926	-	-	1,387,113	1,165,926	18.97%
Other Tax	387,148	395,920	-	-	387,148	395,920	-2.22%
Intergovernmental	743,242	703,123	-	-	743,242	703,123	5.71%
Other	219,762	908,847	78,699	121,359	298,461	1,030,206	-71.03%
Total Revenues	\$ 9,628,893	9,823,816	19,235,761	19,325,417	28,864,654	29,149,233	-0.98%
Expenses:							
General Government	\$ 3,028,258	2,690,754	-	-	3,028,258	2,690,754	12.54%
Public Safety	3,610,483	3,215,211	-	-	3,610,483	3,215,211	12.29%
Physical Environment	828,282	840,642	-	-	828,282	840,642	-1.47%
Transportation	918,754	813,619	-	-	918,754	813,619	12.92%
Economic Environment	239,226	192,386	-	-	239,226	192,386	24.35%
Parks and Recreation	741,416	892,715	-	-	741,416	892,715	-16.95%
Electric	-	-	11,250,351	12,377,194	11,250,351	12,377,194	-9.10%
Water and Sewer	-	-	3,400,953	3,365,172	3,400,953	3,365,172	1.06%
Mosquito Control	-	-	43,026	41,815	43,026	41,815	2.90%
Interest on long-term debt	567,472	413,851	-	-	567,472	413,851	37.12%
Total Expenses	\$ 9,933,891	9,059,178	14,694,330	15,784,181	24,628,221	24,843,359	-0.87%
Increase (decrease) in net position before transfers	\$ (304,998)	764,638	4,541,431	3,541,236	4,236,433	4,305,874	-1.61%
Transfers	\$ 2,200,859	1,614,556	(2,200,859)	(1,614,556)	-	-	0.00%
Increase (decrease) in net position	\$ 1,895,861	2,379,194	2,340,572	1,926,680	4,236,433	4,305,874	-1.61%
Net position - beginning	20,138,365	20,945,712	32,913,422	31,789,862	53,051,787	52,735,574	0.60%
Adjustment to net position	(123,628)	(3,186,541)	-	(803,120)	(123,628)	(3,989,661)	-96.90%
Net position - beginning, as restated	20,014,737	17,759,171	32,913,422	30,986,742	52,928,159	48,745,913	8.58%
Net position - ending	\$ 21,910,598	20,138,365	35,253,994	32,913,422	57,164,592	53,051,787	7.75%

Government-wide Net Position

The City's total net position at the end of FY 16 improved by \$4,112,805 resulting from an increase of \$1,772,233 in governmental activities and an increase of \$2,340,572 in business-type activities.

Governmental Activities

The City's net position within governmental activities was improved by \$1,895,861 during FY 16. This net position increase was, primarily, the result of an increase within governmental sources of funding. Beginning net position was adjusted downward by an adjustment of \$123,628 due to recognition of a prior year expense. The net result was an increase in overall net position of \$1,772,233 over the previously reported net position.

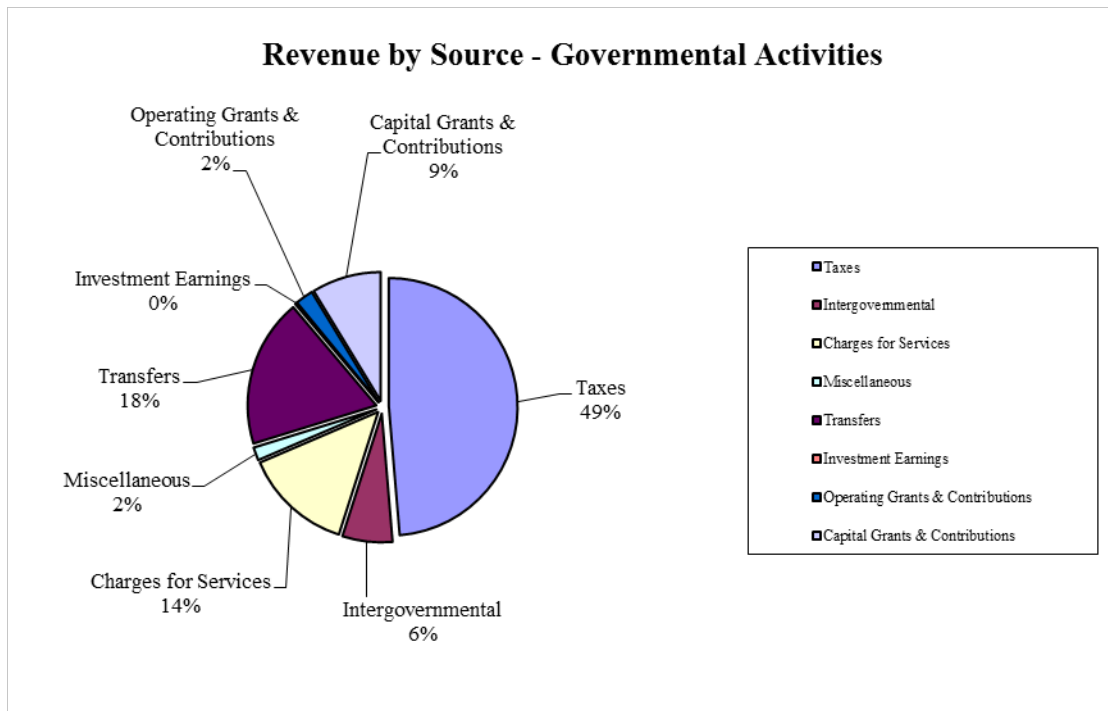
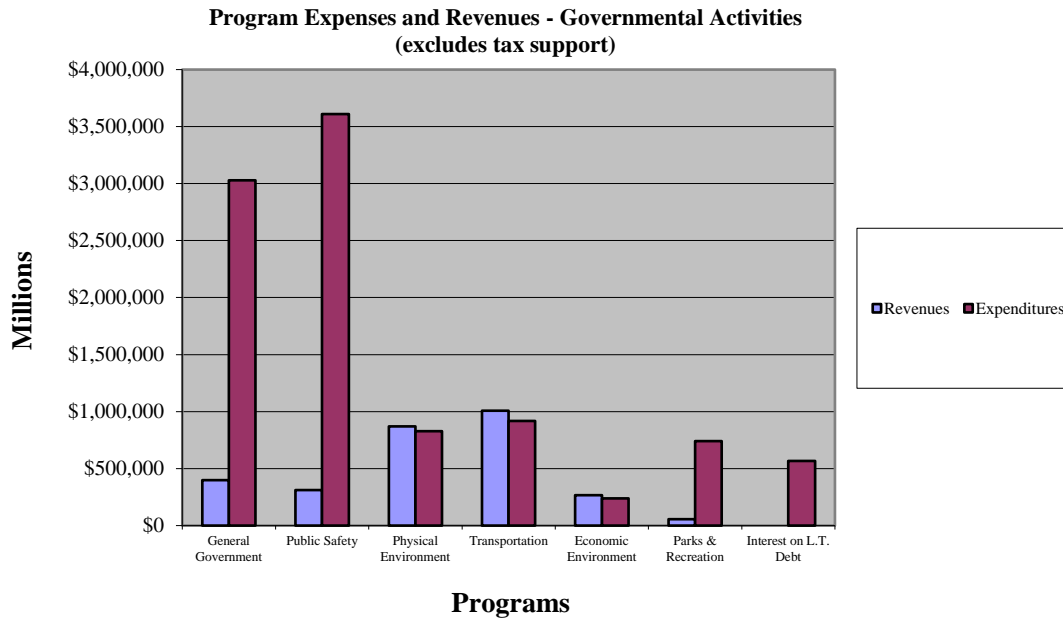
Major changes in revenues were caused by the following:

- For fiscal year ending September 30, 2016, other revenues decreased by \$194,923 from that of FY 15. This decrease was, primarily, due to a reduction stemming from the one-time recognition of deferred revenue within Capital Projects of \$777 thousand that occurred the prior fiscal year. This decrease in revenue was offset by the current year increases of property and utility taxes received.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of \$874,713. This increase was largely the result of activities within the Project Legacy Fund related to the construction of a multi-purpose recreation facility. Capital expenditures within this fund were approximately \$2.0 million for the fiscal year.



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

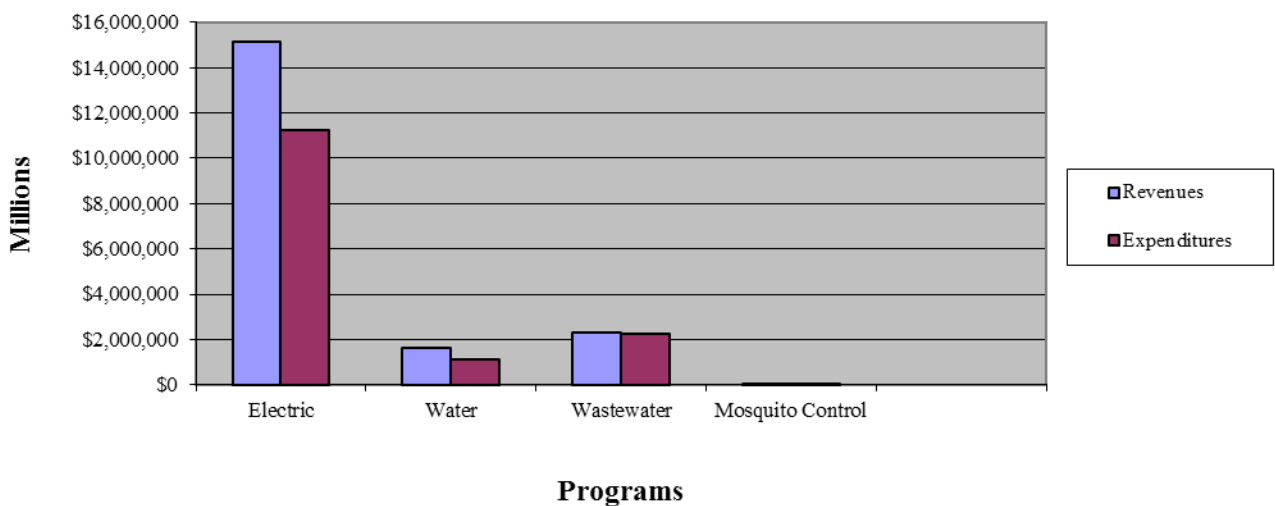
Business-type Activities

The City's net position within business-type activities was improved by \$2,340,572 during FY 16.

Net position increased despite a decrease of business-type charges for services of \$22,469. This was largely due to lower wholesale power costs. The City renegotiated its wholesale power contract midway through the fiscal year. The resulting contract is a multi-year agreement with a fixed rate of \$58 per megawatt hour (MWh) that expires in the year 2022. Business-type expenses decreased by \$1,089,851 largely due to these lower power costs.

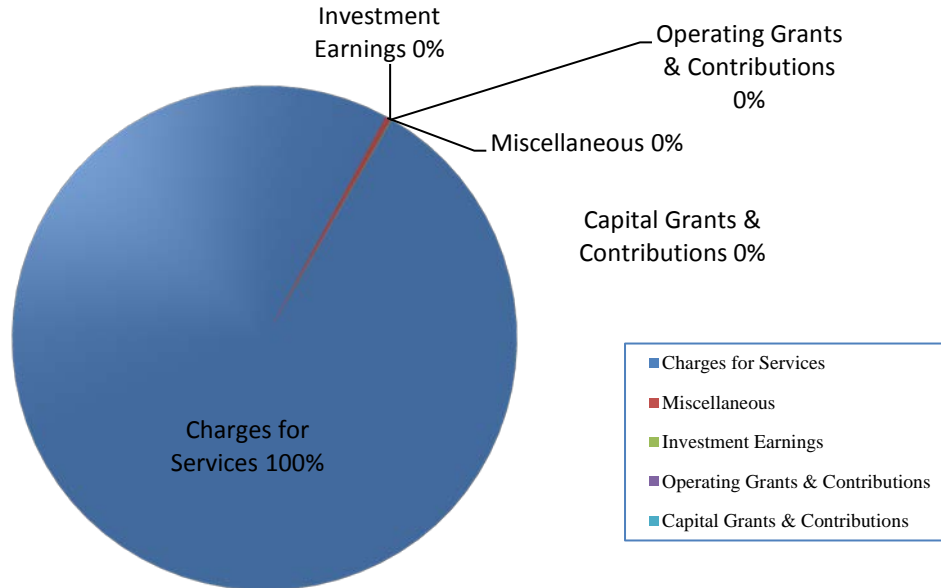
- The Electric Utility of the City operates at 7.2/12.47kV. The City purchases power from Gainesville Regional Utilities (GRU) at two different locations. The majority of the customers are supplied from the Alachua No. 1 Substation, which is connected to GRU's 138 kV transmission system. The second point of services, identified as Hague Point of Service, exists as a distribution source supplied by GRU.
- The Water Utility obtains its water supply from the upper portion of the 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, which the water requires prior to distribution. The system's wells range in age from 23 to 46 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City's wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 1,500,000 gallons per day. The effluent from the treatment facility is chlorinated and disposed of by spray irrigation, and is also resold as reclaimed water.

Expenses and Program Revenues - Business-Type Activities



CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Revenue By Source-Business-Type Activites



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 2016, the City's governmental funds reported combined ending fund balances of \$10,815,742, an increase of \$4,307,048 in comparison with the prior year.

Major Funds

The General Fund, Project Legacy Fund and Community Redevelopment Agency are major governmental funds.

The General Fund is the chief operating fund of the City. The General Fund had an increase in fund balance of \$510,743. The total fund balance was \$6,137,071 of which \$2,931,335 was unassigned. The cash balance at the end of the year was \$5,139,301. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 34% of the total General Fund operating revenue, while total fund balance represents 70% of that same figure. The Government Finance Officers Association (GFOA), Best Practices guidelines calls for an unassigned fund balance level of two (2) months of operating revenues. Total fund balance includes committed, assigned, and unassigned fund balance.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

The Project Legacy Fund is being reported as a major fund this year as a result of proceeds received from the Series 2016 Bonds for the construction of the multi-purpose recreation facility. Fund balance increased by \$3,899,334 from that of fiscal year 2015. The entirety of the fund balance is restricted to purposes related to this capital project pursuant to bond covenants.

Fund balance for the Community Redevelopment Agency (CRA) increased by \$38,869 from fiscal year 2015. The increase was due to planned reduction of expenditures resulting from the completion of major projects in fiscal year 2015. Fund balance within the CRA is restricted for uses that relate to CRA purposes.

Proprietary Funds

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

The major utility system funds are used to account for the operations of the City's electric, water, and wastewater utilities. Each utility operates like a business, where the rates established by the City generally generate sufficient funds to pay the costs of current operations and provide for long-term asset acquisitions. Total assets and deferred outflows of resources as of September 30, 2016, were \$55.1 million, total liabilities and deferred inflows were \$20.8 million. Net position was \$34.3 million.

General Fund Budgetary Highlights with Variances

The General Fund Budget was \$10,712,838 at the beginning of fiscal year 2016. The final amended budget amount of \$11,097,588 was brought about by the following amendments:

- \$13,000: Increase to appropriate funds related to Justice Assistance Grant (JAG).
- \$270,128: Increase to appropriate funds related to capital lease of Police communications equipment.
- \$100,000: Increase to recognize and appropriate revenue from site lease.
- \$1,622: Increase to appropriate funds related to Justice Assistance Grant (JAG).

General Fund Actual Results Highlights with Variances

At September 30, 2016, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$329,263. This was mainly due to conservative budgetary projection pertaining to tax revenue. The revenue received from Gas Taxes, Utility Taxes and Communications Service Taxes exceeded the budgetary forecast. Additionally, higher than anticipated Charges for Services was experienced.

The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$838,791. This was due to unspent operating and capital expense funds. Additionally, there were several vacancies carried throughout the fiscal year in the General Government, Recreation and Public Safety-related programs.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Capital Asset and Debt Administration

The City's capital assets for its governmental and business-type activities as of September 30, 2016, totaled \$68.4 million (net of accumulated depreciation), and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

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

	Governmental Activities		Business-type Activities		Total		Total % Change
	2016	2015	2016	2015	2016	2015	2015-2016
Land	\$ 7,413	7,413	256	256	7,669	7,669	0.0%
Buildings	8,510	8,510	4,872	4,872	13,382	13,382	0.0%
Improvements other than buildings	4,681	4,451	4,979	4,759	9,660	9,210	4.9%
Infrastructure	12,259	12,259	40,871	40,871	53,130	53,130	0.0%
Furniture, fixtures, and equipment	3,268	2,919	2,834	2,854	6,102	5,773	5.7%
Construction in progress	4,489	1,047	2,782	2,420	7,271	3,467	109.7%
Less: accumulated depreciation	(10,335)	(9,789)	(18,422)	(17,178)	(28,757)	(26,967)	6.6%
Total Assets	\$ 30,285	26,810	38,172	38,854	68,457	65,664	4.3%

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

Major capital asset events during the current fiscal year for governmental activities include the initiation of construction activity of a multi-purpose recreation facility, completion of Nano Court, roadway and drainage improvements within the Merrillwood subdivision, roadway improvements to NW 59 Terrace, and the replacement of the Alachua Police Department's communication system.

Major capital asset events for the business-type activities included improvements to the electric substation and expansion of the underground distribution system, wastewater lift station improvements and replacement of water distribution lines.

Additional information on the City's capital assets can be found in Note 6 starting on page 40 of this report.

Long-term Debt

At the end of fiscal year 2016, the City had total long-term debt outstanding of approximately \$30.7 million. The City's debt represents bonds, notes, and loans secured by specific revenue sources (i.e., revenue bonds/notes).

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

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

			Total %
	2016	2015	Change
Revenue Bonds	\$ 20,318,051	10,990,000	84.88%
Revenue Notes	640,370	724,038	-11.56%
Loans	9,784,768	9,860,992	-0.77%
TOTAL	\$ 30,743,189	21,575,030	42.49%

The City's outstanding debt increased \$10,168,159 during fiscal year 2016. Debt activity included normal principal, interest payments, and the issuance of the \$16,545,000 Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016 (Series 2016 Bonds). These bonds were issued in order to fund construction of a multi-purpose recreation facility, a Public Services operations center/warehouse complex and to refinance the prior Capital Improvement and Refunding Revenue Bonds, Series 2006.

Additional information on the City's debt can be found in Note 7 starting on page 41 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA at September 30, 2016, was 4.4%, which includes the City of Alachua. This is a 4.76% increase from the previous fiscal year's rate of 4.2%.
- The final certified citywide taxable value of property increased to \$688 million, representing a modest increase of 0.8%.
- The population increased approximately 3.35% from the prior year to an estimate of 9,892 at September 30, 2016.
- During the current fiscal year, ad valorem taxes increased by \$343,926 to \$3,982,499. The ad valorem tax rate was at 5.5000 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 Department, 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, 2016

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and Cash Equivalents	\$ 5,907,992	\$ 9,278,652	\$ 15,186,644
Receivables, Net of Allowance	176,415	2,471,355	2,647,770
Due from Other Governments	363,064	0	363,064
Inventories	0	715,958	715,958
Prepaid and Other Assets	25,138	86,577	111,715
Restricted Assets:			
Cash and Cash Equivalents	4,974,187	6,966,550	11,940,737
Capital Assets Not Being Depreciated:			
Land	7,412,904	255,940	7,668,844
Construction in Progress	4,489,001	2,782,102	7,271,103
Depreciable Capital Assets, Net	18,382,544	35,134,291	53,516,835
Internal Balances	124,581	(124,581)	0
Total Assets	41,855,826	57,566,844	99,422,670
Deferred Outflows of Resources			
Unamortized Refunding Loss	0	233,877	233,877
Pension Related	2,019,522	588,333	2,607,855
Total Deferred Outflows of Resources	2,019,522	822,210	2,841,732
Liabilities			
Accounts Payable	460,658	861,683	1,322,341
Accrued Expenses	165,293	66,385	231,678
Due to Other Governments	95,356	73,164	168,520
Accrued Interest Payable	5,043	0	5,043
Unearned Revenue	34,328	37,500	71,828
Rate Stabilization Credit	0	2,587,176	2,587,176
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	223,498	185,329	408,827
Customer Deposit	0	1,655,879	1,655,879
Noncurrent Liabilities:			
Due Within One Year	732,364	1,060,894	1,793,258
Due in More Than One Year	14,867,724	15,015,086	29,882,810
Net Pension Liability	5,227,013	1,522,746	6,749,759
Other Postemployment Benefits Liability	115,674	58,206	173,880
Total Liabilities	21,926,951	23,124,048	45,050,999
Deferred Inflows of Resources			
Pension Related	37,799	11,012	48,811
Total Deferred Inflows of Resources	37,799	11,012	48,811
Net Position			
Net Investment in Capital Assets	19,616,277	26,925,962	46,542,239
Restricted for:			
Debt Service	27,540	553,328	580,868
Renewal and Replacement	0	250,000	250,000
Economic Environment	350,747	0	350,747
Physical Environment	225,696	0	225,696
Other Purposes	93,550	0	93,550
Unrestricted	1,596,788	7,524,704	9,121,492
Total Net Position	\$ 21,910,598	\$ 35,253,994	\$ 57,164,592

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 3,028,258	\$ 398,171	\$ 0	\$ 0	\$ (2,630,087)	\$ 0	\$ (2,630,087)
Public Safety	3,610,483	294,121	16,554	0	(3,299,808)	0	(3,299,808)
Physical Environment	828,282	864,936	0	5,320	41,974	0	41,974
Transportation	918,754	23,104	224,208	761,213	89,771	0	89,771
Economic Environment	239,226	0	0	265,607	26,381	0	26,381
Parks and Recreation	741,416	30,654	25,241	0	(685,521)	0	(685,521)
Interest on Long-term Debt	567,472	0	0	0	(567,472)	0	(567,472)
Total Governmental Activities	9,933,891	1,610,986	266,003	1,032,140	(7,024,762)	0	(7,024,762)
Business-type Activities							
Electric	11,250,351	15,129,466	0	0	0	3,879,115	3,879,115
Water	1,127,715	1,639,969	0	0	0	512,254	512,254
Wastewater	2,275,924	2,329,636	0	0	0	53,712	53,712
Mosquito Control	43,026	57,991	0	0	0	14,965	14,965
Total Business-type Activities	14,697,016	19,157,062	0	0	0	4,460,046	4,460,046
Total Primary Government	\$ 24,630,907	\$ 20,768,048	\$ 266,003	\$ 1,032,140	(7,024,762)	4,460,046	(2,564,716)
General Revenues							
Ad Valorem					3,982,499	0	3,982,499
Utility Service Taxes					1,387,113	0	1,387,113
Communication Service Taxes					338,750	0	338,750
Business License Taxes					48,398	0	48,398
Half-cent Sales Tax					557,542	0	557,542
State Revenue Sharing					185,700	0	185,700
Investment Earnings					25,692	7,166	32,858
Miscellaneous					194,070	74,219	268,289
Transfers					2,200,859	(2,200,859)	0
Total General Revenues and Transfers					8,920,623	(2,119,474)	6,801,149
Change in Net Position					1,895,861	2,340,572	4,236,433
Net Position, Beginning of Year					20,138,365	32,913,422	53,051,787
Adjustment to Beginning Net Position					(123,628)	0	(123,628)
Net Position, Beginning of Year, As Restated					20,014,737	32,913,422	52,928,159
Net Position, End of Year					\$ 21,910,598	\$ 35,253,994	\$ 57,164,592

See accompanying notes.

