

2024

City of Alachua, Florida

Annual Comprehensive
Financial Report

For the Fiscal Year Ended
September 30, 2024

CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Prepared by:
Finance and Administrative Services

**CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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INTRODUCTORY SECTION

City of Alachua

Mayor and City Commissioners

Gib Coerper, Mayor
Edward Potts, Vice-Mayor
Shirley Green Brown, Commissioner
Jennifer Ringersen, Commissioner
Dayna Williams, Commissioner

Mike DaRoza, City Manager
Marian Rush, City Attorney



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

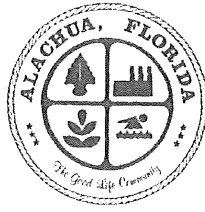
**City of Alachua
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



City of Alachua

MAYOR GIB COERPER

Vice-Mayor Edward Potts

Commissioner Shirley Green Brown

Commissioner Jennifer Ringersen

Commissioner Dayna Williams

OFFICE OF THE CITY MANAGER

MIKE DAROZA

March 27, 2025

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

Dear Honorable Mayor Coerper:

The Annual Financial Report of the City of Alachua, Florida (the "City") for the fiscal year ended September 30, 2024, 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, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence of supporting amounts and disclosures in the basic financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended September 30, 2024, are presented fairly and in conformity with GAAP.

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

PROFILE OF THE GOVERNMENT

The City of Alachua is geographically located in North Central Florida. The City’s boundaries encompass about 36.5 square miles. Alachua was established in 1884 on a railroad line, after the railroad had bypassed nearby Newnansville, Florida. Alachua got a post office in 1887, and was officially incorporated on April 12, 1905, at which time it had a population of 526 people. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City’s population was approximately 11,296 as of September 30, 2024. The City has a charter government structure approved by referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a commission comprised of an elected Mayor and four elected Commissioners. The elections are non-partisan and each Commissioner represents the entire City.

REPORTING ENTITY AND ITS SERVICES

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

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

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

MAJOR FUND PRESENTATION

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

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

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

ECONOMIC CONDITION AND OUTLOOK

LOCAL ECONOMY

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

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

LONG-TERM FINANCIAL PLANNING

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

The City's Fiscal Year 2023-2024 five-year Capital Improvement Plan (CIP), covering the period from October 1, 2023, through September 30, 2028, has earmarked funding approximately of \$33.4 million for 51 projects throughout the City. Electric utility system projects account for the largest portion of the total Capital Improvement Plan funding at \$9.3 million or 27.91%. The Water utility system projects are the second largest, accounting for \$8.5 million, or 25.58%, and the Wastewater utility system projects are the third largest accounting for \$4.6 million, or 13.92%, of the Capital Improvement Plan.

City utility revenues (capital facility charges, utility charges, etc.) represent the largest share of funding for the five-year Capital Improvement Plan, accounting for 66.3% of the value. General government funding represents 15.0% of CIP funding. Grants funding for the CIP is 9.5% and the remaining 9.2% of the funding is provided by Federal, State, Local, Tax Increment, assessment, surtax and private sources.

MAJOR INITIATIVES

ECONOMIC ENVIRONMENT

The Community Redevelopment Agency (CRA) continued the implementation of the recommendations of the CRA Market Study & Economic Development Implementation Plan. Marketing costs were approximately \$31,188.

Additionally, efforts to restore Theatre Park were begun. Initial engineering costs for this restoration and improvement project were \$24,190. This actual construction of this project is anticipated to cost approximately \$300,000 and to begin during the next fiscal year.

TRANSPORTATION

The City's major transportation-related efforts during FY 2023-2024 centered around the continuation of normal annual maintenance of City streets.

The roadway improvement project related to the \$700,000 Community Development Block Grant (CDBG) – Neighborhood Revitalization category grant received for Alachua Hills (segments of NW 125 St., NW 148 Ave., NW 147 Ln., NW 122 Terr., NW 121 Terr., NW 148 Pl., and NW 147 Pl.) was completed during FY 2023-2024. Total cost of this project was \$865,562.