CITY OF ALACHUA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General	Community Redevelopment Agency	Project Legacy Fund	Nonmajor Governmental	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 5,139,301	\$ 356,249	\$ 4,119,466	\$ 956,261	\$ 10,571,277
Cash with Fiscal Agent	0	0	0	310,902	310,902
Receivables:					
Accounts	105,199	0	0	304	105,503
Taxes	35,669	0	0	0	35,669
Franchise Fees	35,243	0	0	0	35,243
Due from Other Governments	94,975	0	0	268,089	363,064
Prepaid Items	9,912	12,226	0	0	22,138
Advances to Other Funds	1,118,832	0	0	0	1,118,832
Other Assets	3,000	0	0	0	3,000
Total Assets	6,542,131	368,475	4,119,466	1,535,556	12,565,628
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	213,066	0	154,857	92,735	460,658
Accrued Liabilities	62,310	385	0	102,598	165,293
Due to Other Governments	95,356	0	0	0	95,356
Unearned Revenue	34,328	0	0	0	34,328
Advances from Other Funds	0	5,117	0	989,134	994,251
Total Liabilities	405,060	5,502	154,857	1,184,467	1,749,886
Fund Balances					
Nonspendable:					
Prepays	9,912	12,226	0	0	22,138
Advances to Other Funds	1,118,832	0	0	0	1,118,832
Restricted for:					
Law Enforcement	26,167	0	0	9,260	35,427
Physical Environment	0	0	0	225,696	225,696
Economic Environment	0	350,747	0	0	350,747
Parks and Recreation	0	0	3,964,609	58,123	4,022,732
Debt Service	0	0	0	27,540	27,540
Assigned for:					
Subsequent Year Budget	2,050,825	0	0	0	2,050,825
Debt Service	0	0	0	697,959	697,959
Unassigned	2,931,335	0	0	(667,489)	2,263,846
Total Fund Balances	6,137,071	362,973	3,964,609	351,089	10,815,742
Total Liabilities and Fund Balances	\$ 6,542,131	\$ 368,475	\$ 4,119,466	\$ 1,535,556	\$ 12,565,628

See accompanying notes.

CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

Fund Balance - Total Governmental Funds \$ 10,815,742

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	\$ 40,619,875	
(Accumulated Depreciation)	<u>(10,335,426)</u>	30,284,449

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

2015A Section 108 Loan	(875,000)	
2016 Capital Improvement and Refunding Bonds	(12,204,275)	
Bond Issuance Premium	(733,051)	
2013 Redevelopment Note	(640,370)	
Due to Alachua County	(500,000)	
Motorola Solutions Capital Lease	(180,085)	
Compensated Absences	<u>(467,307)</u>	(15,600,088)

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.		(115,674)
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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.		(5,227,013)
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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	2,019,522	
Deferred Inflows Related to Pensions	<u>(37,799)</u>	1,981,723

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>(228,541)</u>
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Net Position of Governmental Activities		<u>\$ 21,910,598</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, 2016

	General	Community Redevelopment Fund	Project Legacy Fund	Nonmajor Governmental	Total Governmental Funds
Revenues					
Taxes	\$ 6,004,417	\$ 0	\$ 0	\$ 0	\$ 6,004,417
Permits, Fees, and Special					
Assessments	486,061	0	0	5,320	491,381
Intergovernmental Revenues	915,219	265,607	0	615,863	1,796,689
Charges for Services	1,067,209	0	0	300	1,067,509
Fines and Forfeitures	30,596	0	0	3,716	34,312
Investment Income	9,334	240	15,872	246	25,692
Miscellaneous	160,493	4,153	0	28,197	192,843
Total Revenues	8,673,329	270,000	15,872	653,642	9,612,843
Expenditures					
Current:					
General Government	2,732,408	0	0	8,987	2,741,395
Public Safety	3,276,625	0	0	6,771	3,283,396
Physical Environment	801,770	0	0	26,458	828,228
Transportation	566,945	0	0	0	566,945
Economic Environment	0	197,743	0	0	197,743
Parks and Recreation	629,347	0	0	10,732	640,079
Debt Service:					
Principal	0	83,668	0	335,043	418,711
Interest and Fiscal Charges	0	15,612	94,917	364,286	474,815
Capital Outlay	1,011,791	87,045	2,013,531	1,226,750	4,339,117
(Total Expenditures)	(9,018,886)	(384,068)	(2,108,448)	(1,979,027)	(13,490,429)
(Deficiency) of Revenues					
(Under) Expenditures	(345,557)	(114,068)	(2,092,576)	(1,325,385)	(3,877,586)
Other Financing Sources (Uses)					
Transfers in	1,946,117	200,897	189,491	1,100,621	3,437,126
Transfers (out)	(1,236,267)	0	0	0	(1,236,267)
Debt Refunding	0	0	0	(7,100,000)	(7,100,000)
Debt Proceeds	270,128	0	5,802,419	7,134,906	13,207,453
Total Other Financing Sources (Uses)	979,978	200,897	5,991,910	1,135,527	8,308,312
Net Change in Fund Balance	634,421	86,829	3,899,334	(189,858)	4,430,726
Fund Balance, Beginning of Year	5,626,328	0	0	0	5,626,328
Adjustment to Beginning Fund Balance	(123,678)	0	0	0	(123,678)
Fund Balance, Beginning of Year, As Restated	5,502,650	276,144	65,275	540,947	6,385,016
Fund Balance, End of Year	\$ 6,137,071	\$ 362,973	\$ 3,964,609	\$ 351,089	\$ 10,815,742

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, 2016

Net Change in Fund Balance - Total Governmental Funds \$ 4,430,726

**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	\$ 4,339,117	
Depreciation Expense	<u>(843,324)</u>	3,495,793

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	(21,920)
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The issuance and refunding of long-term debt effects current financial resources to the government funds, and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases/decreases long-term debt and does not affect the statement of activities. The amounts of the items that make up these differences in treatment of long-term debt and related items are:

Proceeds from Issuance of Debt	(13,207,453)
Refunding of Existing Debt	7,100,000

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

418,711

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 Bond Discount	(27,416)	
Change in Accrued Interest Payable	(65,241)	
Change in Compensated Absences Liability	(18,560)	
Change in Other Postemployment Benefit Obligation	<u>(13,403)</u>	(124,620)

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.

(195,376)

Change in Net Position of Governmental Activities \$ 1,895,861

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds					Business-type Activities Internal Service Fund
	Major Funds			Nonmajor Fund	Total	
				Mosquito Control	Enterprise Funds	
	Electric	Water	Wastewater			
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 6,730,285	\$ 1,212,993	\$ 890,716	\$ 41,649	\$ 8,875,643	\$ 403,009
Receivables	2,017,059	187,274	261,481	5,541	2,471,355	0
Prepaid Items	0	0	1,155	0	1,155	6,500
Inventories	646,970	65,125	3,863	0	715,958	0
Restricted Assets:						
Cash and Cash Equivalents	231,247	42,231	308,273	0	581,751	4,478,920
Total Current Assets	9,625,561	1,507,623	1,465,488	47,190	12,645,862	4,888,429
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,313,202	262,267	330,410	0	1,905,879	0
Total Restricted Assets	1,313,202	262,267	330,410	0	1,905,879	0
Capital Assets:						
Land	92,630	0	163,310	0	255,940	0
Construction in Progress	1,431,524	709,184	199,992	0	2,340,700	441,402
Property, Plant and Equipment	13,891,166	6,475,107	32,446,168	75,575	52,888,016	668,246
(Accumulated Depreciation)	(6,960,220)	(4,422,001)	(6,777,078)	(67,410)	(18,226,709)	(195,262)
Total Net Capital Assets	8,455,100	2,762,290	26,032,392	8,165	37,257,947	914,386
Other Assets:						
Advances to Other Funds	2,775,586	0	0	76,793	2,852,379	215,065
Unamortized Bond						
Insurance Cost	0	0	0	0	0	75,942
Other Assets	0	0	0	0	0	2,980
Total Other Assets	2,775,586	0	0	76,793	2,852,379	293,987
Total Noncurrent Assets	12,543,888	3,024,557	26,362,802	84,958	42,016,205	1,208,373
Total Assets	22,169,449	4,532,180	27,828,290	132,148	54,662,067	6,096,802
Deferred Outflows of Resources						
Unamortized Refunding Loss	87,939	39,689	106,249	0	233,877	0
Pension Related	175,509	87,363	92,579	1,565	357,016	231,317
Total Deferred Outflows of Resources	263,448	127,052	198,828	1,565	590,893	231,317
Total Assets and Deferred Outflows	\$ 22,432,897	\$ 4,659,232	\$ 28,027,118	\$ 133,713	\$ 55,252,960	\$ 6,328,119

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016
(Concluded)

	Business-type Activities - Enterprise Funds					Business-type Activities Internal Service Fund
	Major Funds			Nonmajor Fund	Total	
				Mosquito	Enterprise	
	Electric	Water	Wastewater	Control	Funds	
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 759,862	\$ 544	\$ 349	\$ 172	\$ 760,927	\$ 100,756
Accrued Expenses	33,742	9,232	11,147	259	54,380	12,005
Due to Other Governments	73,164	0	0	0	73,164	0
Rate Stabilization Credit	2,587,176	0	0	0	2,587,176	0
Payable from Restricted Assets:						
Accrued Interest Payable	15,044	2,728	89,923	0	107,695	77,634
Current Portion of Long-term						
Debt	216,203	39,503	218,350	0	474,056	0
Compensated Absences	34,612	15,613	26,378	0	76,603	51,708
Current Portion of Long-term						
Debt	219,478	39,502	164,658	0	423,638	34,889
Unearned Revenue	37,500	0	0	0	37,500	0
Total Current Liabilities	3,976,781	107,122	510,805	431	4,595,139	276,992
Noncurrent Liabilities:						
Payable from Restricted Assets:						
Customer Deposits	1,149,412	232,566	273,901	0	1,655,879	0
Advances from Other Funds	0	1,368,412	1,823,613	0	3,192,025	0
Other Postemployment Benefits						
Liability	13,920	9,835	10,226	0	33,981	24,225
Compensated Absences	17,840	8,048	13,596	0	39,484	26,651
Net Pension Liability	454,259	226,117	239,616	4,050	924,042	598,704
Long-term Debt	1,372,664	238,757	8,760,566	0	10,371,987	4,576,964
Total Noncurrent Liabilities	3,008,095	2,083,735	11,121,518	4,050	16,217,398	5,226,544
Total Liabilities	6,984,876	2,190,857	11,632,323	4,481	20,812,537	5,503,536
Deferred Inflows of Resources						
Bond Premium	0	0	0	0	0	0
Pension Related	3,285	1,635	1,733	29	6,682	4,330
Total Deferred Inflows of Resources	3,285	1,635	1,733	29	6,682	4,330
Net Position						
Net Investment in Capital Assets	6,734,694	2,484,217	16,995,067	8,165	26,222,143	703,819
Restricted for:						
Renewal and Replacement Fund	163,790	29,701	56,509	0	250,000	0
Debt Service	217,841	39,503	218,350	0	475,694	77,634
Unrestricted	8,328,411	(86,681)	(876,864)	121,038	7,485,904	38,800
Total Net Position	15,444,736	2,466,740	16,393,062	129,203	34,433,741	820,253
Total Liabilities, Deferred Inflows, and Net Position	\$ 22,432,897	\$ 4,659,232	\$ 28,027,118	\$ 133,713	\$ 55,252,960	\$ 6,328,119
Net Position - Above					\$ 34,433,741	
Internal Service Fund Net Position in the Enterprise Funds					820,253	
Net Position of Business-type Activities					\$ 35,253,994	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities				
	Major Funds			Nonmajor Fund	Total
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds
					Internal Service Fund
Operating Revenues					
Charges for Services	\$ 15,129,466	\$ 1,639,969	\$ 2,329,636	\$ 57,991	\$ 19,157,062
Interfund Charges	0	0	0	0	1,389,016
Total Operating Revenues	<u>15,129,466</u>	<u>1,639,969</u>	<u>2,329,636</u>	<u>57,991</u>	<u>19,157,062</u>
Operating Expenses					
Electric Power Expenses:					
Purchased Power	8,879,587	0	0	0	8,879,587
Personal Services	732,216	383,679	395,054	5,307	1,516,256
Contractual Services	95,425	47,754	80,919	0	224,098
Supplies	41,232	28,069	69,437	19,194	157,932
Repairs and Maintenance	117,157	92,267	96,754	1,524	307,702
Billing and Administrative	875,080	250,023	250,023	13,890	1,389,016
Depreciation	351,046	154,989	840,428	1,270	1,347,733
Other Expenses	87,756	168,152	293,181	2,102	551,191
(Total Operating Expenses)	<u>(11,179,499)</u>	<u>(1,124,933)</u>	<u>(2,025,796)</u>	<u>(43,287)</u>	<u>(14,373,515)</u>
Operating Income	<u>3,949,967</u>	<u>515,036</u>	<u>303,840</u>	<u>14,704</u>	<u>4,783,547</u>
Nonoperating Revenues					
(Expenses)					
Investment Gain	4,649	863	979	31	6,522
Interest and Fiscal Charges	(87,309)	(7,484)	(254,830)	0	(349,623)
Miscellaneous	67,979	0	877	0	68,856
Total Nonoperating Revenues					
(Expenses)	<u>(14,681)</u>	<u>(6,621)</u>	<u>(252,974)</u>	<u>31</u>	<u>(274,245)</u>
Income Before Capital					
Contributions and Transfers	<u>3,935,286</u>	<u>508,415</u>	<u>50,866</u>	<u>14,735</u>	<u>4,509,302</u>

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Concluded)

	Business-type Activities					
	Major Funds			Nonmajor Fund	Total	Internal
				Mosquito	Enterprise	Service Fund
	Electric	Water	Wastewater	Control	Funds	
Transfers (in)	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
Transfers (out)	(2,021,117)	0	(54,742)	0	(2,075,859)	(125,000)
Total Contributions and Transfers	(2,021,117)	0	(54,742)	0	(2,075,859)	(125,000)
Change in Net Position	1,914,169	508,415	(3,876)	14,735	2,433,443	(92,871)
Total Net Position, Beginning of Year	13,530,567	1,958,325	16,396,938	114,468	32,000,298	913,124
Total Net Position, End of Year	<u>\$ 15,444,736</u>	<u>\$ 2,466,740</u>	<u>\$ 16,393,062</u>	<u>\$ 129,203</u>	<u>\$ 34,433,741</u>	<u>\$ 820,253</u>
Change in Net Position - Above					\$ 2,433,443	
Internal Service Fund Activities in the Enterprise Funds					(92,871)	
Change in Net Position of Business-type Activities					<u>\$ 2,340,572</u>	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds					Business-type Activities Internal Service Fund
	Major Funds			Nonmajor Fund	Total Enterprise Funds	
	Electric	Water	Wastewater	Mosquito Control		
Cash Flows from Operating Activities						
Receipts from Customers	\$ 16,158,950	\$ 1,659,785	\$ 2,347,302	\$ 57,683	\$ 20,223,720	\$ 0
Receipts from Interfund Services						
Provided	0	0	0	0	0	1,389,016
Cash from Other Sources	67,979	0	877	0	68,856	2,397
Payments to Suppliers for Goods and Services	(9,349,768)	(314,396)	(531,821)	(22,344)	(10,218,329)	(158,686)
Payments for Interfund Services Used	(875,080)	(250,023)	(250,023)	(13,890)	(1,389,016)	0
Payments to Employees for Services	(733,504)	(380,464)	(394,183)	(5,848)	(1,513,999)	(913,098)
Net Cash Provided by (Used in) Operating Activities	5,268,577	714,902	1,172,152	15,601	7,171,232	319,629
Cash Flows from Noncapital Financing Activities						
Loans/Advances and Repayments from (to) Other Funds	285,883	(45,000)	(46,000)	0	194,883	0
Transfers in (out)	(2,021,117)	0	(54,742)	0	(2,075,859)	(125,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,735,234)	(45,000)	(100,742)	0	(1,880,976)	(125,000)
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(293,073)	(64,566)	(62,035)	0	(419,674)	(270,251)
Proceeds from Capital Debt	0	0	0	0	0	4,611,853
Debt Principal Payments	(432,406)	(100,411)	(328,491)	0	(861,308)	0
Debt Interest Payments and Other Charges	(37,309)	(10,163)	(233,714)	0	(281,186)	(24,548)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(762,788)	(175,140)	(624,240)	0	(1,562,168)	4,317,054
Cash Flows from Investing Activities						
Interest Received	4,649	862	979	31	6,521	645
Net Cash Provided by (Used in) Investing Activities	4,649	862	979	31	6,521	645
Net Increase (Decrease) in Cash and Cash Equivalents	2,775,204	495,624	448,149	15,632	3,734,609	4,512,328
Cash and Cash Equivalents, Beginning of Year	5,499,530	1,021,867	1,081,250	26,017	7,628,664	369,601
Cash and Cash Equivalents, End of Year	\$ 8,274,734	\$ 1,517,491	\$ 1,529,399	\$ 41,649	\$ 11,363,273	\$ 4,881,929

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Concluded)

	Business-type Activities - Enterprise Funds					Business-type Activities Internal Service Fund
	Major Funds			Nonmajor Fund	Total Enterprise Funds	
	Electric	Water	Wastewater	Mosquito Control		
<u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 6,730,285	\$ 1,212,993	\$ 890,716	\$ 41,649	\$ 8,875,643	\$ 403,009
Restricted Assets:						
Cash and Cash Equivalents	231,247	42,231	308,273	0	581,751	4,478,920
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,313,202	262,267	330,410	0	1,905,879	0
Total	\$ 8,274,734	\$ 1,517,491	\$ 1,529,399	\$ 41,649	\$ 11,363,273	\$ 4,881,929
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ 3,949,967	\$ 515,036	\$ 303,840	\$ 14,704	\$ 4,783,547	\$ 52,360
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation and Amortization	351,046	154,989	840,428	1,270	1,347,733	23,366
Miscellaneous Income (Expense)	67,979	0	877	0	68,856	2,384
(Increase) Decrease in:						
Accounts Receivable, Net	162,686	(22,683)	(31,578)	(308)	108,117	13
Prepaid Items	7,522	12,431	26,468	286	46,707	4,608
Inventory	(17,776)	10,769	0	0	(7,007)	0
Increase (Decrease) in:						
Accounts Payable	(131,514)	(6,234)	(22,713)	42	(160,419)	47,541
Accrued Expenses	13,157	4,880	4,715	148	22,900	5,558
Due to Other Governments	9,240	0	0	0	9,240	0
Rate Stabilization Credit	652,117	0	0	0	652,117	0
Unearned Revenue	37,500	0	0	0	37,500	0
Compensated Absences	7,867	806	(204)	0	8,469	(5,430)
Customer Deposits	167,941	42,499	49,244	0	259,684	0
Net Pension Liability	(10,852)	1,391	227	(541)	(9,775)	186,515
OPEB Liability	1,697	1,018	848	0	3,563	2,714
Net Cash Provided by (Used in) Operating Activities	\$ 5,268,577	\$ 714,902	\$ 1,172,152	\$ 15,601	\$ 7,171,232	\$ 319,629
<u>Noncash Investing, Capital and Financing Activities</u>						
Amortization of Discount and Refunding Loss	\$ 53,612	\$ 5,852	\$ 18,496	\$ 0	\$ 77,960	\$ 0

See accompanying notes.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

■ **Community Redevelopment Agency**

The Community Redevelopment Agency (the Agency) 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 Agency through Ordinances 98-14, 98-24, 99-03, and 13-07. This Agency is not to be a separate legal entity, and thus, not a component unit by definition. Therefore, the Agency is reported as part of the primary government in the basic financial statements of the City as a major governmental fund.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Reporting Entity (Concluded)

■ **Public Finance Authority for Affordable Housing**

The Public Finance Authority for Affordable Housing (the Authority) was created by the City Commission in 1992. The Authority is a separate legal entity capable of suing and being sued, and able to purchase property in its own name. By charter, the Authority's Board is composed of the City Commission and, the City Commission has oversight over all financial activities. Accordingly, the Authority is a component unit of the City. However, there have been no financial transactions by the Authority during the current year, or since its creation; therefore, no amounts related to the Authority are reported in the accompanying basic financial statements.

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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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 measureable until actually received. Utility services, investment earnings, franchise fees, and utility taxes are recorded as earned, since they are measureable 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.

■ **Community Redevelopment Agency Fund (CRA)**

The CRA is a special revenue fund used to account for the expenditure of incremental tax funds contributed by Alachua County and the City for the CRA district.

■ **Project Legacy Fund**

This capital project fund is used to account for donations and expenditures for the acquisition and future development of land for recreation use related to Legacy Park.

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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

■ **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 the Utility Administration and Operations, Utility Billing, Warehouse Operations, and Postage Services divisions to the Electric, Water, Wastewater, and Mosquito Control funds.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 nonoperating revenues and expenses.

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

■ **Deposits and Investments**

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

■ **Deposits and Investments (Concluded)**

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, 2016.

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**

Inventory for governmental-type activities is valued at the lower of cost, using the first-in, first-out (FIFO) method, or market value. Generally, the costs of governmental fund type inventories are recorded as expenditures when consumed (consumption method) rather than when purchased. Business-type activities, utility supplies, and plant inventory are valued at lower of cost, as determined by the average unit cost method, or market value.

■ **Prepays**

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

■ **Restricted Assets**

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

■ **Capital Assets**

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

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, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

■ **Deferred Inflows and Outflows of Resources**

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

- **Unamortized Refunding Loss**—Losses resulting from the refunding of debt are reported as a deferred outflow of resources and recognized as a component of interest expense over the remaining life of the refunded debt or the new debt, whichever is shorter.
- **Pension 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 liability, the differences between expected and actual earnings on pension plan investments, and the change in the proportionate share of the net pension liability resulting from a change in proportion are reported as deferred inflows or outflows of resources, to be recognized in expense. Contributions made subsequent to the measurement date, but prior to the reporting date, are reported as deferred outflows of resources.