GENERAL GOVERNMENT

In fiscal year 2023-2024, City staff continued to expand on communication efforts to inform and engage the community. Approximately \$19,200 was expended on these efforts.

A Maintenance Technician and an equipped facilities maintenance van were added at a cost of approximately \$61,200. Additionally, planning for the replacement of another heating, ventilation, and air-conditioning (HVAC) unit at City Hall was started. This unit has been ordered and is anticipated to be installed the upcoming fiscal year at a cost of approximately \$91,400.

PUBLIC SAFETY

First, and foremost, the Alachua Police Department (APD) achieved and was awarded accreditation from the Commission for Florida Law Enforcement Accreditation. Additionally, APD purchased 5 sport utility vehicles (SUV) and a pickup truck to replace or augment their patrol fleet. The total cost of these enhancements was approximately \$347,000. Two new canines were added at a cost of \$18,250.

Another element of the City's public safety functions, building inspections, added a thermal camera and a drone to facilitate inspections at a cost of approximately \$28,800.

HUMAN SERVICES

In fiscal year 2023-2024, the City was again the recipient of another grant funded by the Children's Trust of Alachua County (CTAC). The CTAC is dedicated funding intended to provide for the well-being of children in Alachua County. The City has programmed the funding towards providing summer youth enrichment programs for children and \$65,222 was expended on the summer program during this fiscal year.

RECREATION AND CULTURE

This fiscal year, the Recreation and Culture Department continued providing the community with athletic, cultural, and senior programming. These included both musical events and theatre performances at the Legacy Park amphitheater and the multi-purpose center. Over \$45,000 was expended on these activities to include the provision of Zumba, crafts, and dance classes. Athletic programming and events include baseball, basketball, football, gymnastics, pickleball, soccer, table tennis, and volleyball.

Additionally, the Recreation and Culture Department achieved substantial completion related to the replacement/addition of sport field lighting and poles at Legacy Park and the Hal Brady Recreation Complex (HBRC). The cost of these light-emitting diode (LED) fixtures and poles was \$1,087,068 and the funding source was from county-imposed surtax.

PHYSICAL ENVIRONMENT

Improvement and expansion of infrastructure continue to be at the forefront of the City’s utilities activities. The electric utility continued its purchase power agreements with Florida Municipal Power Agency (FMPA) and Florida Power & Light (FPL). Additionally, about \$2.32 million was expended toward projects designed to upgrade and improve the electric distribution grid.

The water utility began the construction of a new wellfield during the fiscal year. This \$7.55 million project utilizes both Florida Department of Environmental Protection (FDEP) and American Rescue Plan Act (ARPA) funding. Expenses for the fiscal year were approximately \$2.2 million.

The wastewater utility continued its emphasis on collection system improvements. A project adding 9,000 linear feet of pressurized main to re-route and improve liftstation functioning was initiated and approximately 75% complete by end of the fiscal year. Fiscal year expenses were \$842,267.

Additionally, a vacuum industrial tank truck was purchased for approximately \$145,000 to replace an aging unit and enable better incident response.

CREDIT RATING

The City of Alachua’s credit rating was upgraded by Moody’s Investor Service from Aa3 to Aa2 during fiscal year 2023-2024.

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. The City's fiscal year is from October 1 through September 30.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alachua for its Annual Financial Report for the fiscal year ended September 30, 2023. This was the fourteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

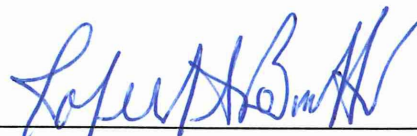
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for yet another certificate.

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

Respectfully submitted,

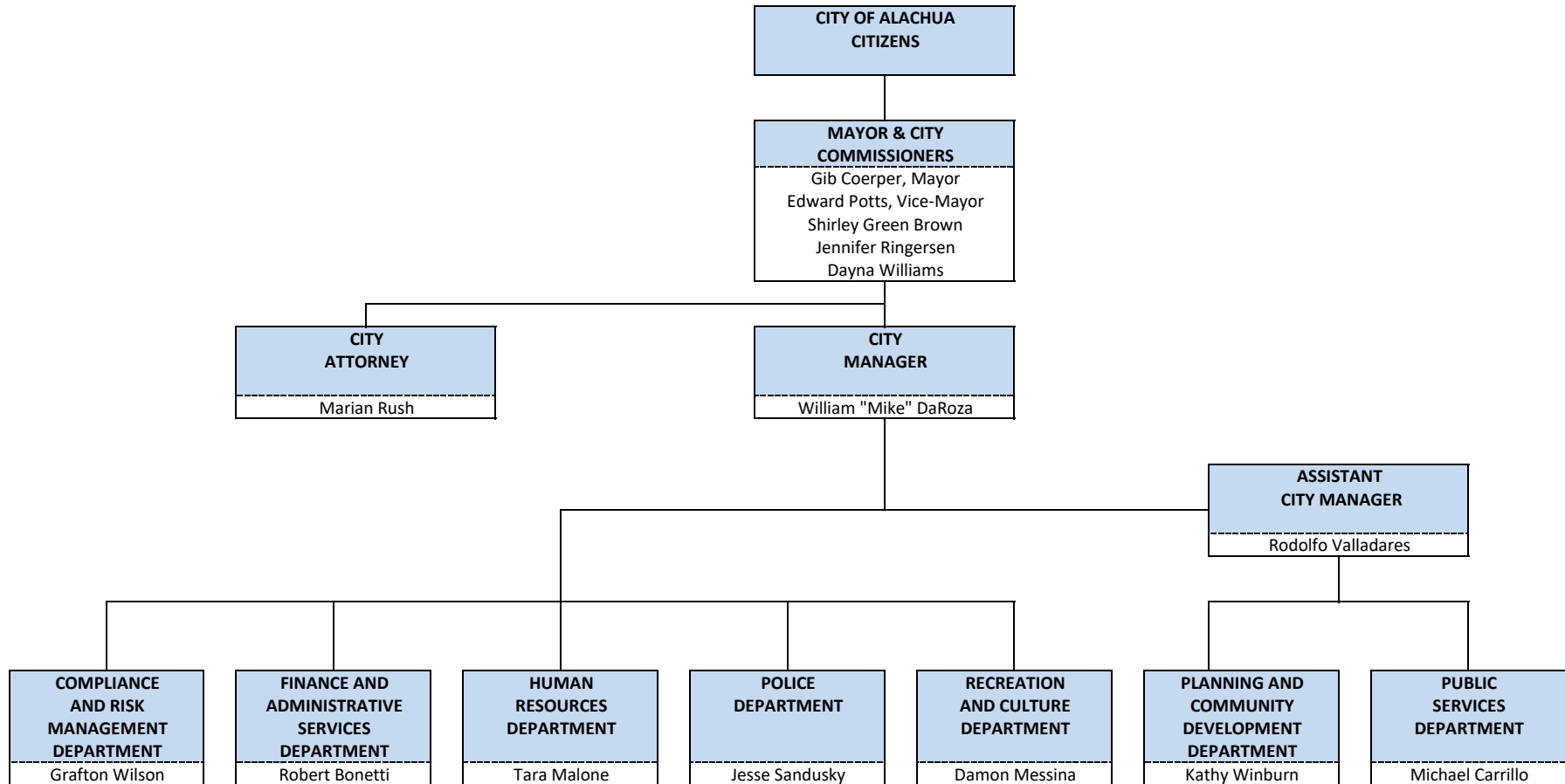


Mike DaRoza
City Manager



Robert A. Bonetti
Finance & Administrative Services Director

CITY OF ALACHUA GOVERNMENT



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in other postemployment benefit and related ratios, schedules of proportionate share of the net pension liability, and schedule of contributions on pages 5 through 16 and 58 through 63 be presented to supplement the basic financial

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

INDEPENDENT AUDITOR'S REPORT

statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements and budgetary schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and budgetary schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