■ **Fund Balance**

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

- **Nonspendable**—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, inventories, and principal (corpus) of an endowment fund. On the governmental funds balance sheet, the inventory balance reported is offset by a nonspendable 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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

■ **Fund Balance (Concluded)**

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., by ordinance) of the organization's governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Council in accordance with the City's fiscal policies. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund, as approved by the City Council through the budget process.
- **Unassigned**—This classification is used for: (a) deficit unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

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

■ **Net Position**

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

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

Accounting Estimates

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

New Accounting Pronouncements

GASB Statement No. 79 (GASB 79), *Certain External Investment Pools and Pool Participants*, was issued to address how certain investment pool transactions are reported in response to anticipated changes in a U.S. Securities and Exchange Commission (SEC) rule that was previously included in GASB literature by reference. This Statement allows qualifying external investment pools to measure all investments at amortized cost if the pool meets certain criteria, and establishes certain additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. The adoption of GASB 79 resulted in additional disclosures in the City's financial statements related to the City's investments in Florida PRIME.

Prior Period Adjustment

Subsequent to year-end, the City began implementation of a new accounting system. In doing so, issues with accounts payable and prepaid expense subsidiary ledgers were identified and corrected. As a result, a prior period adjustment was made to decrease the City's beginning Net Position by \$123,628.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 2 - Stewardship, Compliance, and Accountability (Concluded)

Budgetary Information (Concluded)

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

Deficit Fund Equity

At September 30, 2016, the following funds had deficit fund balances:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Economic Development		
Transportation Project	Nonmajor Governmental	\$ (43,363)
Municipal Complex	Nonmajor Governmental	(624,126)

The City anticipates that the deficits for the Municipal Complex Fund will be recovered through the future sale of the old City Hall property and transfers from the General Fund.

Note 3 - Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2016, are classified in the accompanying financial statements as follows:

Statement of Net Position

Cash and Cash Equivalents	\$ 15,186,644
Restricted:	
Cash and Cash Equivalents	<u>11,940,737</u>
Total Cash and Investments	<u>\$ 27,127,381</u>

Deposits and investments consist of the following:

Cash Deposits	\$ 26,128,008
Investments	<u>999,373</u>
Total Cash and Investments	<u>\$ 27,127,381</u>

Deposits

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Continued)

Investments

The City's investment are summarized below, at September 30, 2016:

	<u>Fair Value</u>	<u>FMV Level</u>
Florida PRIME, at Amortized Costs	\$ 999,373	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 and Florida Local Government Investment Trust

The City's investments in the Florida Prime Investment Pool (Florida PRIME) and Florida Local Government Investment Trust (FLGIT) are similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No.31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME or FLGIT; 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 the Florida Local Government Surplus Trust Fund administered by the SBA, 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, 2016, of AAAM.

Interest Rate Risk—The City's investment policy permits the investment of current operating funds with maturities of no longer than two years. Investments of nonoperating 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.

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. Custodians are primarily bank trust departments, insurance companies, brokerage firms, the State of Florida, and SBA. The dollar weighted-average days to maturity (WAM) of the Florida PRIME at September 30, 2016, is 29 days.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 3 - Cash, Cash Equivalents, and Investments (Concluded)

Florida PRIME and Florida Local Government Investment Trust (Concluded)

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, 2016, are as follows:

	Governmental Activities	Business-type Activities
Cash and Cash Equivalents		
Debt Service Reserve and Sinking Funds	\$ 27,540	\$ 544,192
Cash with Fiscal Agent	0	115,194
Customer Deposit	0	1,655,878
Renewal and Replacement	0	250,000
Economic Environment	356,249	0
Parks and Recreation	6,514	0
Public Safety	34,605	0
Physical Environment	11,822	0
Infrastructure	365,464	0
Capital Projects	4,119,466	4,401,286
Other	52,527	0
Net Restricted Cash and Cash Equivalents	\$ 4,974,187	\$ 6,966,550

Note 5 - Inventory

Inventory at September 30, 2016, consists of the following:

Business-type Activities	Balance
Electric Utility Supplies	\$ 397,719
Transformers	234,243
Meters	15,008
Water/Wastewater Supplies	68,988
Total	\$ 715,958

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 6 - Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended September 30, 2016:

	Beginning Balance	Increases	(Decreases)	Transfers	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 7,412,904	\$ 0	\$ 0	\$ 0	\$ 7,412,904
Construction in Progress	1,047,302	3,441,699	0	0	4,489,001
Total Capital Assets Not Being Depreciated	8,460,206	3,441,699	0	0	11,901,905
Capital Assets Being Depreciated:					
Buildings and Improvements	8,509,583	0	0	0	8,509,583
Improvements Other Than Building	4,451,447	229,667	0	0	4,681,114
Infrastructure	12,259,073	0	0	0	12,259,073
Furniture, Fixtures, and Equipment	2,919,189	667,750	(318,739)	0	3,268,200
Total Capital Assets Being Depreciated	28,139,292	897,417	(318,739)	0	28,717,970
Less Accumulated Depreciation:					
Building	(1,749,831)	(177,670)	0	0	(1,927,501)
Improvements Other Than Buildings	(888,361)	(149,661)	0	0	(1,038,022)
Infrastructure	(5,113,096)	(275,492)	0	0	(5,388,588)
Furniture, Fixtures, and Equipment	(2,037,633)	(240,501)	296,819	0	(1,981,315)
Total Accumulated Depreciation	(9,788,921)	(843,324)	296,819	0	(10,335,426)
Total Capital Assets Being Depreciated, Net	18,350,371	54,093	(21,920)	0	18,382,544
Governmental Activities Capital Depreciated, Net	\$ 26,810,577	\$ 3,495,792	\$ (21,920)	\$ 0	\$ 30,284,449

The following is a summary of changes in capital assets for the business-type activities for the year ended September 30, 2016:

	Beginning Balance	Increases	(Decreases)	Transfers	Ending Balance
Business-type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 255,940	\$ 0	\$ 0	\$ 0	\$ 255,940
Construction in Progress	2,419,899	410,181	(47,978)	0	2,782,102
Total Capital Assets Not Being Depreciated	2,675,839	410,181	(47,978)	0	3,038,042
Capital Assets Being Depreciated:					
Buildings and Improvements	4,872,383	0	0	0	4,872,383
Improvements Other Than Building	4,759,279	219,232	0	0	4,978,511
Infrastructure	40,870,912	0	0	0	40,870,912
Furniture, Fixtures, and Equipment	2,853,566	168,244	(187,354)	0	2,834,456
Total Capital Assets Being Depreciated	53,356,140	387,476	(187,354)	0	53,556,262
Less Accumulated Depreciation:					
Buildings and Improvements	(3,790,507)	(110,943)	0	0	(3,901,450)
Improvements Other Than Building	(2,161,855)	(136,435)	0	0	(2,298,290)
Infrastructure	(9,492,923)	(975,861)	0	0	(10,468,784)
Furniture, Fixtures, and Equipment	(1,733,189)	(147,860)	127,602	0	(1,753,447)
Total Accumulated Depreciation	(17,178,474)	(1,371,099)	127,602	0	(18,421,971)
Total Capital Assets Being Depreciated, Net	36,177,666	(983,623)	(59,752)	0	35,134,291
Total Business-type Activities Capital Assets, Net	\$ 38,853,505	\$ (573,442)	\$ (107,730)	\$ 0	\$ 38,172,333

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 6 - Capital Assets (Concluded)

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

Governmental Activities

General Government	\$ 196,903
Public Safety	167,632
Physical Environment	54
Transportation	336,552
Economic Environment	40,816
Parks and Recreation	101,367
Total	<u><u>\$ 843,324</u></u>

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

Business-type Activities

Electric	\$ 351,046
Water	154,989
Wastewater	840,428
Mosquito	1,270
Internal Service	23,366
Total	<u><u>\$ 1,371,099</u></u>

Note 7 - Long-term Liabilities

Governmental Activities

The following schedule summarizes the changes in the City's governmental long-term liabilities during the year ended September 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Section 108 Government Guaranteed Participation Certificates, Series HUD 2015A	\$ 1,015,000	\$ 0	\$ (140,000)	\$ 875,000	\$ 150,000
Capital Improvement and Refunding Revenue Bonds, Series 2006 (Less Discount)	7,205,000 (27,416)	0 0	(7,205,000) 27,416	0 0	0 0
Capital Improvement and Refunding Revenue Bonds, Series 2016 Plus Premium	0 0	12,204,275 733,051	0 0	12,204,275 733,051	74,000 24,034
2013 Redevelopment Note	724,038	0	(83,668)	640,370	85,535
Due to Alachua County	500,000	0	0	500,000	83,333
Motorola Solutions Capital Lease	0	270,128	(90,043)	180,085	90,043
OPEB	102,271	13,403	0	115,674	0
Net Pension Liability	3,282,512	2,044,634	0	5,327,146	0
Compensated Absences	448,747	279,955	(261,395)	467,307	225,419
Total	<u><u>\$ 13,250,152</u></u>	<u><u>\$ 15,545,446</u></u>	<u><u>\$ (7,752,690)</u></u>	<u><u>\$ 21,042,908</u></u>	<u><u>\$ 732,364</u></u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 7 - Long-term Liabilities (Continued)

Governmental Activities (Continued)

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

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

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

■ **Capital Improvement and Refunding Revenue Bonds, Series 2006**

On January 26, 2006, the City issued bonds in the amount of \$8,095,000 to pay the cost of: (1) the construction of the new City Hall and Police Administration Building, including the acquisition and installation of furniture, fixtures, and equipment; (2) the refunding of the City's outstanding Governmental Unit Note evidencing a loan to the City from the City of Arcadia, Florida, from its Local Government Revenue Bonds, Series 1993, Dedicated Pool, Sales Tax Revenue Note, Series 1995, and Sales Tax Revenue Note, Series 2000 outstanding in the aggregate principal amount of \$871,171; and (3) to pay certain costs of issuance incurred with respect to the issue.

The bonds are secured by a lien upon 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 3.25% to 4.5%. Principal payments are due annually on October 1. These bonds were refunded during the year with proceeds from the Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016.

■ **Redevelopment Revenue Note, Series 2013**

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 7 - Long-term Liabilities (Continued)

Governmental Activities (Concluded)

■ **Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016**

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 refunding portion of this bond reduced the present value of future debt service payments. The savings were available due to improved municipal bond market conditions (i.e., lower interest rates) during the year. The transaction resulted in a reduction in debt service payments of \$1,250,757, and an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$931,852.

The bonds are secured by a lien upon 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.

■ **Due to Alachua County**

Pursuant to an Interlocal Agreement with Alachua County Board of County Commissioners (the County), the City received \$500,000 to purchase land in exchange for a commitment to construct recreational fields on the land by January 1, 2015. The City was unable to meet the required timeline, and on December 9, 2014, the County voted not to extend the time to construct the facilities, thus requiring the City to return the \$500,000. The repayment is due in annual installments over a period of six years beginning December 31, 2016.

■ **Compensated Absences**

Compensated absences reported as governmental activities in the statement of net position are liquidated by the general fund.

The following schedule summarizes the retirement of the governmental long-term debt by fiscal year (excluding compensated absences, premium, OPEB, and net pension liability):

Fiscal Year Ending September 30,	Principal	Interest	Total
2017	\$ 482,911	\$ 510,184	\$ 993,095
2018	603,221	514,257	1,117,478
2019	547,530	495,434	1,042,964
2020	563,226	479,521	1,042,747
2021	598,766	562,606	1,161,372
2022-2026	2,215,302	2,006,724	4,222,026
2027-2031	2,656,600	1,411,303	4,067,903
2032-2036	3,159,800	892,823	4,052,623
2037-2041	1,476,300	506,708	1,983,008
2042-2047	2,096,074	223,832	2,319,906
Total	\$ 14,399,730	\$ 7,603,392	\$ 22,003,122

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 7 - Long-term Liabilities (Continued)

Business-type Activities

The following schedule summarizes the changes in the City's business-type long-term liabilities during the year ended September 30, 2016:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Utility Acquisition Bonds, Series 1993	\$ 375,000	\$ 0	\$ (85,000)	\$ 290,000	\$ 90,000
2009 State Revolving Fund Loan - Florida					
Department of Environmental Protection	8,345,992	0	(116,309)	8,229,683	142,694
Utility Refunding Bonds, 2013	3,410,000	0	(660,000)	2,750,000	665,000
2016 Capital Improvement and Refunding					
Revenue Bonds, Series 2016	0	4,340,725	0	4,340,725	26,000
Plus Premium	0	271,128	0	271,128	8,889
OPEB	51,929	6,277	0	58,206	0
Net Pension Liability	827,306	595,307	0	1,422,613	0
Compensated Absences	191,404	148,030	(144,990)	194,444	128,311
Total	<u>\$ 13,201,631</u>	<u>\$ 5,361,467</u>	<u>\$ (1,006,299)</u>	<u>\$ 17,556,799</u>	<u>\$ 1,060,894</u>

■ **Utility Acquisition Bonds, Series 1993**

On October 18, 1993, the City adopted Resolution R-93-24 authorizing the issuance of \$1,300,000 Utility Acquisition Bonds, Series 1993 to provide the necessary funds for the acquisition of the private water and wastewater systems in the Turkey Creek recreational residential community in the City. The bonds are secured by the net utility revenues of the combined electric, water, and wastewater utility systems of the City, but are subordinate to the secured interests of the bondholders in the other outstanding revenue bonds of the City.

The bonds were issued without premium or discount and are payable at 7% interest. Interest is payable semiannually on October 1 and April 1, and principal is payable annually on October 1 until final maturity at October 1, 2018.

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

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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 7 - Long-term Liabilities (Continued)

Business-type Activities (Concluded)

■ **Utility Systems Utility Revenue Bonds, Series 2013**

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

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

■ **Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016**

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 lien upon 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.

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2017	\$ 923,694	\$ 395,812	\$ 1,319,506
2018	1,012,315	376,548	1,388,863
2019	1,067,393	351,047	1,418,440
2020	1,006,421	327,867	1,334,288
2021	355,731	307,116	662,847
2022-2026	2,174,430	1,357,963	3,532,393
2027-2031	2,617,200	1,000,974	3,618,174
2032-2036	3,009,050	639,686	3,648,736
2037-2041	2,660,246	288,086	2,948,332
2042-2047	783,928	65,953	849,881
Total	\$ 15,610,408	\$ 5,111,052	\$ 20,721,460

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 7 - Long-term Liabilities (Concluded)

Interest

During the year, the City incurred \$1,148,421 of interest costs, of which \$282,271 was capitalized and \$866,150 was charged to expense.

Debt Covenants

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

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

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

As of September 30, 2016, 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, 2016. 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, 2016:

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 8 - Pledged Revenues (Concluded)

Pledged Revenue	Description of Bonds	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Half-cent Sales Tax		\$ 557,542				
Utility Franchise Fees		317,809				
State Revenue Sharing		<u>258,312</u>				
	Section 108, HUD 2015A Series	<u>\$ 1,133,663</u>	<u>\$ 156,405</u>	13.80%	<u>\$ 928,806</u>	2021
Non-Ad Valorem	Capital Improvement and Refunding Revenue Bonds, Series 2016	<u>\$ 6,633,262</u>	<u>\$ 0</u>	0.00%	<u>\$ 20,302,119</u>	2047
Non-Ad Valorem	Capital Improvement and Refunding Revenue Bonds, Series 2016	<u>\$ 6,633,262</u>	<u>\$ 0</u>	0.00%	<u>\$ 6,427,065</u>	2047
Incremental Tax Revenue	2013 Redevelopment Note	<u>\$ 446,504</u>	<u>\$ 99,279</u>	22.23%	<u>\$ 694,956</u>	2023
Net Utility Revenues		\$ 6,148,683				
Excise Taxes		<u>1,725,863</u>				
	Utility Bonds - Series 1993, and 2013	<u>\$ 7,874,546</u>	<u>\$ 824,222</u>	10.47%	<u>\$ 3,187,565</u>	2020
Net Utility Revenues	State Revolving Fund Loan - 2009	<u>\$ 6,148,683</u>	<u>\$ 317,271</u>	5.16%	<u>\$ 11,106,830</u>	2041

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

Note 9 - Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at September 30, 2016:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 365,008
General Fund	Water Utility	471,326
General Fund	Wastewater Utility	282,498
Electric Utility	Nonmajor Governmental Funds	624,126
Electric Utility	Water Utility	605,228
Electric Utility	Wastewater Utility	1,541,115
Electric Utility	Community Redevelopment Agency	5,117
Nonmajor Enterprise Fund	Water Utility	76,793
Internal Service Fund	Water Utility	<u>215,065</u>
Total		<u><u>\$ 4,186,276</u></u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 9 - Interfund Receivables, Payables, and Transfers (Concluded)

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, 2016.

Interfund Transfers:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Community</u>	<u>Project</u>	<u>Nonmajor</u>	
	<u>Fund</u>	<u>Redevelopment</u>	<u>Legacy</u>	<u>Governmental</u>	
		<u>Agency</u>	<u>Fund</u>	<u>Funds</u>	
General Fund	\$ 0	\$ 200,897	\$ 189,491	\$ 845,879	\$ 1,236,267
Electric Utility	1,821,117	0	0	200,000	2,021,117
Wastewater Utility	0	0	0	54,742	54,742
Internal Service Funds	125,000	0	0	0	125,000
Total	<u>\$ 1,946,117</u>	<u>\$ 200,897</u>	<u>\$ 189,491</u>	<u>\$ 1,100,621</u>	<u>\$ 3,437,126</u>

Transfers are normally recurring and are approved by the City commission during the budget process. A transfer in the amount of \$1,821,117 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 \$609,681 from the General Fund to the Nonmajor Governmental Funds is for debt service. Additional transfers of \$236,198 and \$200,000 from the General Fund and Electric Utility Fund to the Nonmajor Governmental Funds were to reduce deficit net position in the Neighborhood Community Center Fund and Municipal Complex capital projects fund. A transfer in the amount of \$189,491 from the General Fund to the Project Legacy Fund were to fund the Legacy Park capital project. A transfer in the amount of \$200,897 from the General Fund to the Community Redevelopment Agency is the City's required portion of tax incremental funding and additional funding for construction projects being completed by the Community Redevelopment Agency. A transfer in the amount of \$54,742 from the Wasterwater Utility Fund to the Nonmajor Governmental Fund is for debt service.

Note 10 - Contingent Liabilities

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 11 - Restricted Net Position

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

	Governmental Activities	Business-type Activities
Debt Service	\$ 27,540	\$ 553,328
Renewal and Replacement	0	250,000
Economic Environment	350,747	0
Law Enforcement	35,427	0
Physical Environment	225,696	0
Parks and Recreation	58,123	0
Total	\$ 697,533	\$ 803,328

The City's restricted net position includes \$350,747 restricted by enabling legislation.

Note 12 - Electric Power Agreements

City of Gainesville

The City entered into a wholesale electric service contract with the City of Gainesville, Florida, on January 21, 1987, for the purchase of the majority of the City's electric power requirements beginning January 6, 1988. The City constructed a 138 x 69 - 12.47Y/7.2kV substation to receive the power, which was placed into operation on that date. The substation is located in such a manner that the City has reasonable access to the transmission lines of both the City of Gainesville and Florida Power Corporation. A portion of the substation is owned by the City of Gainesville. The initial term of the contract was five years, with options for additional annual extensions. The contract was renegotiated on October 2, 1992, and extended for an additional fifteen years, beginning on December 31, 1992, with automatic extensions for succeeding periods of one year each. This contract was amended again on November 22, 2010, extending the contract for an initial ten-year term, with automatic extensions for up to three succeeding periods of one year each. Effective April 1, 2016, the City renewed its wholesale electric contract with the City of Gainesville. Provisions of the new agreement changed the pricing structure to a flat fifty-eight dollars per megawatt/hour. Total payments to the City of Gainesville for 2016 were \$8,632,820.

Crystal River Unit No. 3 Participation Agreement

On July 31, 1975, the City entered into a participation agreement with Florida Power Corporation, which became Progress Energy. Under terms of the agreement, the City acquired a 0.0779% ownership interest and generation entitlement share in Crystal River Unit No. 3 (CR3), a nuclear steam electric generating unit. The City received power from the power generating facility via Florida's transmission grid and paid an allocated share of operating, maintenance, capital, and retirement costs.

On February 5, 2013, Duke Energy Corporation, the parent of Progress Energy, announced its intention to retire the Crystal River 3 (CR3) nuclear power plant prior to the license expiration in 2016. CR3 has been shut down and offline since late 2009 due to a delamination, or crack, that occurred in the outer layer of the containment building's concrete wall.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 12 - Electric Power Agreements (Concluded)

Crystal River Unit No. 3 Participation Agreement (Concluded)

The City selected the Florida Municipal Power Agency (FMPA) to negotiate on its behalf with Duke concerning the failed CR3 plant. After more than a year of negotiations with Duke, the eight municipal minority owners, including the City, and the seven wholesale purchasers reached a settlement. The terms of the settlement provide for the following: (1) \$55,000,000 lump sum cash settlement to the minority owners at closing, of which \$606,403 was paid to the City; (2) minority owners allowed to withdraw \$429,560 of the decommissioning funds previously set aside, prior to transfer to Duke, of which \$5,132 was refunded to the City; (3) as of October 1, 2013, minority owners are not responsible for payment of any CR3 related costs that would otherwise be payable pursuant to the CR3 Participation Agreement, and additionally Duke refunded monies paid subsequent to October 1, 2013, in the amount of \$1,311,402 of which \$24,233 was refunded to the City; and (4) additional indemnities and release from obligations of undetermined long-term costs. Also, as part of the settlement, all minority owners transferred decommissioning funds to Duke. The settlement agreement was executed by all minority owners and wholesale customers. Duke filed a license amendment application with the Nuclear Regulatory Commission (NRC) in order to transfer the minority owners' license to Duke. The closing took place upon approval of the license transfer by the NRC, at which time the City conveyed the CR3 ownership interest and decommissioning trust funds to Duke. Duke is now responsible for making the settlement payments. The City recorded receipt of the settlement funds and transfer of the decommissioning funds.

St. Lucie No. 2 Power Purchase Agreement

The City has negotiated a long-term agreement with Florida Power and Light Corporation through FMPA to purchase 0.3044 megawatts of generating capacity and a corresponding amount of energy monthly from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. Total payments for 2016 were \$244,379.

Note 13 - Defined Benefit Pension Plan

General Information about the Florida Retirement System (FRS)

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

General Information about the Florida Retirement System (FRS) (Concluded)

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 nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The City's pension expense totaled \$1,005,015 for the fiscal year ended September 30, 2016, (all plans).

FRS Pension Plan

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

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

FRS Pension Plan (Continued)

Plan Description. (Concluded)

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

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

FRS Pension Plan (Continued)

Benefits Provided. (Concluded)

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.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for FRS during the City's 2015-16 fiscal year were as follows:

Class	Year Ended June 30, 2016		Year Ended June 30, 2017	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer ⁽¹⁾	Employee	Employer
Regular	3.00	5.56	3.00	5.80
Elected Officers	3.00	40.57	3.00	40.75
Senior Management Service	3.00	19.73	3.00	20.05
Special Risk Regular	3.00	20.34	3.00	20.85
DROP	N/A	11.22	N/A	11.33

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidiary and the fee of 0.04% (0.06% effective July 1, 2016) for administration of the FRS Investment Plan and provision of education tools for both plans.