March 27, 2025
Gainesville, Florida

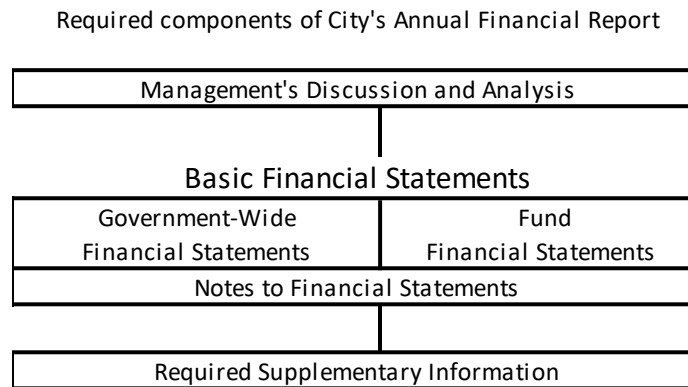
**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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 17). Please note the City provides prior year comparative financial information as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

Financial Highlights

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



Government-Wide Financial Statements

- The City of Alachua's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2024, by \$102.5 million, which is a 9.40% increase from the previous year. Unrestricted net position was at \$16.2 million, a 16.0% increase from the previous year.
- Total net position increased by \$8,791,617 over the prior reported period. An increased net position was primarily achieved through net operating activity and an increase of ad valorem tax rate from 5.3900 to 5.9500 mills on property values.
- The City of Alachua's total long-term debt (due in more than one year) decreased by \$889,015 during the current fiscal year. This decrease is due to the reduction of outstanding debt due to the normal debt payments.
- Other Postemployment Benefits (OPEB) and Net Pension Liability increased by \$662,860 due, primarily, to an increase in the Net Pension Liability.
- Total net position of \$102.5 million is comprised of the following:
 1. The \$83.9 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

2. \$2.4 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. \$16.2 million of unrestricted net position.

Fund Financial Statements

- At September 30, 2024, the City's governmental funds reported combined ending fund balances of \$13.6 million, an increase of \$886 thousand, in comparison with the prior fiscal year. This increase is primarily cash balance for the infrastructure surtax fund for future projects.
- Governmental fund revenues were \$16,842,373, or \$729 thousand more than the previous fiscal year. This was the result of an increase in General Fund property tax due to the increased millage rate.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also one component unit. The Community Redevelopment Agency, a legally separate entity created by the City Commission, has been reported in the basic financial statements as a special revenue fund (pages 19 and 20).

The government-wide financial statements can be found on pages 17-18 of this report.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

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 20

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

and 22) to facilitate the comparison between governmental funds and governmental activities. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The City reports fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

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

The basic governmental fund statements can be found on pages 19 and 21 of this report.

Proprietary Funds

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

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The Enterprise Fund financial statements provide separate information for the Public Utility System. The Internal Service Fund is also presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 23-28.

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 29 through 57 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 64 through 78 of this report.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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 \$102.5 million at the close of the fiscal year ended September 30, 2024.

A portion of the City's net position, \$2,399,562, represents resources that are subject to external restrictions on how they may be used.

The largest portion of the City's net position \$83,901,527, or 82%, 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 17.

	Governmental Activities		Business-Type Activities		Total		Total % Change 2023-2024
	2024	2023	2024	2023	2024	2023	
Current Assets & Other Assets	\$ 15,022,063	13,489,102	25,788,981	26,213,297	40,811,044	39,702,399	2.79%
Capital Assets	53,322,672	51,934,054	55,736,106	51,427,010	109,058,778	103,361,064	5.51%
Total Assets	\$ 68,344,735	65,423,156	81,525,087	77,640,307	149,869,822	143,063,463	4.76%
Deferred Outflows	\$ 2,987,932	2,117,485	950,958	732,657	3,938,890	2,850,142	38.20%
Total Assets and Deferred Outflows	\$ 71,332,667	67,540,641	82,476,045	78,372,964	153,808,712	145,913,605	5.41%
Long-Term Liabilities Outstanding	\$ 21,440,592	21,057,263	16,922,872	17,590,992	38,363,464	38,648,255	-0.74%
Other Liabilities	1,641,550	1,004,779	9,897,289	11,810,569	11,538,839	12,815,348	-9.96%
Total Liabilities	\$ 23,082,142	22,062,042	26,820,161	29,401,561	49,902,303	51,463,603	-3.03%
Deferred Inflows	\$ 1,074,875	558,175	347,038	198,948	1,421,913	757,123	87.80%
Total Liabilities and Deferred Inflows	\$ 24,157,017	22,620,217	27,167,199	29,600,509	51,324,216	52,220,726	-1.72%
Net Position							
Net Investment in Capital Assets	\$ 42,142,370	40,727,323	41,759,157	37,275,117	83,901,527	78,002,440	7.56%
Restricted	2,399,562	1,734,624	-	-	2,399,562	1,734,624	38.33%
Unrestricted	2,633,718	2,458,477	13,549,689	11,497,338	16,183,407	13,955,815	15.96%
Total Net Position	\$ 47,175,650	44,920,424	55,308,846	48,772,455	102,484,496	93,692,879	9.38%