The City's contributions, to the Plan totaled \$459,220 for the fiscal year ended September 30, 2016. 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, 2016, the City reported a liability of \$4,754,801 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2016, the City's proportionate share increased 0.00049288% from its proportion measured as of June 30, 2015.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

FRS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. (Concluded)

At September 30, 2016, 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	\$ 151,360	\$ 0
Difference Between Expected and Actual Experience	364,064	(44,270)
Changes of Assumptions	287,651	0
Changes in Proportion and Difference Between City's Contributions and Proportionate Share of Contributions	219,621	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,229,058	0
Total	<u>\$ 2,251,754</u>	<u>\$ (44,270)</u>

The deferred outflows of resources related to pensions, totaling \$151,360, 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2017	\$ 310,420
2018	310,420
2019	789,583
2020	530,971
2021	91,062
2022	23,668
Total	<u>\$ 2,056,124</u>

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.60% Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

FRS Pension Plan (Continued)

Actuarial Assumptions. (Concluded)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Annual Target Allocation ⁽¹⁾	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.6%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
Total	100%			
Assumed Inflation – Mean		2.6%		1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.60%. 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 7.60% in the July 1, 2016 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 7.60%, 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 (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
City's Proportionate Share of the Net Pension Liability	\$ 8,753,911	\$ 4,754,801	\$ 1,426,070

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

FRS Pension Plan (Concluded)

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS-participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ending June 30, 2017 and 2016, the contribution rates were both 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$87,737 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2016, the City reported a net pension liability of \$1,994,957 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2016, the City's proportionate share was increased 0.000043887% from its proportionate share measured as of June 30, 2015.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

HIS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. (Concluded)

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	\$ 24,311	\$ 0
Difference Between Expected and Actual Experience	0	(4,544)
Changes of Assumptions	313,060	0
Changes in Proportion and Difference between City Contributions and Proportionate Share of Contributions	17,720	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,009	0
Total	<u>\$ 356,100</u>	<u>\$ (4,544)</u>

The deferred outflows of resources related to pensions, totaling \$24,311, 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2017	\$ 59,161
2018	59,161
2019	58,969
2020	58,877
2021	49,616
2022	41,461
Total	<u>\$ 327,245</u>

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Average, Including Inflation

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

The actuarial assumptions used in the July 1, 2016 valuation, were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Continued)

HIS Pension Plan (Concluded)

Discount Rate. The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.85%) or 1-percentage-point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
City's Proportionate Share of the Net Pension Liability	\$ 2,288,669	\$ 1,994,957	\$ 1,751,192

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

FRS - Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2015-16 fiscal year were as follows:

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 13 - Defined Benefit Pension Plan (Concluded)

FRS - Defined Contribution Pension Plan (Concluded)

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested 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 0.04% (0.06% effective July 1, 2016) of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2016, 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 pension expense totaled \$85,935 for the fiscal year ended September 30, 2016.

Note 14 - Other Postemployment Benefits (OPEB)

Plan Description

The City of Alachua has previously established and maintains an employee group health insurance plan (the Plan) that it makes available to eligible retirees in accordance with the State of Florida law and City ordinance. The Plan is a single employer, experience rated insurance plan that provides medical, dental, and vision benefits to eligible retirees and their eligible dependents. The postretirement benefit portion of the Plan refers to the medical, dental, and vision benefits applicable to current and future retirees and their eligible dependents. The Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 14 - Other Postemployment Benefits (OPEB) (Continued)

Plan Description (Concluded)

Membership of the Plan consisted of the following:

Date of Actuarial Valuation:	September 30, 2015
Retirees and Beneficiaries Receiving Benefits	3
DROP Participant	9
Active Plan Members	95
Total	107

Funding Policy

To-date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit cost and expenses. The contribution requirements of plan members, if any, are established by the City. Eligible retirees pay the full cost of blended rate premiums associated with the medical plan elected; no direct City subsidy is currently applicable. However, there are implicit costs of the medical plan for retirees, as their claims experience is higher than the blended rate premiums.

State of Florida Law prohibits the City from separately rating retirees and active employees specifically for medical plan benefits. The City, therefore, assigns eligible active employees and eligible retirees equal, blended-rate premiums and makes available to both groups the same plan options. Although both groups are assigned the same blended rate premiums, GAAP requires the actuarial liabilities presented below to be calculated using age-adjusted premiums approximating claim costs for eligible retirees separate from active eligible members. The use of age-adjusted premiums results in the full expected retiree obligation recognized in this disclosure.

Annual OPEB Costs and Net OPEB Obligation

The Annual OPEB Cost is the amount that was expensed for the fiscal year. Since the City's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

The following table shows the components of the City's Annual OPEB Cost for the year and the Net OPEB Obligation.

Annual Required Contribution (ARC)	\$ 31,407
Interest on Net OPEB Obligation (NOO)	2,154
Adjustment to ARC	(2,244)
Annual OPEB Cost	31,317
Employer Contributions Made	(11,637)
Increase/Decrease in NOO	19,680
Net OPEB Obligation, Beginning of Year	154,200
Net OPEB Obligation, End of Year	<u>\$ 173,880</u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 14 - Other Postemployment Benefits (OPEB) (Continued)

Annual OPEB Costs and Net OPEB Obligation (Concluded)

Net OPEB obligation reported in governmental activities in the statement of net position is generally liquidated by the general fund.

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/16	\$ 31,317	37.2%	\$ 173,880
9/30/15	36,749	51.0%	154,200
9/30/14	42,849	35.3%	133,549

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Payroll
9/30/15	\$ 0	\$ 284,548	\$ 284,548	0.0%	\$ 4,620,542	6.16%

The schedule of funding progress, included as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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 healthcare 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.

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and Plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

Note 14 - Other Postemployment Benefits (OPEB) (Concluded)

Actuarial Methods and Assumptions (Concluded)

The following table summarizes the actuarial methods and assumptions as of the latest actuarial valuation date:

Valuation Date	October 1, 2014
Actuarial Cost Method	Projected Unit Credit Cost
Amortization Method	Level Percentage of Projected Payroll
Remaining Amortization Period	24- Years, Closed
Asset Valuation Method	N/A
Actuarial Assumptions:	
Payroll Inflation Rate	4.0%
Investment Return	4.0%
Healthcare Cost Trend Rate	Gradually Decreasing from 7% to 5% by 2025

Note 15 - Risk Management

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

- **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.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Concluded)

Note 16 - Commitments

As of September 30, 2016, the City had the following commitments related to significant unfinished construction projects:

	Expended as of September 30, 2016	Remaining Commitment
Enterprise Resource Software Conversion	\$ 132,545	\$ 101,680
Long-Range Transportation Plan Development	20,003	49,974
Water/Wastewater Infrastructure Design US 441/I-75	17,722	97,980
Liftstation No. 1 R&R Project	9,955	33,920
Downtown Parking Design	11,228	32,222
Project Legacy Construction – Phase I	1,548,572	1,698,255
Heritage Oaks Stormwater Remediation	553,858	95,735
CDBG Neighborhood Revitalization	340,932	329,898
Public Services Operations Center/Warehouse	<u>221,303</u>	<u>4,109,173</u>
Total	<u><u>\$ 2,856,118</u></u>	<u><u>\$ 6,548,837</u></u>

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

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 5,790,072	\$ 5,790,072	\$ 6,004,417	\$ 214,345
Permits, Fees, and Special Assessments	478,000	478,000	486,061	8,061
Intergovernmental Revenues	854,122	868,744	915,219	46,475
Charges for Services	1,029,450	1,029,450	1,067,209	37,759
Fines and Forfeitures	40,000	40,000	30,596	(9,404)
Investment Income	5,000	5,000	9,334	4,334
Miscellaneous	32,800	132,800	160,493	27,693
Total Revenues	8,229,444	8,344,066	8,673,329	329,263
Expenditures				
Current:				
General Government:				
Legislative	137,010	137,010	136,261	749
Executive	634,488	645,488	624,728	20,760
Finance	396,069	395,369	372,932	22,437
Information Technology	242,825	242,825	223,808	19,017
Legal	188,235	177,235	148,625	28,610
Planning and Zoning	783,711	783,711	682,191	101,520
Other	974,985	999,395	818,102	181,293
Public Safety:				
Police	2,782,742	2,970,163	2,816,275	153,888
Fire	678,769	678,769	662,131	16,638
Protective Inspections	191,026	191,026	173,854	17,172
Physical Environment:				
Solid Waste	812,981	812,981	801,770	11,211
Transportation:				
Streets and Roads	1,007,179	1,016,918	881,046	135,872
Parks and Recreation	681,017	728,917	677,163	51,754
Reserve for Contingency	100,000	77,870	0	77,870
(Total Expenditures)	(9,611,037)	(9,857,677)	(9,018,886)	838,791
Excess of Revenues Over				
Expenditures	(1,381,593)	(1,513,611)	(345,557)	1,168,054
Other Financing Sources (Uses)				
Transfers in	1,821,117	1,821,117	1,946,117	125,000
Transfers (out)	(1,101,801)	(1,239,911)	(1,236,267)	3,644
Debt Proceeds	0	270,128	270,128	0
Total Other Financing Sources (Uses)	719,316	851,334	979,978	128,644
Net Change in Fund Balance	(662,277)	(662,277)	634,421	1,296,698
Fund Balance, Beginning of Year, Restated	5,535,109	5,535,109	5,502,650	(32,459)
Fund Balance, End of Year	\$ 4,872,832	\$ 4,872,832	\$ 6,137,071	\$ 1,264,239

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 263,713	\$ 263,713	\$ 265,607	\$ 1,894
Interest and Other Revenue	300	300	240	(60)
Miscellaneous	0	0	4,153	4,153
Total Revenues	<u>264,013</u>	<u>264,013</u>	<u>270,000</u>	<u>5,987</u>
Expenditures				
Current:				
Economic Environment	241,980	257,357	197,743	59,614
Debt Service:				
Principal	83,668	83,668	83,668	0
Interest and Fiscal Charges	15,612	15,612	15,612	0
Capital Outlay	185,685	170,308	87,045	83,263
(Total Expenditures)	<u>(526,945)</u>	<u>(526,945)</u>	<u>(384,068)</u>	<u>142,877</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(262,932)</u>	<u>(262,932)</u>	<u>(114,068)</u>	<u>148,864</u>
Other Financing Sources (Uses)				
Transfers in	199,607	199,607	200,897	1,290
Total Other Financing Sources (Uses)	<u>199,607</u>	<u>199,607</u>	<u>200,897</u>	<u>1,290</u>
Net Change in Fund Balance	(63,325)	(63,325)	86,829	150,154
Fund Balance, Beginning of Year	<u>63,325</u>	<u>63,325</u>	<u>276,144</u>	<u>212,819</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 362,973</u>	<u>\$ 362,973</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
SEPTEMBER 30, 2016

Other Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as Percent of Payroll
9/30/2014	\$ 0	\$ 284,548	\$ 284,548	0.00%	\$ 4,620,542	6.16%
9/30/2011	0	307,455	307,455	0.00%	4,670,165	6.58%
9/30/2009	0	262,411	262,411	0.00%	4,686,463	5.60%

**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, 2016	September 30, 2015
Proportion of the FRS Net Pension Plan	0.0188308370%	0.0183379490%
Proportionate Share of the FRS Net Pension Plan	\$ 4,754,801	\$ 2,368,592
Covered-Employee Payroll**	5,470,434	5,222,630
Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	86.92%	45.35%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.88%	92%

* 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-employee payroll is for the year shown.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	September 30, 2016	September 30, 2015
Proportion of the HIS Net Pension Plan	0.0171173600%	0.0170734730%
Proportionate Share of the HIS Net Pension Plan	\$ 1,994,957	\$ 1,741,226
Covered-Employee Payroll**	5,470,434	5,222,630
Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	36.47%	33.34%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.97%	0.50%

* GASB No. 68 was adopted for the 2016 Fiscal Year and 10-year trend information will be developed from 2016 forward.

** The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee 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
SEPTEMBER 30, 2016

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 459,220	\$ 447,095
FRS Contribution in Relation to the Contractually Required Contribution	<u>(459,220)</u>	<u>(447,095)</u>
FRS Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-Employee Payroll (FYE 9/30)	\$ 5,470,434	\$ 522,630
FRS Contributions as a Percentage of Covered-Employee Payroll	8%	9%

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 87,737	\$ 65,265
HIS Contribution in Relation to the Contractually Required Contribution	<u>(87,737)</u>	<u>(65,265)</u>
HIS Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-Employee Payroll (FYE 9/30)	\$ 5,470,434	\$ 522,630
HIS Contributions as a Percentage of Covered-Employee Payroll	1.60%	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, 2016

Note 1 - Basis of Presentation

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

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

Note 2 - Legally Adopted Budgets

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

Note 3 - Other Postemployment Benefit Plan

The information presented in the required supplementary schedules was determined as part of actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	October 1, 2014
Actuarial Cost Method	Projected Unit Credit Cost
Amortization Method	Level Percentage of Projected Payroll
Remaining Amortization Period	24-Years, Closed
Asset Valuation Method	N/A
Actuarial Assumptions:	
Payroll Inflation Rate	4.00%
Investment Return	4.00%
Healthcare Cost Trend Rate	Gradually Decreasing from 7% to 5% by 2025

Note 4 - 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, 2016.

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 decreased from 7.65% to 7.60%.

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

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

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

**NONMAJOR GOVERNMENTAL FUNDS
CITY OF ALACHUA, FLORIDA**

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

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

- 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 noncriminal 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.

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 *Municipal Complex Fund*—is used to account for the bond proceeds and construction expenditures related to the new municipal complex.
- The *San Felasco Conservation Corridor Fund*—is used to account for improvements made to the San Felasco Corridor.
- The *Heritage Oaks Improvement Fund*—is used to account for expenditures for infrastructure improvements in the Heritage Oaks subdivision.
- The *Economic Development Transportation Project Fund*—is used to account for grant revenues and capital expenditures for new road construction and reconstruction of existing road.
- The *CDBG Neighborhood Revitalization Fund*—is used to account for grant revenues and capital expenditures for projects approved under the Community Development Block Grant.

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and Cash Equivalents	\$ 511,496	\$ 72,787	\$ 371,978	\$ 956,261
Cash With Fiscal Agent	310,902	0	0	310,902
Accounts Receivable	0	304	0	304
Due from Other Governments	0	0	268,089	268,089
Total Assets	<u>822,398</u>	<u>73,091</u>	<u>640,067</u>	<u>1,535,556</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	0	400	92,335	92,735
Unearned Revenues	0	0	102,598	102,598
Advances from Other Funds	96,899	0	892,235	989,134
Total Liabilities	<u>96,899</u>	<u>400</u>	<u>1,087,168</u>	<u>1,184,467</u>
Fund Balances				
Restricted for:				
Law Enforcement	0	9,260	0	9,260
Physical Environment	0	11,822	213,874	225,696
Parks and Recreation	0	51,609	6,514	58,123
Debt Service	27,540	0	0	27,540
Assigned	697,959	0	0	697,959
Unassigned	0	0	(667,489)	(667,489)
Total Fund Balances	<u>725,499</u>	<u>72,691</u>	<u>(447,101)</u>	<u>351,089</u>
Total Liabilities and Fund Balances	<u>\$ 822,398</u>	<u>\$ 73,091</u>	<u>\$ 640,067</u>	<u>\$ 1,535,556</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Permits, Fees, and Special Assessments	\$ 0	\$ 5,320	\$ 0	\$ 5,320
Intergovernmental Revenues	0	0	615,863	615,863
Charges for Services	0	300	0	300
Fines and Forfeitures	0	3,716	0	3,716
Investment Income	161	79	6	246
Miscellaneous	0	28,197	0	28,197
Total Revenues	<u>161</u>	<u>37,612</u>	<u>615,869</u>	<u>653,642</u>
Expenditures				
Current:				
General Government	0	8,987	0	8,987
Public Safety	0	6,771	0	6,771
Physical Environment	0	7,531	18,927	26,458
Parks and Recreation	0	9,332	1,400	10,732
Debt Service:				
Principal	335,043	0	0	335,043
Interest	364,286	0	0	364,286
Capital Outlay	0	17,451	1,209,299	1,226,750
(Total Expenditures)	<u>(699,329)</u>	<u>(50,072)</u>	<u>(1,229,626)</u>	<u>(1,979,027)</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(699,168)</u>	<u>(12,460)</u>	<u>(613,757)</u>	<u>(1,325,385)</u>
Other Financing Sources (Uses)				
Transfers in	664,423	0	436,198	1,100,621
Debt Refunding	(7,100,000)	0	0	(7,100,000)
Debt Proceeds	7,134,906	0	0	7,134,906
Total Other Financing Sources (Uses)	<u>699,329</u>	<u>0</u>	<u>436,198</u>	<u>1,135,527</u>
Net Change in Fund Balance	161	(12,460)	(177,559)	(189,858)
Fund Balance, Beginning of Year	<u>725,338</u>	<u>85,151</u>	<u>(269,542)</u>	<u>540,947</u>
Fund Balance, End of Year	<u>\$ 725,499</u>	<u>\$ 72,691</u>	<u>\$ (447,101)</u>	<u>\$ 351,089</u>

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2016**

	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Total
Assets					
Cash and Cash Equivalents	\$ 1,129	\$ 52,527	\$ 7,309	\$ 11,822	\$ 72,787
Accounts Receivable	304	0	0	0	304
Total Assets	<u>1,433</u>	<u>52,527</u>	<u>7,309</u>	<u>11,822</u>	<u>73,091</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	0	0	400	0	400
Total Liabilities	<u>0</u>	<u>0</u>	<u>400</u>	<u>0</u>	<u>400</u>
Fund Balances					
Restricted for:					
Law Enforcement	1,433	918	6,909	0	9,260
Physical Environment	0	0	0	11,822	11,822
Parks and Recreation	0	51,609	0	0	51,609
Total Fund Balances	<u>1,433</u>	<u>52,527</u>	<u>6,909</u>	<u>11,822</u>	<u>72,691</u>
Total Liabilities and Fund Balances	<u>\$ 1,433</u>	<u>\$ 52,527</u>	<u>\$ 7,309</u>	<u>\$ 11,822</u>	<u>\$ 73,091</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Total
Revenues					
Permits, Fees, and Special Assessments	\$ 0	\$ 0	\$ 0	\$ 5,320	\$ 5,320
Charges for Services	0	0	300	0	300
Fines and Forfeitures	3,716	0	0	0	3,716
Investment Income	3	61	0	15	79
Miscellaneous	0	27,747	450	0	28,197
Total Revenues	3,719	27,808	750	5,335	37,612
Expenditures					
Current:					
General Government	0	8,987	0	0	8,987
Public Safety	6,771	0	0	0	6,771
Physical Environment	0	0	0	7,531	7,531
Parks and Recreation	0	9,332	0	0	9,332
Capital Outlay	0	17,451	0	0	17,451
Total (Expenditures)	(6,771)	(35,770)	0	(7,531)	(50,072)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(3,052)	(7,962)	750	(2,196)	(12,460)
Net Change in Fund Balances	(3,052)	(7,962)	750	(2,196)	(12,460)
Fund Balance, Beginning of Year	4,485	60,489	6,159	14,018	85,151
Fund Balance, End of Year	\$ 1,433	\$ 52,527	\$ 6,909	\$ 11,822	\$ 72,691

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2016**

	Municipal Complex	San Felasco Conservation Corridor	Heritage Oaks Improvement	Economic Development Transportation Project	CDBG Neighborhood Revitalization	Total
Assets						
Cash and Cash Equivalents	\$ 0	\$ 6,514	\$ 365,464	\$ 0	\$ 0	\$ 371,978
Due from Other Governments	0	0	0	0	268,089	268,089
Total Assets	<u>0</u>	<u>6,514</u>	<u>365,464</u>	<u>0</u>	<u>268,089</u>	<u>640,067</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	0	0	48,992	0	43,343	92,335
Unearned Revenue	0	0	102,598	0	0	102,598
Advances from Other Funds	624,126	0	0	0	268,109	892,235
Total Liabilities	<u>624,126</u>	<u>0</u>	<u>151,590</u>	<u>0</u>	<u>311,452</u>	<u>1,087,168</u>
Fund Balances						
Restricted for:						
Physical Environment	0	0	213,874	0	0	213,874
Parks and Recreation	0	6,514	0	0	0	6,514
Unassigned	(624,126)	0	0	0	(43,363)	(667,489)
Total Fund Balances	<u>(624,126)</u>	<u>6,514</u>	<u>213,874</u>	<u>0</u>	<u>(43,363)</u>	<u>(447,101)</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 6,514</u>	<u>\$ 365,464</u>	<u>\$ 0</u>	<u>\$ 268,089</u>	<u>\$ 640,067</u>

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Municipal	San Felasco	Heritage	Economic	CDBG	
	Complex	Conservation	Oaks	Development	Neighborhood	
		Corridor	Improvement	Transportation	Revitalization	Total
				Project		
Revenues						
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 332,034	\$ 283,829	\$ 615,863
Investment Income	0	6	0	0	0	6
Total Revenues	<u>0</u>	<u>6</u>	<u>0</u>	<u>332,034</u>	<u>283,829</u>	<u>615,869</u>
Expenditures						
Current:						
Physical Environment	0	0	167	0	18,760	18,927
Parks and Recreation	0	1,400	0	0	0	1,400
Capital Outlay	0	0	512,670	263,197	433,432	1,209,299
(Total Expenditures)	<u>0</u>	<u>(1,400)</u>	<u>(512,837)</u>	<u>(263,197)</u>	<u>(452,192)</u>	<u>(1,229,626)</u>
(Deficiency) Excess of Revenues						
(Under) Over Expenditures	<u>0</u>	<u>(1,394)</u>	<u>(512,837)</u>	<u>68,837</u>	<u>(168,363)</u>	<u>(613,757)</u>
Other Financing Sources (Uses)						
Transfers in	311,198	0	0	0	125,000	436,198
Total Other Financing						
Sources (Uses)	<u>311,198</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>436,198</u>
Net Change in Fund Balances	311,198	(1,394)	(512,837)	68,837	(43,363)	(177,559)
Fund Balance, Beginning of Year	(935,324)	7,908	726,711	(68,837)	0	(269,542)
Fund Balance, End of Year	<u>\$ (624,126)</u>	<u>\$ 6,514</u>	<u>\$ 213,874</u>	<u>\$ 0</u>	<u>\$ (43,363)</u>	<u>\$ (447,101)</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PROJECT LEGACY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Interest and Other Revenue	\$ 0	\$ 15,872	\$ 15,872
Total Revenues	<u>0</u>	<u>15,872</u>	<u>15,872</u>
Expenditures			
Current:			
Parks and Recreation	1,815	0	1,815
Debt Service:			
Interest and Fiscal Charges	302,419	94,917	207,502
Capital Outlay	5,772,347	2,013,531	3,758,816
(Total Expenditures)	<u>(6,076,581)</u>	<u>(2,108,448)</u>	<u>3,968,133</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(6,076,581)</u>	<u>(2,092,576)</u>	<u>3,984,005</u>
Other Financing Sources (Uses)			
Transfers in	189,491	189,491	0
Debt Proceeds	5,802,419	5,802,419	0
Total Other Financing Sources (Uses)	<u>5,991,910</u>	<u>5,991,910</u>	<u>0</u>
Net Change in Fund Balance	(84,671)	3,899,334	3,984,005
Fund Balance, Beginning of Year	<u>84,671</u>	<u>65,275</u>	<u>(19,396)</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 3,964,609</u>	<u>\$ 3,964,609</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Interest and Other Revenue	\$ 0	\$ 161	\$ 161
Total Revenues	<u>0</u>	<u>161</u>	<u>161</u>
Expenditures			
Debt Service:			
Principal	338,686	335,043	3,643
Interest and Fiscal Charges	364,286	364,286	0
(Total Expenditures)	<u>(702,972)</u>	<u>(699,329)</u>	<u>3,643</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(702,972)</u>	<u>(699,168)</u>	<u>3,804</u>
Other Financing Sources (Uses)			
Transfers in	668,066	664,423	(3,643)
Debt Refunding	(7,100,000)	(7,100,000)	0
Debt Proceeds	7,134,906	7,134,906	0
Total Other Financing Sources (Uses)	<u>702,972</u>	<u>699,329</u>	<u>(3,643)</u>
Net Change in Fund Balance	0	161	161
Fund Balance, Beginning of Year	<u>0</u>	<u>725,338</u>	<u>725,338</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 725,499</u>	<u>\$ 725,499</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Additional Court Costs		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Charges for Services	\$ 0	\$ 0	\$ 0
Fines and Forfeitures	4,365	3,716	(649)
Investment Income (Loss)	0	3	3
Miscellaneous	0	0	0
Total Revenues	<u>4,365</u>	<u>3,719</u>	<u>(646)</u>
Expenditures			
Current:			
General Government	0	0	0
Public Safety	6,980	6,771	209
Physical Environment	0	0	0
Parks and Recreation	0	0	0
Capital Outlay	0	0	0
(Total Expenditures)	<u>(6,980)</u>	<u>(6,771)</u>	<u>209</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(2,615)	(3,052)	(437)
Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(2,615)	(3,052)	(437)
Fund Balance, Beginning of Year	<u>2,615</u>	<u>4,485</u>	<u>1,870</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 1,433</u>	<u>\$ 1,433</u>

Donations			Police Explorers		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 0	\$ 0	\$ 0	\$ 0	\$ 300	\$ 300
0	0	0	0	0	0
0	61	61	0	0	0
0	27,747	27,747	0	450	450
0	27,808	27,808	0	750	750
10,529	8,987	1,542	0	0	0
0	0	0	5,160	0	5,160
0	0	0	0	0	0
25,545	9,332	16,213	0	0	0
14,359	17,451	(3,092)	0	0	0
(50,433)	(35,770)	14,663	(5,160)	0	5,160
(50,433)	(7,962)	42,471	(5,160)	750	5,910
0	0	0	0	0	0
(50,433)	(7,962)	42,471	(5,160)	750	5,910
50,433	60,489	10,056	5,160	6,159	999
\$ 0	\$ 52,527	\$ 52,527	\$ 0	\$ 6,909	\$ 6,909

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NONMAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Concluded)

	TK Basin Special Assessment		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Permits, Fees, and Special Assessments	\$ 7,000	\$ 5,320	\$ (1,680)
Investment Income (Loss)	10	15	5
Total Revenues	<u>7,010</u>	<u>5,335</u>	<u>(1,675)</u>
Expenditures			
Current:			
Physical Environment	12,200	7,531	4,669
(Total Expenditures)	<u>(12,200)</u>	<u>(7,531)</u>	<u>4,669</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(5,190)	(2,196)	2,994
Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(5,190)	(2,196)	2,994
Fund Balance, Beginning of Year	<u>5,190</u>	<u>14,018</u>	<u>8,828</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 11,822</u>	<u>\$ 11,822</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NONMAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Municipal Complex			San Felasco Conservation Corridor		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Investment Income (Loss)	0	0	0	0	6	6
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>6</u>
Expenditures						
Current:						
Physical Environment	0	0	0	0	0	0
Parks and Recreation	0	0	0	7,908	1,400	6,508
Capital Outlay	311,198	0	311,198	0	0	0
(Total Expenditures)	<u>(311,198)</u>	<u>0</u>	<u>311,198</u>	<u>(7,908)</u>	<u>(1,400)</u>	<u>6,508</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(311,198)</u>	<u>0</u>	<u>311,198</u>	<u>(7,908)</u>	<u>(1,394)</u>	<u>6,514</u>
Other Financing Sources (Uses)						
Transfers in	311,198	311,198	0	0	0	0
Total Other Financing Sources (Uses)	<u>311,198</u>	<u>311,198</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	311,198	311,198	(7,908)	(1,394)	6,514
Fund Balance, Beginning of Year	<u>0</u>	<u>(935,324)</u>	<u>(935,324)</u>	<u>7,908</u>	<u>7,908</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ (624,126)</u>	<u>\$ (624,126)</u>	<u>\$ 0</u>	<u>\$ 6,514</u>	<u>\$ 6,514</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NONMAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Continued)

	Heritage Oaks Improvement			Economic Development Transportation Project		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 289,276	\$ 332,034	\$ 42,758
Investment Income (Loss)	0	0	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>289,276</u>	<u>332,034</u>	<u>42,758</u>
Expenditures						
Current:						
Physical Environment	31,200	167	31,033	0	0	0
Parks and Recreation	0	0	0	0	0	0
Capital Outlay	695,395	512,670	182,725	289,276	263,197	26,079
(Total Expenditures)	<u>(726,595)</u>	<u>(512,837)</u>	<u>213,758</u>	<u>(289,276)</u>	<u>(263,197)</u>	<u>26,079</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(726,595)</u>	<u>(512,837)</u>	<u>213,758</u>	<u>0</u>	<u>68,837</u>	<u>68,837</u>
Other Financing Sources (Uses)						
Transfers in	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(726,595)</u>	<u>(512,837)</u>	<u>213,758</u>	<u>0</u>	<u>68,837</u>	<u>68,837</u>
Fund Balance, Beginning of Year	<u>726,595</u>	<u>726,711</u>	<u>116</u>	<u>0</u>	<u>(68,837)</u>	<u>(68,837)</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 213,874</u>	<u>\$ 213,874</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NONMAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Concluded)

	CDBG Neighborhood Revitalization		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental Revenues	\$ 680,736	\$ 283,829	\$ (396,907)
Investment Income (Loss)	0	0	0
Total Revenues	<u>680,736</u>	<u>283,829</u>	<u>(396,907)</u>
Expenditures			
Current:			
Physical Environment	36,736	18,760	17,976
Parks and Recreation	0	0	0
Capital Outlay	769,000	433,432	335,568
(Total Expenditures)	<u>(805,736)</u>	<u>(452,192)</u>	<u>353,544</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(125,000)</u>	<u>(168,363)</u>	<u>(43,363)</u>
Other Financing Sources (Uses)			
Transfers in	125,000	125,000	0
Total Other Financing Sources (Uses)	<u>125,000</u>	<u>125,000</u>	<u>0</u>
Net Change in Fund Balance	0	(43,363)	(43,363)
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ (43,363)</u>	<u>\$ (43,363)</u>

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

(unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	84
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.	94
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.	99
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.	106
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.	109
Sources: <i>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.</i>	

FINANCIAL TRENDS INFORMATION

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

	Fiscal Year			
	2007	2008	2009	2010
Governmental Activities				
Invested in capital assets, net of related debt	\$ 7,345,392	7,995,820	11,727,737	12,924,412
Restricted	240,666	109,767	2,298,952	2,642,617
Unrestricted	104,323	33,531	(1,212,629)	(487,329)
Total governmental activities net position	<u>\$ 7,690,381</u>	<u>8,139,118</u>	<u>12,814,060</u>	<u>15,079,700</u>
 Business-type Activities				
Invested in capital assets, net of related debt	\$ 6,524,660	7,859,209	9,201,971	21,128,470
Restricted	1,006,659	1,053,894	1,269,753	1,274,753
Unrestricted	3,492,497	1,553,135	(316,896)	12,635
Total business-type activities net position	<u>\$ 11,023,816</u>	<u>10,466,238</u>	<u>10,154,828</u>	<u>22,415,858</u>
 Primary Government				
Invested in capital assets, net of related debt	\$ 13,870,052	15,855,029	20,929,708	34,052,882
Restricted	1,247,325	1,163,661	3,568,705	3,917,370
Unrestricted	3,596,820	1,586,666	(1,529,525)	(474,694)
Total primary government net position	<u>\$ 18,714,197</u>	<u>18,605,356</u>	<u>22,968,888</u>	<u>37,495,558</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					
2011	2012	2013	2014	2015	2016
13,306,758	14,518,014	15,054,392	15,864,924	17,393,955	19,616,277
2,768,100	2,302,270	2,104,955	1,328,668	1,933,806	697,533
1,321,909	2,461,909	3,250,642	3,752,120	810,604	1,596,788
<u>17,396,767</u>	<u>19,282,193</u>	<u>20,409,989</u>	<u>20,945,712</u>	<u>20,138,365</u>	<u>21,910,598</u>
22,062,135	21,041,023	25,448,736	26,121,070	27,034,352	26,925,962
2,934,138	2,927,873	1,067,119	688,818	737,724	803,328
2,294,312	2,992,216	3,139,610	4,979,974	5,141,346	7,524,704
<u>27,290,585</u>	<u>26,961,112</u>	<u>29,655,465</u>	<u>31,789,862</u>	<u>32,913,422</u>	<u>35,253,994</u>
35,368,893	35,559,037	40,503,128	41,985,994	44,428,307	46,542,239
5,702,238	5,230,143	3,172,074	2,017,486	2,671,530	1,500,861
3,616,221	5,454,125	6,390,252	8,732,094	5,951,950	9,121,492
<u>44,687,352</u>	<u>46,243,305</u>	<u>50,065,454</u>	<u>52,735,574</u>	<u>53,051,787</u>	<u>57,164,592</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 3,998,405	3,373,717	3,565,490	2,771,143
Public safety	2,869,023	2,916,964	2,853,035	3,031,037
Physical environment	477,038	554,763	643,072	767,582
Transportation	754,008	840,867	724,671	755,262
Economic environment	1,258,609	150,543	150,250	168,590
Parks and recreation	746,943	776,645	718,239	868,434
Interest on long-term debt	474,453	467,028	457,511	448,741
Total governmental activities expenses	10,578,479	9,080,527	9,112,268	8,810,789
Business-type Activities				
Electric	11,111,055	12,611,445	11,805,050	11,841,903
Water and sewer	2,793,493	2,964,692	2,941,214	2,893,843
Mosquito control	30,375	44,395	43,684	45,886
Total business-type activities	13,934,923	15,620,532	14,789,948	14,781,632
Total primary government expenses	24,513,402	24,701,059	23,902,216	23,592,421
Program Revenues				
Governmental activities:				
Charges for services:				
General government	222,686	209,856	362,701	377,226
Public safety	303,235	208,106	175,843	145,175
Physical environment	562,037	577,104	736,898	806,932
Transportation	--	70	11,165	11,720
Economic environment	--	--	--	--
Parks and recreation	57,014	60,078	70,666	43,050
Operating grants and contributions	1,434,870	131,360	291,160	342,416
Capital grants and contributions	2,309,950	928,576	783,967	1,590,710
Total governmental activities program revenues	\$ 4,889,792	2,115,150	2,432,400	3,317,229
Business-type activities:				
Charges for services:				
Electric	\$ 11,350,370	14,563,814	12,835,626	14,673,991
Water and sewer	2,412,960	2,252,644	2,148,928	2,251,328
Mosquito Control	45,927	49,071	49,655	49,775
Operating grants and contributions	15,709	--	--	--
Capital grants and contributions	1,117,109	--	325,635	11,420,846
Total business-type activities program revenues	14,942,075	16,865,529	15,359,844	28,395,940
Total primary government program revenues	19,831,867	18,980,679	17,792,244	31,713,169
Net (Expense) Revenue				
Governmental activities	(5,688,687)	(6,965,377)	(6,679,868)	(5,493,560)
Business-type activities	1,007,152	1,244,997	569,896	13,614,308
Total primary government net expense	\$ (4,681,535)	(5,720,380)	(6,109,972)	8,120,748

Fiscal Year					
2011	2012	2013	2014	2015	2016
2,897,711	3,080,777	2,813,888	2,719,659	2,690,754	3,028,258
2,882,263	3,009,977	3,085,939	3,164,017	3,215,211	3,610,483
761,634	737,191	795,886	789,404	840,642	828,282
675,861	708,219	694,479	758,198	813,619	918,754
185,242	148,614	176,463	212,978	192,386	239,226
722,994	748,726	758,883	1,318,191	892,715	741,416
435,371	426,780	435,587	418,674	413,851	567,472
8,561,076	8,860,284	8,761,125	9,381,121	9,059,178	9,933,891
10,903,730	9,745,061	10,083,138	11,863,813	12,377,194	11,250,351
3,121,021	4,715,831	3,634,733	3,621,216	3,365,172	3,400,953
47,326	55,105	49,446	53,461	41,815	43,026
14,072,077	14,515,997	13,767,317	15,538,490	15,784,181	14,694,330
22,633,153	23,376,281	22,528,442	24,919,611	24,843,359	24,628,221
395,496	346,639	495,774	317,475	371,184	398,171
155,580	156,036	54,418	297,144	237,108	294,121
785,330	816,165	809,118	823,782	842,168	864,936
11,843	12,200	12,565	13,370	14,656	23,104
--	--	--	--	--	--
31,174	40,295	32,615	27,243	31,901	30,654
218,571	217,569	270,027	251,953	485,404	266,003
1,168,258	1,033,364	756,335	577,993	1,029,007	1,032,140
2,766,252	2,622,268	2,430,852	2,308,960	3,011,428	2,909,129
14,392,269	12,519,393	13,073,827	15,171,323	15,693,189	15,129,466
3,257,081	2,952,806	3,144,427	3,350,473	3,429,227	3,969,605
49,877	50,073	54,585	56,291	57,115	57,991
1,627,198	--	551,284	24,527	24,527	--
2,139,510	138,066	1,321,644	662,887	--	--
21,465,935	15,660,338	18,145,767	19,265,501	19,204,058	19,157,062
24,232,187	18,282,606	20,576,619	21,574,461	22,215,486	22,066,191
(5,794,824)	(6,238,016)	(6,330,273)	(7,072,161)	(6,047,750)	(7,024,762)
7,393,858	1,144,341	4,378,450	3,727,011	3,419,877	4,462,732
1,599,034	(5,093,675)	(1,951,823)	(3,345,150)	(2,627,873)	(2,562,030)

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

	Fiscal Year			
	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 3,072,173	3,071,384	3,464,378	4,241,001
Utility taxes	638,777	632,621	666,161	959,321
Communications services taxes	250,326	354,990	472,087	428,155
Local option gas tax	142,317	197,363	--	--
Business license tax	--	44,545	46,050	47,034
Franchise fees	237,505	271,562	--	--
Intergovernmental revenue	666,744	658,998	521,249	548,753
Unrestricted investment earnings	149,747	56,825	(13,557)	31,071
Miscellaneous	77,746	112,202	90,752	72,712
Capital asset transfers	--	(694,401)	--	--
Gain on disposal of capital assets	--	--	--	--
Special item	380,599	--	--	--
Transfers	1,765,801	2,708,025	2,087,990	1,431,153
Total governmental activities	<u>7,381,735</u>	<u>7,414,114</u>	<u>7,335,110</u>	<u>7,759,200</u>
Business-type activities:				
Unrestricted investment earnings	380,637	132,148	(26,740)	7,931
Miscellaneous	50,244	78,901	83,957	69,944
Capital asset transfers	--	694,401	--	--
Gain on disposal of capital assets	--	--	--	--
Special item	--	--	--	--
Transfers	(1,765,801)	(2,708,025)	(2,087,990)	(1,431,153)
Total business-type activities	<u>(1,334,920)</u>	<u>(1,802,575)</u>	<u>(2,030,773)</u>	<u>(1,353,278)</u>
Total primary government	<u>\$ 6,046,815</u>	<u>5,611,539</u>	<u>5,304,337</u>	<u>6,405,922</u>
Change in Net Position				
Governmental activities	\$ 1,693,048	448,737	655,242	2,265,640
Business-type activities	(327,768)	(557,578)	(1,460,877)	12,261,030
Total primary government	<u>\$ 1,365,280</u>	<u>(108,841)</u>	<u>(805,635)</u>	<u>14,526,670</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					
2011	2012	2013	2014	2015	2016
4,051,946	3,695,306	3,650,565	3,650,563	3,638,572	3,982,499
1,233,554	1,191,592	1,120,707	1,118,050	1,165,926	1,387,113
408,414	379,347	333,439	313,826	346,275	338,750
--	--	--	--	--	--
48,780	49,898	49,723	46,691	49,645	48,398
--	--	--	--	--	--
565,093	600,600	626,460	657,312	703,123	743,242
11,159	15,289	13,401	8,321	6,617	25,692
90,378	637,528	150,228	114,923	902,230	194,070
--	--	--	--	--	--
10,775	--	--	--	--	--
--	--	--	--	(3,186,541)	(123,628)
1,691,792	1,553,882	1,698,102	1,698,198	1,614,556	2,200,859
8,111,891	8,123,442	7,642,625	7,607,884	5,240,403	8,796,995
10,154	17,395	11,665	7,330	4,280	7,166
83,366	62,673	80,881	98,254	117,079	71,533
--	--	--	--	--	--
752	--	--	--	--	--
(921,611)	--	--	--	(803,120)	--
(1,691,792)	(1,553,882)	(1,698,102)	(1,698,198)	(1,614,556)	(2,200,859)
(2,519,131)	(1,473,814)	(1,605,556)	(1,592,614)	(2,296,317)	(2,122,160)
5,592,760	6,649,628	6,037,069	6,015,270	2,944,086	6,674,835
2,317,067	1,885,426	1,312,352	535,723	(807,347)	1,772,233
4,874,727	(329,473)	2,772,894	2,134,397	1,123,560	2,340,572
7,191,794	1,555,953	4,085,246	2,670,120	316,213	4,112,805

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

	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Nonspendable	\$ --	--	--	--
Restricted	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
Reserved	47,493	562,704	1,451,124	2,446,216
Unreserved	<u>530,387</u>	<u>90,672</u>	<u>(400,601)</u>	<u>(362,329)</u>
Total general fund	<u>\$ 577,880</u>	<u>653,376</u>	<u>1,050,523</u>	<u>2,083,887</u>
All Other Governmental Funds				
Nonspendable	\$ --	--	--	--
Restricted	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
Reserved	240,239	317,736	110,241	98,969
Unreserved, reported in:				
Special revenue funds	739,239	746,922	1,034,916	1,162,252
Debt Service funds	--	--	103,600	103,379
Capital Projects funds	<u>(967,350)</u>	<u>(1,331,239)</u>	<u>(901,994)</u>	<u>(718,530)</u>
Total all other governmental funds	<u>\$ 12,128</u>	<u>(266,581)</u>	<u>346,763</u>	<u>646,070</u>

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
1,754,694	1,768,547	1,819,012	1,411,513	1,726,625	1,128,744
44,769	15,478	12,626	15,462	26,154	26,167
162,624	157,490	653,673	727,248	549,035	2,050,825
1,438,093	2,384,803	2,689,621	3,434,709	3,324,514	2,931,335
--	--	--	--	--	--
--	--	--	--	--	--
3,400,180	4,326,318	5,174,932	5,588,932	5,626,328	6,137,071
18,285	9,549	13,621	23,607	10,999	12,226
2,884,071	2,453,267	2,072,294	1,459,511	2,065,728	4,635,975
--	--	--	--	--	697,959
(1,646,843)	(1,402,080)	(1,216,869)	(1,282,361)	(1,194,361)	(667,489)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,255,513	1,060,736	869,046	200,757	882,366	4,678,671

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

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes	\$ 4,341,099	4,300,903	5,173,394	6,341,335
Permits, fees, and special assessments	271,210	414,749	388,187	388,256
Intergovernmental revenues	3,290,350	1,645,224	1,001,259	1,509,711
Charges for services	803,424	847,308	902,484	933,276
Fines and forfeitures	70,338	64,719	115,367	51,071
Interest	149,747	56,825	(13,556)	31,071
Miscellaneous	192,354	185,912	112,386	314,097
Total revenues	<u>9,118,522</u>	<u>7,515,640</u>	<u>7,679,521</u>	<u>9,568,817</u>
Expenditures				
General government	3,499,993	3,124,553	3,304,566	2,515,519
Public safety	2,732,214	2,771,926	2,698,133	2,867,877
Physical environment	478,017	554,710	643,018	748,023
Transportation	533,781	603,818	477,657	524,382
Economic environment	1,257,028	144,962	143,358	162,431
Parks and recreation	685,953	672,312	638,051	771,309
Debt service:				
Principal	2,195,202	222,409	227,525	234,169
Interest and fiscal charges	471,080	461,570	452,212	441,966
Capital outlay	6,123,414	1,879,943	249,846	1,446,133
Total expenditures	<u>17,976,682</u>	<u>10,436,203</u>	<u>8,834,366</u>	<u>9,711,809</u>
Excess (deficiency) of revenues over (under) expenditures	(8,858,160)	(2,920,563)	(1,154,845)	(142,992)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	--	9,325	15,397	38,988
Proceeds from borrowing	--	--	--	--
Payments to refunding bond escrow agent	--	--	--	--
Insurance proceeds	380,599	--	--	--
Transfers in	2,855,631	3,567,534	2,950,565	2,728,129
Transfers out	(1,089,830)	(859,509)	(858,575)	(1,291,454)
Total other financing sources (uses)	<u>2,146,400</u>	<u>2,717,350</u>	<u>2,107,387</u>	<u>1,475,663</u>
Net change in fund balances	<u>\$ (6,711,760)</u>	<u>(203,213)</u>	<u>952,542</u>	<u>1,332,671</u>
Debt service as a percentage of noncapital expenditures	22.5%	8.0%	7.9%	8.2%

Source: City of Alachua Financial Reports

Note:

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

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
6,111,452	5,531,359	5,364,716	5,344,809	5,430,545	6,004,417
426,656	410,673	448,531	507,102	495,716	491,381
953,409	1,481,397	1,038,824	1,149,737	1,887,631	1,796,689
904,161	918,349	906,021	902,045	947,960	1,067,509
47,813	41,023	48,181	63,393	43,769	34,312
11,159	15,289	13,401	8,321	6,617	25,692
145,019	793,738	174,019	171,720	998,455	192,843
8,599,669	9,191,828	7,993,693	8,147,127	9,810,693	9,612,843
2,667,416	2,798,685	2,534,198	2,511,783	2,560,365	2,741,395
2,755,777	2,869,912	2,916,255	3,004,179	3,128,641	3,283,396
761,580	737,137	795,832	789,349	840,588	828,228
454,041	475,306	473,721	474,618	488,529	566,945
176,300	136,857	161,923	197,491	172,559	197,743
624,179	645,313	657,592	710,454	789,635	640,079
227,398	210,000	215,000	304,621	321,840	418,711
431,476	420,787	430,470	421,513	424,885	474,815
435,301	1,733,572	1,746,650	1,685,606	1,979,202	4,339,117
8,533,468	10,027,569	9,931,641	10,099,614	10,706,244	13,490,429
66,201	(835,741)	(1,937,948)	(1,952,487)	(895,551)	(3,877,586)
167,743	13,220	11,270	--	--	--
--	--	885,500	--	1,150,000	13,207,453
--	--	--	--	(1,150,000)	(7,100,000)
--	--	--	--	--	--
2,852,909	3,182,229	2,454,088	2,557,976	2,979,434	3,437,126
(1,161,117)	(1,628,347)	(755,986)	(859,778)	(1,364,878)	(1,236,267)
1,859,535	1,567,102	2,594,872	1,698,198	1,614,556	8,308,312
1,925,736	731,361	656,924	(254,289)	719,005	4,430,726
8.1%	7.6%	7.9%	8.6%	8.6%	9.8%

REVENUE CAPACITY INFORMATION

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

Fiscal Year Ended September 30	Residential Property	Commercial Property	Agricultural Property	Industrial Property
2007	\$ 449,024,100	\$ 85,797,400	\$ 32,490,500	\$ 85,250,300
2008	535,100,200	102,112,900	35,005,500	100,646,800
2009	569,343,300	111,092,400	37,888,600	163,769,900
2010	531,600,770	113,537,800	69,227,500	158,400,600
2011	319,077,965	104,257,104	60,791,620	145,987,301
2012	275,660,490	104,238,080	59,247,070	129,060,290
2013	279,161,950	106,282,970	57,665,520	130,863,550
2014	281,698,170	106,926,610	56,734,615	128,789,230
2015	287,733,692	106,342,560	57,151,050	122,327,400
2016	298,701,155	107,851,700	57,903,000	120,895,840

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
\$ 72,842,900	\$ 93,854,996	\$ 235,711,400	\$ 583,548,796	5.5000
77,307,900	99,036,273	265,998,252	683,211,321	4.6480
97,840,300	127,181,206	340,977,840	766,137,866	4.6966
108,260,600	141,482,934	321,027,840	801,482,364	5.5000
261,136,703	144,519,173	272,288,306	763,481,560	5.5000
260,266,024	146,380,912	272,929,424	701,923,442	5.5000
286,179,813	103,588,381	281,978,533	681,763,651	5.5000
285,937,360	108,914,101	281,927,200	687,072,886	5.5000
290,459,714	103,433,849	284,232,894	683,215,371	5.5000
287,466,114	100,745,527	285,472,955	688,090,381	5.9900

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 Capital Outlay	Library Debt Service	School Board	Suwannee River Water Management District	St. Johns River Water Management District
2007	5.5000	0.0000	5.5000	8.8887	0.2500	1.4475	0.0000	0.1140	8.5710	0.4914	0.4620
2008	4.6480	0.0000	4.6480	7.6468	0.2500	1.2645	0.0000	0.0915	8.3950	0.4399	0.4158
2009	4.6966	0.0000	4.6966	7.5708	0.2500	1.2491	0.0000	0.0915	8.3590	0.4399	0.4158
2010	5.5000	0.0000	5.5000	8.0495	0.2500	1.2856	0.0000	0.0915	9.4080	0.4399	0.4158
2011	5.5000	0.0000	5.5000	8.3763	0.2500	1.3638	0.0000	0.1098	9.1070	0.4399	0.4158
2012	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.0000	0.1152	9.0920	0.4143	0.3313
2013	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.0000	0.1130	8.5490	0.4143	0.3313
2014	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0000	0.0950	8.4020	0.4143	0.3283
2015	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0000	0.0950	8.4100	0.0420	0.3164
2016	5.9900	0.0000	5.9900	8.7950	0.1595	1.4538	0.0000	0.0900	8.3420	0.4104	0.3023

Source: Alachua County Property Appraiser

Schedule 7
CITY OF ALACHUA, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Fiscal Year 2016			Fiscal Year 2007		
	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	\$ 60,019,210	1	8.73%	\$ --	--	--
Dolgencorp, Inc.	49,602,200	2	7.21%	69,756,180	1	14.09%
Baugh Southeast Cooperative, Inc.	30,330,400	3	4.41%	--	--	--
Regeneration Technologies, Inc.	23,981,160	4	3.49%	13,963,450	2	2.82%
SNH Medical Office Properties, Trust	16,463,560	5	2.39%	--	--	--
Alachua Development, LLC	11,223,400	6	1.63%	--	--	--
Waco Properties, Inc.	10,775,100	7	1.57%	3,454,200	8	0.70%
South Redistribution Center, Inc.	7,407,470	8	1.08%	--	--	--
Lowes Home Centers, Inc.	7,398,150	9	1.08%	--	--	--
MAS Holding Company, Inc.	5,125,000	10	0.75%	5,306,300	3	1.07%
Wachovia Trust Company, Ntl. Assn. Tr.			--	4,712,000	4	0.95%
Sage Software			--	4,124,720	5	0.83%
Innovation Partners, Ltd.			--	3,691,100	6	0.75%
Citizens & Southern			--	3,529,200	7	0.71%
Alltel Florida Inc.			--	3,168,980	9	0.64%
Sandvik/Tamcorp			--	3,139,370	10	0.63%
	<u>\$ 222,325,650</u>		<u>32.34%</u>	<u>\$ 114,845,500</u>		<u>23.19%</u>

Source: Alachua County Property Appraiser

Notes:

A) Sage Software formerly known as Medical Manager Research and Development.

B) Waco Properties, Inc. formerly known as Waco of Alabama, Inc.

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
2007	\$ 3,209,518	\$ 3,063,926	95.5%	\$ 13,648	\$ 3,077,574	95.9%
2008	3,175,566	3,056,030	96.2%	15,354	3,071,384	96.7%
2009	3,598,243	3,459,305	96.1%	5,073	3,464,378	96.3%
2010	4,408,153	4,234,528	96.1%	6,473	4,241,001	96.2%
2011	4,199,149	4,042,368	96.3%	9,578	4,051,947	96.5%
2012	3,860,579	3,688,577	95.5%	6,729	3,695,307	95.7%
2013	3,749,700	3,612,853	96.4%	37,712	3,650,565	97.4%
2014	3,778,901	3,643,042	96.4%	7,521	3,650,563	96.6%
2015	3,757,685	3,632,904	96.7%	5,669	3,638,573	96.8%
2016	4,130,829	3,975,018	96.2%	7,481	3,982,499	96.4%

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			
	General Government Bonds	Sales Tax Revenue Notes	Tax Increment Revenue Note	Financing Loans / Capital Leases
2007	\$ 9,875,000	\$ -	\$ 140,043	\$ 6,459
2008	9,695,000	--	104,093	--
2009	9,505,000	--	66,568	--
2010	9,310,000	--	27,399	--
2011	9,110,000	--	--	--
2012	8,900,000	--	--	--
2013	8,685,000	--	885,500	--
2014	8,460,000	--	805,879	500,000
2015	8,220,000	--	724,038	500,000
2016	13,079,275	--	640,370	680,085

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

Business-Type Activities

Utility Acquisition Bonds	Utility Refunding Bonds	Utility Revenue Bonds	Loans/ Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 885,000	\$ 8,860,000	\$ 437,000	\$ 323,522	\$ 20,527,024	7.65%	\$ 2,415
835,000	8,230,000	410,000	900,456	20,174,549	6.81%	2,213
780,000	7,675,000	381,000	1,148,009	19,555,576	6.38%	2,101
725,000	7,105,000	351,000	6,839,409	24,357,808	7.51%	2,564
665,000	6,515,000	319,000	9,504,289	26,113,289	7.80%	2,771
600,000	5,905,000	286,000	10,193,010	25,884,010	8.15%	2,842
530,000	4,695,000	--	8,362,905	23,158,405	7.01%	2,535
455,000	4,060,000	--	8,411,411	22,692,289	6.41%	2,440
375,000	3,410,000	--	8,845,992	22,075,030	6.00%	2,309
290,000	2,750,000	--	12,570,406	30,010,136	7.65%	3,034

Schedule 10
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Capital Improvement Revenue and Revenue Refunding Bonds, 2016	\$ 12,204,275	100.00%	\$ 12,204,275
Redevelopment Revenue Note, 2013	640,370	100.00%	640,370
HUD Section 108 Loan, 2015	875,000	100.00%	875,000
Total direct debt			13,719,645
Overlapping:			
Alachua County Board of County Commissioners:			
Capital Improvement Revenue Bank Loan, 2008	4,254,000	5.45%	231,744
Local Option Gas Tax Bank Loan, 2011	3,925,000	5.45%	213,821
Public Improvement Revenue Note, 2014	9,000,000	5.45%	490,290
2015 Capital Improvement Revenue Note, 2015A	3,800,000	5.45%	207,012
2015 Public Improvement Revenue Refunding Note, 2015	12,637,000	5.45%	688,422
2016 Public Improvement Revenue Refunding Note	24,430,000	5.45%	1,330,866
2016 Gas Tax Revenue Note	10,385,000	5.45%	565,741
Alachua County Library District			
2011 ACLD Bank Loan	1,040,000	5.45%	56,656
School Board of Alachua County:			
State Board of Education Bonds	571,000	4.97%	28,367
Certificates of Participation	58,960,234	4.97%	2,929,153
Total overlapping debt			6,742,072
Total direct and overlapping debt			\$ 20,461,717

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

Notes:

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

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

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

Fiscal Year	Pledged Revenue	Section 108 Loan Debt Service		Coverage
		Principal	Interest	
2007	\$ 886,115	\$ 75,000	\$ 120,917	4.52
2008	902,277	80,000	116,919	4.58
2009	853,193	90,000	112,495	4.21
2010	904,314	95,000	107,392	4.47
2011	928,496	100,000	101,930	4.60
2012	946,444	110,000	96,130	4.59
2013	966,702	115,000	89,530	4.73
2014	1,006,475	125,000	82,538	4.85
2015	1,057,098	135,000	77,762	4.97
2016	1,133,662	140,000	16,405	7.25

Fiscal Year	Pledged Revenue	Series 2006 Capital Improvement Debt Service		Coverage
		Principal	Interest	
2007	\$ 2,437,562	\$ 85,000	\$ 341,389	5.72
2008	2,929,220	100,000	338,258	6.68
2009	1,536,087	100,000	334,758	3.53
2010	14,871,989	100,000	331,258	34.49
2011	8,681,466	100,000	327,758	20.30
2012	3,795,453	100,000	324,258	8.95
2013	6,255,215	100,000	320,695	14.87
2014	6,123,156	100,000	316,883	14.69
2015	6,024,910	105,000	312,783	14.42
2016	6,402,248	110,000	304,448	15.45

Notes:

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

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

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1995 Debt Service			Sales Tax Rev Note-1999A Debt Service		
		Principal	Interest	Coverage	Principal	Interest	Coverage
2007	--	--	--	--	--	--	--
2008	--	--	--	--	--	--	--
2009	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2012	--	--	--	--	--	--	--
2013	--	--	--	--	--	--	--
2014	--	--	--	--	--	--	--
2015	--	--	--	--	--	--	--
2016	--	--	--	--	--	--	--

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1999B Debt Service			Sales Tax Rev Note-2000 Debt Service		
		Principal	Interest	Coverage	Principal	Interest	Coverage
2007	--	--	--	--	--	--	--
2008	--	--	--	--	--	--	--
2009	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2012	--	--	--	--	--	--	--
2013	--	--	--	--	--	--	--
2014	--	--	--	--	--	--	--
2015	--	--	--	--	--	--	--
2016	--	--	--	--	--	--	--

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	
2007	\$ 488,465	\$ 34,480	\$ 7,642	\$ 42,122	11.60
2008	511,952	35,951	6,134	42,085	12.16
2009	621,439	37,525	4,559	42,084	14.77
2010	475,191	39,169	2,915	42,084	11.29
2011	461,621	27,399	1,389	28,788	16.04
2012	451,046	--	--	--	N/A
2013	440,175	--	--	--	N/A
2014	445,355	79,622	19,658	99,279	4.49
2015	430,915	81,840	17,440	99,280	4.34
2016	446,504	81,840	17,440	99,280	4.50

Notes:

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

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

Net Debt Service Requirements

Fiscal Year	Net Utility Revenue Available	Excise Taxes	Revenue Available for Debt Service	Total Debt	Coverage
2007	\$ 1,067,072	\$ 889,103	\$ 1,956,175	\$ 1,144,753	1.71
2008	2,474,525	987,610	3,462,135	1,153,438	3.00
2009	1,499,996	1,138,248	2,638,244	1,100,762	2.40
2010	3,464,866	1,387,476	4,852,342	1,143,225	4.24
2011	5,035,639	1,641,968	6,677,607	1,114,203	5.99
2012	3,921,653	1,570,939	5,492,592	1,040,865	5.28
2013	4,555,312	1,454,146	6,009,458	1,162,198	5.17
2014	3,840,677	1,431,876	5,272,553	1,000,935	5.27
2015	3,295,525	1,512,201	4,807,726	1,120,818	4.29
2016	3,949,967	1,725,863	5,675,830	1,142,493	4.97

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
2006	7,657	243,779	\$ 31,391	\$ 240,360,887	2.70%
2007	8,500	243,985	32,766	268,438,500	3.20%
2008	9,115	257,099	32,510	296,328,650	4.50%
2009	9,306	273,625	32,928	306,427,968	7.20%
2010	9,500	277,030	34,122	324,159,000	8.30%
2011	9,424	281,475	35,543	334,957,232	7.70%
2012	9,108	266,369	34,859	317,495,772	6.90%
2013	9,134	268,232	36,179	330,458,986	4.80%
2014	9,300	270,382	38,045	353,818,500	5.50%
2015	9,561	273,377	38,462	367,735,182	4.20%
2016	9,892	277,163	39,650	392,217,800	4.40%

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 TEN YEARS AGO

Employer	Type of Business	Fiscal Year 2016		
		Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	738	1	15.66%
Dollar General Distribution Center	Retail	600	2	12.73%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	518	3	10.99%
School Board of Alachua County	Public Education	304	4	6.45%
State of Florida	State Government	151	5	3.20%
Lowe's	Retail	140	6	2.97%
Baugh Southeast Cooperative, Inc.	Retail	132	7	2.80%
Sandvik Mining & Construction USA, LLC**	Manufacturing	128	8	2.72%
City of Alachua	City Government	114	9	2.42%
Greenway Health (Vitera)*	Healthcare Management	103	10	2.18%
Total City Employment		4,714		

Source: Individual Employers, Council for Economic Opportunity

Notes:

* Formerly Medical Manager, Sage Software

** Formerly Drilltech

Fiscal Year 2007				
Employer	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	736	1	15.61%
Dollar General Distribution Center	Retail	624	2	13.24%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	500	3	10.61%
Hunter Marine	Manufacturing	325	4	6.89%
School Board of Alachua County	Public Education	300	4	6.36%
Sandvik Mining & Construction USA, LLC**	Manufacturing	227	6	4.82%
Sage Software*	Healthcare Management	220	5	4.67%
State of Florida	State Government	210	7	4.45%
Hitchcock & Sons, Inc.	Grocery	129	9	2.74%
City of Alachua	City Government	109	10	2.31%
	Total City Employment	3,880		

OPERATING INFORMATION

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

Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Administration	19.50	22.50	23.50	21.50	18.00	18.00	18.00	18.00	19.00	13.00
Culture and Recreation	7.50	7.50	7.50	7.50	6.00	6.00	7.00	7.00	7.00	7.00
Finance/Administrative Services	8.50	9.00	9.00	13.00	14.00	14.00	14.00	14.00	14.00	20.00
Police	35.25	35.50	35.50	34.50	29.50	29.50	29.50	29.50	30.00	31.50
Community Development and Planning	9.00	9.00	8.42	8.00	10.00	10.00	10.00	10.00	10.00	10.50
Public Services	39.00	41.00	41.00	38.00	38.00	38.00	38.00	38.00	37.00	38.00
Total	<u>118.75</u>	<u>124.50</u>	<u>124.92</u>	<u>122.50</u>	<u>115.50</u>	<u>115.50</u>	<u>116.50</u>	<u>116.50</u>	<u>117.00</u>	<u>120.00</u>

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.

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

Function/Program	2007	2008	2009	2010
Public Safety:				
Arrests	330	356	209	197
Traffic citations issued	2,815	2,745	1,968	2,594
Planning and Development:				
New local business tax receipts issued	102	93	88	90
Building permits issued	475	443	388	482
Culture and Recreation:				
Participants in Summer Recreation Program	179	160	145	68
Electric Utility:				
Number of residential customers	3,385	3,421	3,478	3,561
Kilowatts per hour sold-residential	38,666,688	39,462,034	41,447,673	43,832,940
Number of commercial customers	717	692	733	808
Kilowatts per hour sold-commercial	66,665,752	73,845,006	79,247,962	80,307,626
Water Utility:				
Number of residential customers	2,934	3,028	3,071	3,082
Gallons sold	183,969,192	201,898,486	0	232,781,197
Number of commercial customers	472	482	487	481
Gallons sold	209,969,524	275,192,218	208,061,665	187,245,207
Wastewater Utility:				
Number of customers	2,511	2,578	2,633	2,642
Gallons of wastewater billed to customers	269,296,043	272,736,513	299,531,166	275,937,716
Reclaimed Water:				
Number of customers	--	--	--	--
Gallons of wastewater billed to customers	--	--	--	--
Solid Waste:				
Number of customers	3,162	3,198	3,238	3,247

Source: Various City Departments

Notes:

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

2011	2012	2013	2014	2015	2016
191	162	228	161	206	217
2,516	2,307	3,149	3,491	1,941	2,196
121	83	73	46	76	58
348	441	489	539	642	605
--	--	--	--	--	--
3,569	3,605	3,645	3,721	3,790	3,866
42,672,474	39,334,834	39,441,390	41,192,449	42,873,312	44,908,136
801	819	855	868	845	850
79,834,390	78,085,867	73,371,218	75,053,504	76,684,358	76,684,358
3,127	3,166	3,244	3,296	3,377	3,455
232,392,400	208,178,387	184,798,177	205,179,769	181,027,654	195,392,511
481	493	505	530	534	544
174,406,479	162,035,512	146,422,961	150,610,000	160,707,699	183,371,258
2,656	2,702	2,755	2,820	2,886	2,977
270,628,629	251,098,965	240,707,541	240,160,431	238,979,271	239,973,349
--	--	--	1	1	1
--	--	--	103,205,640	138,011,490	220,200
3,269	3,300	3,343	3,411	3,490	3,532

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

Function/Program	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
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)	42.06	42.06	50.37	50.37	55.77	55.77	48.00	48.00	48.00	48.00
Culture and Recreation:										
Parks	6	6	6	6	6	6	6	6	6	6
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
Spray pool	--	1	1	1	1	1	1	1	1	1
Electric Utility:										
Substations	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Wells	3	3	3	3	3	3	3	3	3	3
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	0.97	0.97	0.97	0.97	1.5	1.5	1.5	1.5	1.5	1.5

Source: Various City Departments

**OTHER INDEPENDENT AUDITORS'
REPORTS AND SCHEDULES**

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES; THE *RULES OF THE AUDITOR GENERAL* OF THE
STATE OF FLORIDA; AND OTHER CONTRACT REQUIREMENTS**

**INDEPENDENT AUDITORS' 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 8, 2017.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Certified Public Accountants

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

**INDEPENDENT AUDITORS' 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
(Concluded)**

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.



May 8, 2017
Gainesville, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Mayor and City Commissioners
City of Alachua, Florida

We have examined the City of Alachua, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2016, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on 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, 2016.

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.

Purvis, Gray and Company, LLP

May 8, 2017
Gainesville, Florida

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MANAGEMENT LETTER

Honorable Mayor and City Commissioners
Alachua, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Alachua, Florida (the City) as of and for the year ended September 30, 2016, and have issued our report thereon dated May 8, 2017.

Auditors' 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.

Other Reports

We have issued our independent auditors' report on internal control over financial reporting and compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards* and independent accountants' report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Section 10.556(10)(a), *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 8, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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 and City Commissioners
Alachua, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition (Concluded)

- Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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 the review of financial information provided by same.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we had no such findings.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

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


May 8, 2017
Gainesville, Florida

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Mayor and City Council
City of Alachua, Florida

We have audited 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), for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 29, 2014. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

■ **Accumulated Depreciation and Depreciation Expense**

Management estimates accumulated depreciation and depreciation expense for capital assets using the straight-line method of depreciation and by determining estimated useful lives based on the classes of depreciable property described in the notes to the financial statements.

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Qualitative Aspects of Accounting Practices (*Concluded*)

Accounting Estimates (Concluded)

■ **Unbilled Revenue Receivable and Revenues**

Management's estimate of the unbilled revenue receivable on the statement of net position consists of actual cycle billings that are billed subsequent to year-end for consumption prior to September 30, 2015, multiplied by the average percentage of the cycle bills applicable to fiscal year 2015.

■ **Cost of Roads and Right-of-ways**

Management's estimate of the cost of roads and related right-of-ways is based on historical costs and an analysis of peer group cost estimates.

■ **Other Postemployment Benefit Obligations (OPEB)**

As described in Note 14 to the financial statements, management's estimate of the net OPEB obligation is based upon actuarial methods and assumptions, which are selected based on risk and market factors affecting governmental entities of similar sizes and employee census information.

■ **Net Pension Liability, Pension Related Deferred Outflows and Inflows of Resources, and Pension Expense**

The City's share of the net pension liability, deferred outflows, deferred inflows, and pension expense of the Florida Retirement System's Pension and Health Insurance Subsidy plans are estimates based on actuarial studies performed by a qualified actuary retained by the Florida Division of Retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 8, 2017.

Honorable Mayor and City Council
City of Alachua, Florida

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures on the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

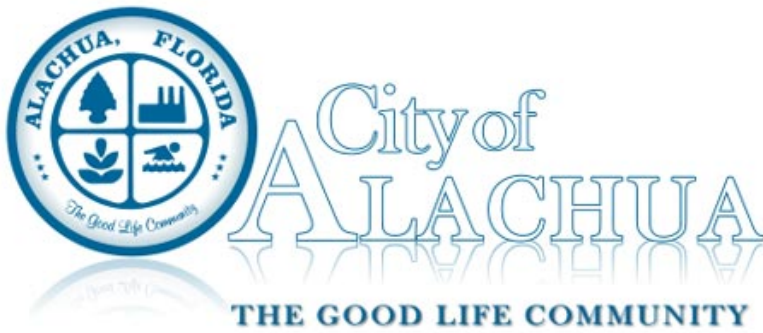
We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.



May 8, 2017
Gainesville, Florida



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: Authorization for Addition of a Full-Time Equivalent (FTE) Recreation Assistant I position.

PREPARED BY: Robert A. Bonetti, Finance and Administrative Services Director

RECOMMENDED ACTION:

Authorize the addition of an additional Recreation Assistant I (1.0 FTE) position.

Summary

Prior to FY 2012-2013, Recreation Department staffing assigned to administering recreation programs and activities, exclusive of maintenance personnel, consisted of 3.0 full-time equivalent (FTE) positions - a Recreation Director and two Recreation Assistant I positions.

In FY 2012-2013, a Staff Assistant was added increasing the staffing level to 4.0 FTE positions. Additionally, a Recreation Assistant I position was converted to an Assistant Recreation Director, in anticipation of the future retirement of the Recreation Director at the time. This remained the same through FY 2015-2016. At that time, Mr. Damon Messina became Recreation Director and the Assistant Recreation Director position reverted back to a Recreation Assistant I.

During this time period, the Recreation Department operating budget has also included budget within its professional services for the hiring of temporary personnel in order to meet the demands of the programs and activities. The current year budget for professional services is \$74,000.

The continuation of existing levels of service and the management of expanded facilities would be better served by the addition of another Recreation Assistant I position. The annual cost of this position is approximately \$33,100. Funding of this position would be offset by a reduction of the professional services operating budget.

This action would bring to 125.50 the number of authorized FTE positions.

FINANCIAL IMPACT: No

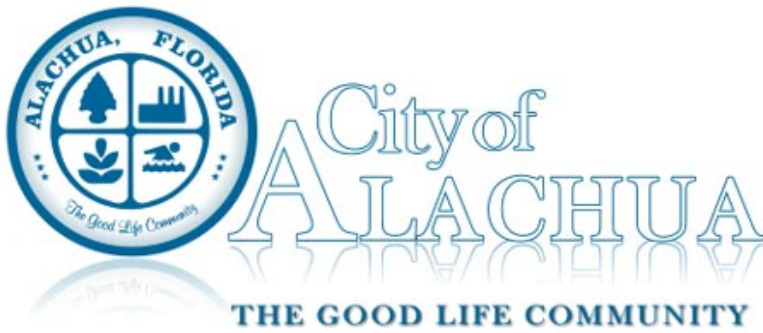
BUDGETED: Yes

AMOUNT: \$33,100

FUNDING SOURCE: General Fund

COMMISSION GOALS:

Quality of Life, Strengthen Community Services



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: Recommendation of Appointment to Wild Spaces Public Places Citizen Oversight Committee

PREPARED BY: Adam Boukari, Assistant City Manager

RECOMMENDED ACTION:

(1) Recommend Hal Brady for appointment to the Wild Spaces Public Places Citizen Oversight Committee and; (2) Direct the City Manager to forward the recommendation to Alachua County for consideration.

Summary

On Nov, 8, 2016, the voters of Alachua County approved a half-cent, eight-year local government infrastructure tax. The revenues generated by the tax are only to be used to:

- a. acquire and improve environmentally sensitive lands to protect drinking water sources, water quality, and wildlife habitat,
- b. create, improve and maintain parks and recreational facilities as permitted by Florida Statutes, the referendum ballot language, and ordinances.

The referendum approved by the voters also includes language to have citizen oversight. Therefore, the Alachua County Board of County Commissioners established such an advisory oversight board via Resolution 17-36 on March 28, 2017. The Wild Spaces Public Places Citizen Oversight Committee, as it is formally known, consists of five (5) voting members and (3) alternate members. Alachua County and the City of Gainesville each are to appoint two (2) members and one (1) alternate. The remaining municipalities are to recommend one (1) member and one (1) alternate.

City staff contacted former City of Alachua Recreation Director Hal Brady to determine his interest in potentially serving on the board. Brady's breadth of experience in parks and recreation provide unique and qualified insight into the subject. Furthermore, Brady is well respected throughout the region, state and nation for his efforts to advance parks and recreation opportunities. Mr. Brady indicated he would be willing to serve.

The Alachua County League of Cities held a meeting on May 2, 2017 to discuss potential recommendations to serve on the advisory board. The cities of Newberry and Waldo are the only other municipalities that offered recommendations.

If the City Commission desires to recommend Mr. Brady for appointment, staff will forward such recommendation to Alachua County for consideration.

ATTACHMENTS:

Description

- Alachua County Resolution 17-36

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RESOLUTION 17- 36

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ALACHUA COUNTY, FLORIDA, ESTABLISHING THE WILD SPACES PUBLIC PLACES CITIZEN OVERSIGHT COMMITTEE; ESTABLISHING A SUNSET DATE; ESTABLISHING THE MEMBERSHIP OF THE ADVISORY COMMITTEE; ESTABLISHING THE RESPONSIBILITIES AND DUTIES OF THE ADVISORY COMMITTEE; PROVIDING FOR THE TERM OF THE ADVISORY COMMITTEE; ESTABLISHING PROCEDURES FOR THE CONDUCT OF MEETINGS AND OPERATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 10, 2016 the Board of County Commissioners of Alachua County adopted Ordinance 16-06 to impose a voter approved local government infrastructure surtax to be utilized by Alachua County and the municipalities within Alachua County to acquire and improve conservation lands and create, improve and maintain parks and recreational facilities within Alachua County; and

WHEREAS, a referendum on said surtax was held on November 8, 2016, and the voters of Alachua County approved said surtax; and

WHEREAS, the ballot language for the referendum calls for 'Citizen Oversight'; and

WHEREAS, the Board of County Commissioners of Alachua County wishes to establish a Citizen Oversight Committee to ensure that Wild Spaces Public Places infrastructure surtax revenues are expended consistent with the ballot language approved by the voters;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ALACHUA COUNTY, FLORIDA:

Section 1. Advisory Board Established. The Board of County Commissioners of Alachua County, Florida (Board) hereby establishes the Wild Spaces Public Places Citizen Oversight Committee (Advisory Committee).

Section 2. Designated Special Committee. This Advisory Committee is designated as a Special Committee. The Advisory Committee will sunset when the funds generated through the Wild Spaces Public Places infrastructure surtax are fully expended.

1 **Section 3. Membership and Qualifications.** The Advisory Committee shall consist of
2 no more than five (5) voting members plus three (3) alternate members and shall serve staggered
3 four-year terms. All members must be residents of Alachua County. Two (2) of the members
4 plus one (1) alternate will be appointed by the County, two (2) of the members plus one (1)
5 alternate shall reside within the Gainesville city limits and will be appointed by the City of
6 Gainesville, and one (1) of the members plus one (1) alternate will be recommended by the eight
7 remaining incorporated cities and appointed by the County. Members may not be county or
8 municipal elected officials or employees.

9
10 **Section 4. Responsibilities and Duties.** The responsibility of the Advisory Committee
11 shall be to:

- 12
13 1. Assure citizens and elected officials that funds approved through the referendum are
14 expended only to:
 - 15
16 a. Acquire and improve environmentally sensitive lands to protect drinking
17 water sources, water quality, and wildlife habitat, and,
 - 18
19 b. Create, improve and maintain parks and recreational facilities as permitted by
20 Florida Statutes, the referendum ballot language, and ordinances.
 - 21
22 c. Notwithstanding the above, Alachua County may utilize a portion of its
23 proceeds to establish a fund for the purpose of providing matching grants to
24 the municipalities within the County for projects that meet the requirements of
25 subsections (a) or (b), and which, in the sole discretion of Alachua County,
26 have countywide significance.
- 27
28 2. Track overall expenditure of one-half percent sales tax revenues.
- 29
30 3. Report annually, or as necessary, to the Alachua County Board of County
31 Commissioners and each City Commission on expenditure of funds.
- 32
33 4. If it is the opinion of the Advisory Committee that funds may have been
34 misappropriated, they have the right to audit, immediately bring their findings to the
35 municipality and the Board of County Commissioners and demand repayment with
36 the approval of the Board of County Commissioners.

37 **Section 5. Operations.** The Advisory Committee shall be guided by the by-laws
38 approved by the Advisory Board and the Alachua County Advisory Boards and Committee
39 Guidelines. The by-laws shall include the following provisions and such other provisions as the
40 Advisory Committee may deem appropriate.

- 41
42 1. Elections. The Advisory Committee shall annually elect one of its members as
43 Chair, and such other officers as the Advisory Board deems necessary to meet its

1 needs. Vacancies in offices shall be filled by election at the next regular meeting
2 following the date the vacancy occurred.

- 3
4 2. Meetings. Meetings of the Advisory Committee or any subcommittee thereof, shall
5 be open to the public and the media and shall be conducted in compliance with the
6 Sunshine Law, Section 286.011, Florida Statutes. The County Manager or his or her
7 designee shall produce minutes of the meetings which shall be submitted to the
8 Advisory Committee for approval. The Advisory Committee shall meet at least once
9 per year.

10
11 The Chair shall preside and conduct meetings of the Advisory Committee according
12 to the most recent edition of Alice Sturgis' Standard Code of Parliamentary
13 Procedure. Special meetings may be called by the Chair or by any members of the
14 Advisory Committee upon forty-eight (48) hours written notice to all members and
15 to the County Manager or his or her designee.

- 16
17 3. Agenda. The Chair shall be responsible for the meeting agenda. The County
18 Manager or designee shall serve as staff liaison to the Advisory Committee and shall
19 aid in preparing and distributing the agenda prior to the meeting. The County
20 Manager or designee, or any member of the Advisory Committee may place an item
21 on the agenda by notifying the Chair prior to the preparation of the agenda.

- 22
23 4. Subcommittees. Subcommittees comprised of members of the Advisory Committee
24 may be appointed by the Chair.

- 25
26 5. Quorum. A quorum will consist of no less than three members, whether full or
27 alternate members. Recommendations and decision of the Advisory Committee must
28 be made by a majority vote of those present and voting.

- 29
30 6. Attendance. The attendance policy for the Advisory Committee shall be in
31 accordance with the attendance policy for boards and committees set forth in the
32 Alachua County Commission's Advisory Boards and Committee Guidelines.

- 33
34 7. Compensation. Members of the Advisory Committee shall receive no compensation
35 for the performance of their duties and responsibilities.

- 36
37 8. Reports. The Advisory Committee will compile information received from the
38 county and municipalities and provide annual reports to the County Commission and
39 each City Commission consistent with its mission. The Committee will provide a
40 final report prior to ceasing operations. The Advisory Committee shall copy all
41 reports and communications to the County Manager or designee for forwarding to
42 the Chair of the County Commission. Any Advisory Committee reports required by
43 the Alachua County Commission's Rules of Procedure shall be submitted in
44 accordance with said Rules.

1 **Section 6. Effective Date.** This resolution shall take effect immediately upon its
2 adoption.

3
4 **DULY ADOPTED** in regular session this 28th day of March, A.D., 2017.

5
6 **BOARD OF COUNTY COMMISSIONERS OF**
7 **ALACHUA COUNTY, FLORIDA**
8

9
10
11 By: 
12 Ken Cornell, Chair
13

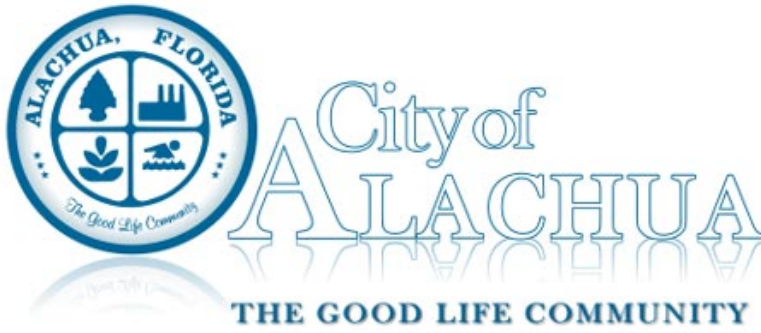
14
15 ATTEST:

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17 
18
19 Jesse K. Irby, II, Clerk
20

21 APPROVED AS TO FORM

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25
26
27 (SEAL)

28 
29 Alachua County Attorney
30
31



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: March 13, 2017 City Commission Meeting Minutes

PREPARED BY: Leanne Williams, Assistant Deputy City Clerk

RECOMMENDED ACTION:

Approve the minutes.

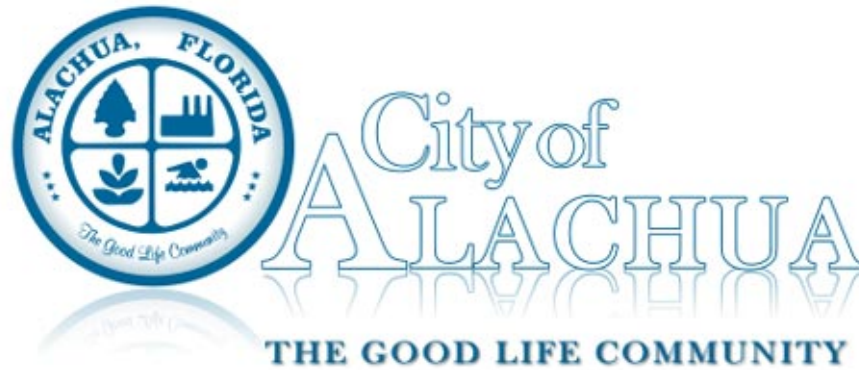
Summary

March 13, 2017 City Commission Meeting Minutes.

ATTACHMENTS:

Description

- ☐ March 13, 2017 City Commission Meeting Minutes



**Regular City Commission Meeting
Minutes
March 13, 2017**

Mayor Gib Coerper
Vice Mayor Robert Wilford
Commissioner Gary Hardacre
Commissioner Ben Boukari, Jr.
Commissioner Shirley Green Brown

City Manager Traci L. Gresham
City Attorney Marian Rush

The City Commission will conduct a
Regular City Commission Meeting
At 6:00 PM
to address the item(s) below.

Meeting Date: March 13, 2017

Meeting Location: James A. Lewis Commission Chambers, City Hall
STAFF PRESENT: Rob Bonetti, Adam Boukari, Cap Wilson

CITY COMMISSION MEETING

Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

Called to order by Mayor Gib Coerper.

INVOCATION

Led by Chief Chad Scott.

PLEDGE TO THE FLAG

Led by Mayor Coerper.

APPROVAL OF THE AGENDA

Vice Mayor Robert Wilford moved to approve the agenda; seconded by Commissioner Ben Boukari, Jr.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0

APPROVE READING OF PROPOSED ORDINANCES AND RESOLUTIONS BY TITLE ONLY

Commissioner Shirley Green Brown moved to approve the reading of the proposed ordinances and resolutions by title only; seconded by Commissioner Gary Hardacre.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0

I. SPECIAL PRESENTATIONS

II. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments

There were no comments.

(Please Limit to 3 Minutes.Any citizen who is unable to speak at this time will have an opportunity to speak at the end of the meeting

III. COMMITTEE REPORTS/COMMITTEE APPOINTMENTS/CITY ANNOUNCEMENTS

A. Senior Resources Advisory Board (SRAB) – One (1) Appointment

Finance and Administrative Services Director Rob Bonetti informed the Commission that at the end of December, one of the seats on the Senior Resources Advisory Board became vacant. The vacancy was advertised, and one application was received from Sandra Varnell.

Commissioner Boukari moved that Sandra Varnell be appointed to the Senior Resources Advisory Board for a three (3) year term, ending December 31, 2019; seconded by Commissioner Brown.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call

IV. PUBLIC HEARINGS AND ORDINANCES

(Presentations, other than the applicant, please limit to **3 Minutes**)

V. AGENDA ITEMS

- A. Resolution 17-10 Amending the Fiscal Year 2016-2017 Budget; Increasing the General Fund Budget by \$30,000 to provide for unanticipated revenues and expenses related to a contribution received for improvements to N. W. 157th Street.

City Attorney Marian Rush read Resolution 17-10 by title only.

Finance and Administrative Services Director Rob Bonetti introduced the item and provided the staff report.

Mayor Coerper asked the commissioners for questions or comments.

Commissioner Hardacre moved to adopt of Resolution 17-10; seconded by Commissioner Wilford.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 with roll call

- B. Wild Spaces Public Places Joint Project Grant

Assistant City Manager Adam Boukari introduced the item and provided the staff report.

Mayor Coerper expressed his pleasure with the process.

Mayor Coerper asked the commissioners for questions or comments.

The commission discussed the project.

Commissioner Brown moved to authorize the City Manager Traci Gresham submit the Legacy Park multipurpose fields and amphitheater project to Alachua County's Joint Project Grant; Commissioner Boukari seconded the motion.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 with roll call.

VI. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments

There were no comments.

(Please Limit to 3 Minutes.Any citizen who did not speak during the Citizen Comments period at the beginning of the meeting may do so at this time.)

VII. COMMENTS FROM CITY MANAGER AND CITY ATTORNEY

No Comments.

VIII.COMMISSION COMMENTS/DISCUSSION

Commissioner Brown thanked the Commission for the support of her Churches Men's and Women's Day. She thanked Damon Messina and the Recreation Department for the great job they did for the community at Saturday's event.

Commissioner Hardacre reminded everyone of the Suwannee River Water Management District meeting on March 14, 2017. He express enjoyment of the Babe Ruth kick-off.

Mayor Coerper thanked the Recreation Department for their work. He praised the Boy Scout's for their work.

ADJOURN

Commissioner Boukari moved to adjourn the meeting; seconded by Commissioner Brown.

Passed by unanimous consent

CONSENT AGENDA

CONSENT AGENDA ITEMS

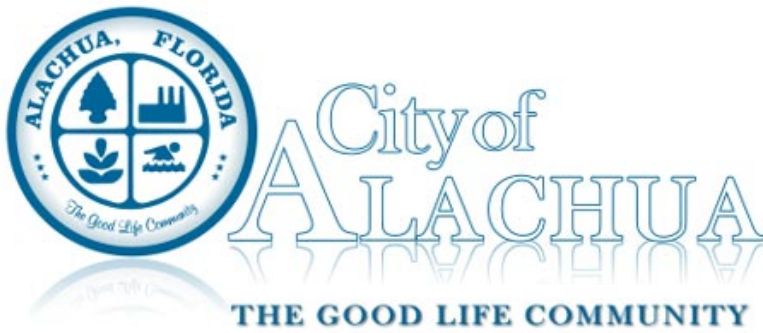
- A. January 23, 2017 City Commission Meeting Minutes

ATTEST:

CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA

Traci L. Gresham, City Manager/Clerk

Gib Coerper, Mayor



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: March 27, 2017 City Commission Meeting Minutes

PREPARED BY: Leanne Williams, Assistant Deputy City Clerk

RECOMMENDED ACTION:

Approve the minutes

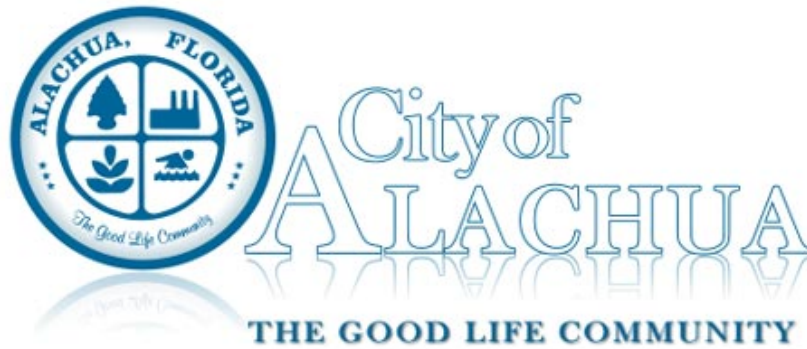
Summary

March 27, 2017 City Commission Meeting Minutes.

ATTACHMENTS:

Description

- ☐ March 27, 2017 City Commission Meeting Minutes



**Regular City Commission Meeting
Minutes
March 27, 2017**

Mayor Gib Coerper
Vice Mayor Robert Wilford
Commissioner Gary Hardacre
Commissioner Ben Boukari, Jr.
Commissioner Shirley Green Brown

City Manager Traci L. Gresham
City Attorney Marian Rush

The City Commission will conduct a
Regular City Commission Meeting
At 6:00 PM
to address the item(s) below.

Meeting Date: March 27, 2017

Meeting Location: James A. Lewis Commission Chambers, City Hall

CITIZENS PRESENT: Chris Salamone, Huntor Johnson, Celia Shankman, Ross Woodbridge, Stephen Kay III, Steve Kay, Jr. **STAFF PRESENT:** Adam Boukari, Cap Wilson

CITY COMMISSION MEETING

Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

Called to order by Mayor Gib Coerper.

INVOCATION

Led by Vice Mayor Robert Wilford

PLEDGE TO THE FLAG

Led by Mayor Coerper

APPROVAL OF THE AGENDA

Vice Mayor Wilford moved to approve the agenda; seconded by Commissioner Ben Boukari, Jr.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0

APPROVE READING OF PROPOSED ORDINANCES AND RESOLUTIONS BY TITLE ONLY

Commissioner Shirley Green Brown moved to approve the reading of the proposed ordinances and resolutions by title only; seconded by Commissioner Boukari.

Passed 5-0

I. SPECIAL PRESENTATIONS

A. Santa Fe High School Speech & Debate Presentation

*A
L*

Hunter Johnson, President of the Santa Fe High School Speech and Debate Team, conducted a presentation requesting funds for transportation and other expenses for travel to Louisville, KY for a National Competition on May 25-29, 2017.

Mayor Coerper noted that there is a fund in place for these requests, and City Manager Gresham will be in touch with the Debate Team.

Mayor Coerper asked for comments from the Commissioners.

Commissioner Boukari voiced his support.

II. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments.

Commissioner Wilford made an introduction of Steve and Tray Kay.

(Please Limit to 3 Minutes.Any citizen who is unable to speak at this time will have an opportunity to speak at the end of the meeting

III. COMMITTEE REPORTS/COMMITTEE APPOINTMENTS/CITY ANNOUNCEMENTS

IV. PUBLIC HEARINGS AND ORDINANCES

(Presentations, other than the applicant, please limit to **3 Minutes**)

V. AGENDA ITEMS

A. Sale of Surplus Property - Parcel # 03279-000-000 & 03505-000-000

Compliance and Risk Management Director Cap Wilson introduced the item and provided the staff report.

Mayor Coerper asked the commissioners for questions or comments.

There were no comments.

Commissioner Boukari moved to authorize the Mayor to sign the Special Warranty Deeds to complete closing the net sale of Parcels # 03279-000-000 and 03505-000-000 for a cumulative sales price of \$8,500; seconded by Commissioner Brown.

Mayor Coerper asked the commission for questions or comments.

There were no comments.

Passed 5-0 with roll call.

B. Mill Creek Sink Water Quality Improvement Project Memorandum of Agreement With SRWMD Compliance and Risk Management Director Cap Wilson introduced the item and provided the staff report

Commissioner Gary Hardacre moved to approve the Memorandum of Agreement between the City and the Suwannee River Water Management District and authorize and direct the Mayor to execute the document; seconded by Commissioner Brown.

Mayor Coerper asked the commission for questions or comments

Mayor Coerper and Commissioner Boukari voiced their support.

Passed 5-0 with roll call.

VI. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments

There were no comments.

(Please Limit to 3 Minutes.Any citizen who did not speak during the Citizen Comments period at the beginning of the meeting may do so at this time.)

VII. COMMENTS FROM CITY MANAGER AND CITY ATTORNEY

City Manager Traci Gresham informed the Commission of a Community Outreach meeting to be held April 6, 2017, 5:30 P.M., at Criswell Park to discuss citizen safety concerns and improvements to the park. A Commission Workshop to be held at 4:30 P.M., April 24, 2017 to discuss the Long Range Transportation Plan.

VIII. COMMISSION COMMENTS/DISCUSSION

Commissioner Brown informed the public that May 20, 2017 at 9:00 A.M. is the Health Fair with a walk at 8:00 A.M. She congratulated Hunter Johnson for his efforts with the Debate Teal.

Commissioner Wilford thanked the public for concerns regarding his health.

ADJOURN

Commissioner Hardacre moved to adjourn; seconded by Commissioner Wilford.

Passed by unanimous consent.

CONSENT AGENDA

CONSENT AGENDA ITEMS

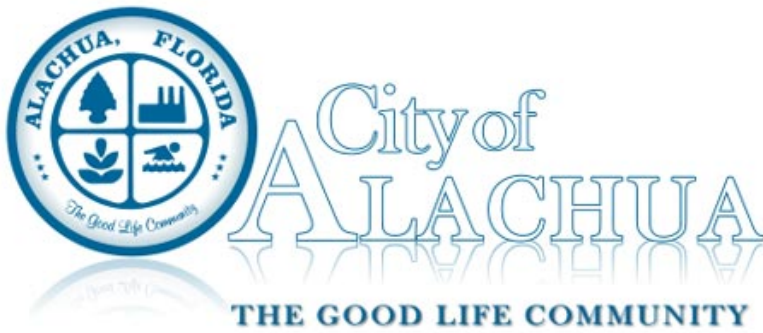
- A. February 13, 2017 City Commission Meeting Minutes
- B. February 27, 2017 City Commission Meeting Minutes

ATTEST:

CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA

Traci L. Gresham, City Manager/Clerk

Gib Coerper, Mayor



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: April 10, 2017 City Commission Meeting Minutes

PREPARED BY: LeAnne Williams, Assistant Deputy City Clerk

RECOMMENDED ACTION:

Approve the minutes.

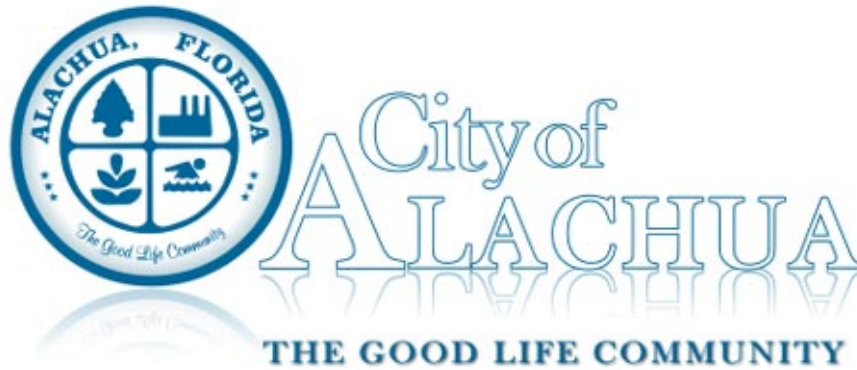
Summary

April 10, 2017 City Commission Meeting Minutes

ATTACHMENTS:

Description

- ▢ April 10, 2017 City Commission Meeting Minutes



Regular City Commission Meeting Minutes April 10, 2017

Mayor Gib Coerper
Vice Mayor Robert Wilford
Commissioner Gary Hardacre
Commissioner Ben Boukari, Jr.
Commissioner Shirley Green Brown

City Manager Traci L. Gresham
City Attorney Marian Rush

The City Commission will conduct a
Regular City Commission Meeting
At 6:00 PM
to address the item(s) below.

Meeting Date: April 10, 2017

Meeting Location: James A. Lewis Commission Chambers, City Hall

CITIZENS PRESENT: Lucie Ghitto of Poulos & Bennett, LLC, Mable Blake, Julie Traud, Josh Lamar, Tara Malore, Ross Woodbridge
STAFF PRESENT: Adam Boukari, Alan Henderson, Casandra Sanjurjo, Chief Chad Scott, Justin Tabor, Rodolfo Valladares, Cap Wilson

CITY COMMISSION MEETING

Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

Led by Mayor Gib Coerper.

Mayor Coerper expressed condolences for the passing of James Lewis, former member of the City of Alachua City Commission.

INVOCATION

Led by Commissioner Shirley Green Brown.

PLEDGE TO THE FLAG

Led by Mayor Coerper.

APPROVAL OF THE AGENDA

Commissioner Brown moved to approve the agenda; seconded by Commissioner Ben Boukari, Jr.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed by unanimous consent.

APPROVE READING OF PROPOSED ORDINANCES AND RESOLUTIONS BY TITLE ONLY

Vice Mayor Robert Wilford moved to approve the reading of proposed ordinances and resolutions by title only; seconded by Commissioner Boukari.

Mayor Coerper opened the floor for comment.

There were no comments.

Passed by unanimous consent.

I. SPECIAL PRESENTATIONS

A. 2017 Great American Cleanup Proclamation

Public Services Director Rodolfo Valladares presented this year's plan for beautification.

Mayor Coerper proclaimed May 6, 2017 as the Great American Cleanup Day for the City of Alachua.

B. National Public Safety Telecommunicators Week Proclamation

Alachua Chief of Police Chad Scott presented the Proclamation and emphasized the importance of the City of Alachua's telecommunications division.

Mayor Coerper proclaimed April 9, 2017 to April 15, 2017 as National Public Safety Telecommunicators Week and publicly recognized the dedication and skill exhibited in the City of Alachua's Public Safety Telecommunicators.

II. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments.

There were no comments.

(Please Limit to 3 Minutes.Any citizen who is unable to speak at this time will have an opportunity to speak at the end of the meeting

III. COMMITTEE REPORTS/COMMITTEE APPOINTMENTS/CITY ANNOUNCEMENTS

IV. PUBLIC HEARINGS AND ORDINANCES

(Presentations, other than the applicant, please limit to **3 Minutes**)

- A. Ordinance 17-08, First Reading: Large Scale Comprehensive Plan Amendment - A request by Jamie Poulos, of Poulos & Bennett, LLC, applicant and agent, for RL REGI Florida, LLC, property owner, to amend the FLUM from Medium Density Residential to Moderate Density Residential on a ±35.82 acre subject property. Consisting of Tax Parcel Numbers 03042-050-006, 03042-050-007, 03042-052-002, 03042-052-003, 03042-052-004, 03042-052-005, and 03042-052-006 (Legislative Hearing).

City Attorney Marian Rush read reading of Ordinance 17-08 by title only.

Principal Planner Justin Tabor introduced the item and provided the staff report.

Mayor Coerper asked the commissioners for questions or comments.

Lucie Ghito of Poulos & Bennett came forward to answer questions.

Commissioner Boukari expressed concern regarding the condition of County Road 235A, and wants the Commission to continue to urge the county to rehabilitate this road.

Commissioner Boukari moved to approve Ordinance 17-08 on first reading, and authorize the City Staff to transmit the proposed Large Scale Comprehensive Land Amendment to the Florida Department of Economic Opportunity under the Expedited State Review Process; seconded by Vice-Mayor Wilford.

Mayor Coerper opened the floor for comments.

Passed 5-0 by roll call.

V. AGENDA ITEMS

- A. FY 2017 Compensation Plan Second Amendment

Human Resources Manager Casandra Sanjurjo introduced the item and made recommendations.

Mayor Coerper asked the commissioners for questions or comments.

Vice Mayor Wilford asked City Manager Traci Gresham if this increases the staff.

City Manager Gresham indicated that this is restructure only, no increase.

Commissioner Brown moved to approve the FY 2017 Compensation Plan Second Amendment as proposed; seconded by Commissioner Gary Hardacre.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call.

B. Sale of Surplus Property - Parcel # 03549-000-000

Compliance and Risk Management Director Cap Wilson, along with Mable Blake, Member of the Antioch Missionary Baptist Church of Alachua, introduced the item and presented the staff report.

Mayor Coerper asked the commissioners for questions or comments.

Vice-Mayor Wilford asked for clarification regarding the parcel numbers.

Compliance and Risk Manager Director Wilson provided clarification.

Vice-Mayor Wilford moved to authorize the mayor to sign the Quit Claim Deed to remove reverter clause of Parcel #03549-001-000 and sign the Special Warranty Deed to complete closing the sale of Parcel #03549-000-000 for a sale of \$1,500.00; seconded by Commissioner Hardacre.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call.

VI. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for public comment.

There were no comments

(Please Limit to 3 Minutes.Any citizen who did not speak during the Citizen Comments period at the beginning of the meeting may do so at this time.)

VII. COMMENTS FROM CITY MANAGER AND CITY ATTORNEY

City Manager Gresham reminded the public of the following:

The City of Alachua's Easter Egg Hunt on the Saturday, April 15, 2017 at 10:00 A.M. at the Hal Brady Recreation Complex

Relay for Life on Friday, April 28, 2017 from 6-10 P.M. at the Hal Brandy Recreation Complex.

11th Annual Community Health Fair, May 20, 2017, the walk begins at 8:00 A.M. and the event begins at 9:00 A.M. City

VIII.COMMISSION COMMENTS/DISCUSSION

Commissioner Boukari mentioned his fond memories of James Lewis.

Commissioner Wilford mentioned his pride in the City of participating in Awareness Month opportunities.

Mayor Coerper thanked the Alachua Business League and the City employees who helped out with the festival. He expressed his appreciation for James Lewis and his contributions to the City of Alachua.

ADJOURN

Vice Mayor Wilford moved to adjourn; seconded by Commissioner Hardacre.

Passed by unanimous consent.

CONSENT AGENDA

CONSENT AGENDA ITEMS

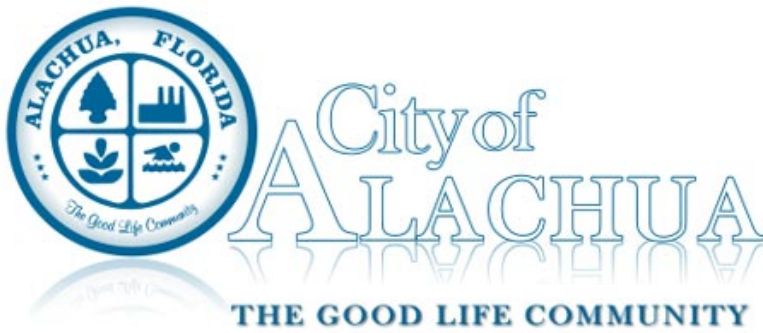
- A. CH2M Hill Professional Services Agreement

ATTEST:

CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA

Traci L. Gresham, City Manager/Clerk

Gib Coerper, Mayor



Commission Agenda Item

MEETING DATE: 5/8/2017

SUBJECT: April 24, 2017 City Commission Meeting Minutes

PREPARED BY: LeAnne Williams, Assistant Deputy City Clerk

RECOMMENDED ACTION:

Approve the minutes.

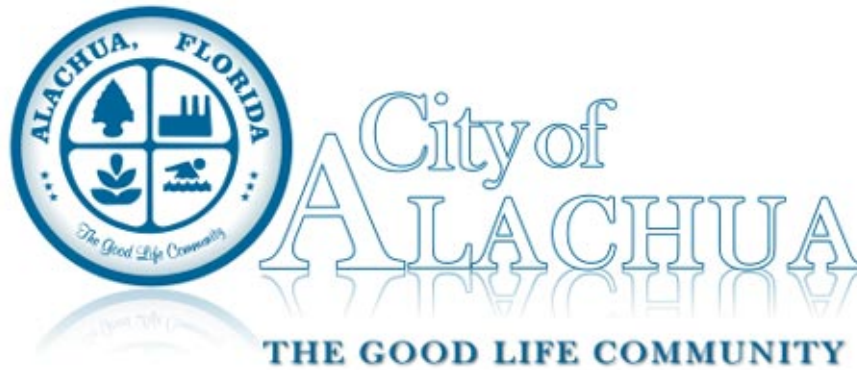
Summary

April 24, 2017 City Commission Meeting Minutes.

ATTACHMENTS:

Description

- ▢ April 24, 2017 City Commission Meeting Minutes



Regular City Commission Meeting Minutes April 24, 2017

Mayor Gib Coerper
Vice Mayor Robert Wilford
Commissioner Gary Hardacre
Commissioner Ben Boukari, Jr.
Commissioner Shirley Green Brown

City Manager Traci L. Gresham
City Attorney Marian Rush

The City Commission will conduct a
Regular City Commission Meeting
At 6:00 PM
to address the item(s) below.

Meeting Date: April 24, 2017

Meeting Location: James A. Lewis Commission Chambers, City Hall
CITIZENS PRESENT: Scott Modesitt, C Wallace, Joe Hancock, C Thomas, M Shank STAFF
PRESENT: Rob Bonetti, Adam Boukari, Alan Henderson, Kathy Winburn, LeAnne Williams, Cap Wilson

CITY COMMISSION MEETING

Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

Called to order by Mayor Gib Coerper.

INVOCATION

Led by Chief Chad Scott.

PLEDGE TO THE FLAG

Led by Mayor Coerper.

APPROVAL OF THE AGENDA

Vice Mayor Robert Wilford moved to approve the agenda; seconded by Commissioner Ben Boukari, Jr.

Mayor Coerper opened the floor for comments.

Commissioner Boukari questioned if the Art Presentation had been moved.

City Manager Traci Gresham informed the Commission that the Art Presentation was moved as staff was not able to get in touch with the school staff.

Passed by 5-0

APPROVE READING OF PROPOSED ORDINANCES AND RESOLUTIONS BY TITLE ONLY

Commissioner Gary Hardacre moved to approve the reading of the proposed ordinances and resolutions by title only; seconded by Commissioner Boukari.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0

I. SPECIAL PRESENTATIONS

A. Administration of the Oath of Office for Seat 5

Deputy City Clerk Alan Henderson presented Commissioner Ben Boukari, Seat 5, for swearing to oath of office.

City Manager Gresham administered the oath.

B. Election of Vice-Mayor

Vice Mayor Wilford nominated Commissioner Shirley Green Brown for Vice Mayor.

Commissioner Boukari thanked Vice Mayor Wilford for his service. Being no other nominations,

Commissioner Brown took her place as Vice Mayor Brown.

C. Fiscal Analysis Report for the Periods Ended February 28 and March 31, 2017

Finance and Administrative Services Director Rob Bonetti introduced the item and provided the staff report.

Mayor Coerper asked the commissioners for questions or comments.

There were no comments.

II. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments.

There were no comments.

(Please Limit to 3 Minutes.Any citizen who is unable to speak at this time will have an opportunity to speak at the end of the meeting

III. COMMITTEE REPORTS/COMMITTEE APPOINTMENTS/CITY ANNOUNCEMENTS

IV. PUBLIC HEARINGS AND ORDINANCES

(Presentations, other than the applicant, please limit to 3 Minutes)

A. Second Public Hearing – Small Cities Community Development Block Grant (CDBG) Economic Development Application for Federal Fiscal Year (FFY) 2016 Grant Cycle

Finance and Administrative Services Director Bonetti introduced the item and provided the staff report. Scott Modesitt of Summit Professional Services advised as to the details of the project.

Commissioner Boukari asked regarding the City's obligations, should the developer back out mid-construction. Mr. Modesitt informed the commission that, should the developer not meet the criteria of the contract, the state would hold the City liable for the return of the funds. The City should structure a Participating Party Agreement that would hold the developer liable to the City for the return of the funds.

Commissioner Boukari asked City Manager Gresham if an agreement is in place. City Manager Gresham said that she believes that such language would be in an agreement. Mr. Modesitt agreed.

Commissioner Boukari asked if the improvements would only benefit that site. Mr. Modesitt informed the commission that the improvement is to be the minimum requirement for the proposed project.

Commissioner Boukari asked if the City can apply for other grants while we have Community Development Block Grant in process. Mr. Modesitt gave clarification.

Commissioner Boukari asked if the Commission was in full support at the last presentation. Mayor Coerper informed Commissioner Boukari of the full support of the Commission.

Commissioner Wilford asked if there is a projection for project completion. Mr. Modesitt states that the grant requires completion within two (2) years.

City Attorney Marian Rush read Resolution 17-18 by title only.

Commissioner Wilford moved to conduct a second public hearing, to approve submittal of the FFY 2016 Economic Development Small Cities Community Development Block Grant (CDBG) Application, to authorize the Mayor to execute the final grant application on behalf of the City to the Department of Economic Opportunity (DEO), and adopt Resolution 17-18; seconded by Commissioner Hardacre.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call.

V. AGENDA ITEMS

A. NW 167th Blvd and NW 163rd Lane Road Dedications and Easement Agreements

Compliance and Risk Management Director Cap Wilson introduced the item and provided the staff report.

Mayor Coerper asked the Commissioners for questions or comments.

There were no comments.

Commissioner Boukari moved to (1.) Approve the agreement between the City of Alachua and Hipp Investment's, LLC to accept the dedication by deed of NW 167th Blvd and NW 163rd Lane Road and related Public Utility Easements, and (2.) Authorize and direct the Mayor to execute the Agreement on behalf of the City as well as all other documents and papers necessary to complete the transaction; seconded by Commissioner Hardacre.

Mayor Coerper opened the floor for comments.

Virginia Johns came forward to state that this should have been on Old Business, and to express her pleasure with the work that the City Staff has done.

Passed 5-0 by roll call.

- B. Resolution 17-16 Amending the Fiscal Year 2016-2017 Budget for the Receipt of Unanticipated Revenue; Establishing the Wild Spaces Public Places (WSPP) Special Revenue Fund to Appropriate Revenues and Expenses Related to the 1/2 Cent Sales Surtax; Establishing the Mill Creek Sink Capital Projects Fund to Appropriate Revenues and Expenses related to the Suwannee River Water Management District (SRWMD) Mill Creek Sink Grant; Increasing the Project Legacy Capital Projects Fund to Appropriate Revenues and Expenses Related to Interest Received; Providing an Effective Date.**

City Attorney Rush read Resolution 17-16 by title only.

Finance and Administrative Services Director Bonetti introduced the item and provided the staff report.

Mayor Coerper asked Mr. Bonetti when the million dollars will be at our disposal. Mr. Bonetti was not sure.

Mayor Coerper asked the Commissioners for questions or comments.

Vice Mayor Shirley Green Brown moved to adopt Resolution 17-16; seconded by Commissioner Wilford.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call.

C. Resolution 17-11, Waiving the application fee for voluntary annexations.

City Attorney Rush read Resolution 17-11 by title only.

Planning and Community Development Director Kathy Winburn introduced the item and provided the staff report.

Commissioner Boukari asked for more details regarding the time and cost involved to annex into the City. Planning and Community Development Director Winburn provided details for which she was aware.

Commissioner Boukari expressed his pleasure with this decision.

Commissioner Wilford asked for an explanation of an annexation cycle, and why we would make this an ongoing practice. Planning and Community Development Director Winburn explained that the Planning Department has decided to call it an annexation cycle, and that, because annexation is done through ordinance, we are making a concerted effort to get as many properties as possible at one time.

Commissioner Wilford asked if we can do this again. City Manager Gresham states that, yes, we can do this again, but that it is financially wise to combine many properties into one ordinance as there are costs involved.

Commissioner Hardacre moved to adopt the Resolution 17-11; seconded by Vice Mayor Brown.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call.

D. Resolution 17-17: Progress Boulevard Extension Off-Site Tree Removal Request

City Attorney Rush read Resolution 17-17 by title only.

Planning and Community Development Director Winburn introduced the item and provided the staff report.

Mayor Coerper asked the Commission for questions or comments.

Commissioner Boukari moved to adopt Resolution 17-17; seconded by Vice Mayor Brown.

Mayor Coerper opened the floor for comments.

There were no comments.

Passed 5-0 by roll call.

VI. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

Mayor Coerper opened the floor for comments.

Deputy City Clerk Henderson presented his new Assistant Deputy City Clerk, LeAnne Williams.

(Please Limit to 3 Minutes.Any citizen who did not speak during the Citizen Comments period at the beginning of the meeting may do so at this time.)

VII. COMMENTS FROM CITY MANAGER AND CITY ATTORNEY

City Manager Gresham welcomed Ms. Williams to the City.

City Manager Gresham announced the following:

Alachua / High Springs Relay For Life

Board of Adjustment Meeting, Tuesday, May 2, 2017 at 5:00 P.M.

Special City Commission Meeting, Tuesday, May 2, 2017 at 6:00 P.M.

VIII.COMMISSION COMMENTS/DISCUSSION

Commissioner Wilford congratulated Commissioner Boukari for his re-election.

Commissioner Boukari thanked Mr. Wilson for his effort with his item. He requested the Commission explore the City's ability to place billboards along I-75. He said that he would like for the City to advertise more regarding the conservation side of Alachua.

Commissioner Hardacre congratulated Commissioner Boukari and Vice Mayor Brown.

Vice Mayor Brown congratulated Commissioner Boukari. She thanked Commissioner Wilford for her nomination. She reminded the public of the Health Fair in May.

Mayor Coerper reminded the public about Relay For Life.

ADJOURN

Commissioner Boukari moved to adjourn; seconded by Commissioner Wilford.

Passed by unanimous consent.

CONSENT AGENDA

CONSENT AGENDA ITEMS

ATTEST:

CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA

Traci L. Gresham, City Manager/Clerk

Gib Coerper, Mayor