Normal Impacts

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

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

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

- Principal Payment on Debt: will reduce current assets and reduce long-term debt, reduce unrestricted net position, and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation: will reduce net investment in capital assets.

City of Alachua
Changes in Net Position
For the Years Ended September 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Totals		Totals % Change 2023-2024
	2024	2023	2024	2023	2024	2023	
Revenues:							
Program Revenues:							
Charges for Services	\$ 3,195,418	2,946,763	21,645,948	20,745,473	24,841,366	23,692,236	4.85%
Operating Grants and Contributions	367,362	320,283	-	-	367,362	320,283	14.70%
Capital Grants and Contributions	1,779,443	1,430,620	2,945,157	722,280	4,724,600	2,152,900	119.45%
General Revenues:							
Property Tax	7,028,964	5,585,088	-	-	7,028,964	5,585,088	25.85%
Utility Tax	1,608,058	1,742,543	-	-	1,608,058	1,742,543	-7.72%
Other Tax	1,951,267	1,643,985	-	-	1,951,267	1,643,985	18.69%
Intergovernmental	1,171,086	1,202,264	-	-	1,171,086	1,202,264	-2.59%
Other	332,902	2,038,662	254,518	120,208	587,420	2,158,870	-72.79%
Total Revenues	\$ 17,434,500	16,910,208	24,845,623	21,587,961	42,280,123	38,498,169	9.82%
Expenses:							
General Government	\$ 5,726,684	5,104,557	-	-	5,726,684	5,104,557	12.19%
Public Safety	5,954,156	5,625,838	-	-	5,954,156	5,625,838	5.84%
Physical Environment	1,118,274	1,100,907	-	-	1,118,274	1,100,907	1.58%
Transportation	1,693,097	1,574,783	-	-	1,693,097	1,574,783	7.51%
Economic Environment	448,591	502,830	-	-	448,591	502,830	-10.79%
Human Services	65,222	79,110	-	-	65,222	79,110	-17.56%
Parks and Recreation	1,825,706	1,911,392	-	-	1,825,706	1,911,392	-4.48%
Electric	-	-	11,234,221	11,414,410	11,234,221	11,414,410	-1.58%
Water and Sewer	-	-	5,016,452	5,212,628	5,016,452	5,212,628	-3.76%
Mosquito Control	-	-	58,559	51,278	58,559	51,278	14.20%
Interest on Long-Term Debt	347,544	369,497	-	-	347,544	369,497	-5.94%
Total Expenses	\$ 17,179,274	16,268,914	16,309,232	16,678,316	33,488,506	32,947,230	1.64%
Increase (Decrease) in Net Position Before Transfers	\$ 255,226	641,294	8,536,391	4,909,645	8,791,617	5,550,939	58.38%
Transfers	\$ 2,000,000	2,000,000	(2,000,000)	(2,000,000)	-	-	0.00%
Increase (Decrease) in Net Position	\$ 2,255,226	2,641,294	6,536,391	2,909,645	8,791,617	5,550,939	58.38%
Net Position - Beginning	44,920,424	42,279,130	48,772,455	45,862,810	93,692,879	88,141,940	6.30%
Net Position - Ending	\$ 47,175,650	44,920,424	55,308,846	48,772,455	102,484,496	93,692,879	9.38%

Government-Wide Net Position

The City's total net position at the end of fiscal year 2024 improved by \$8,791,617 resulting from an increase of \$2,255,226 in governmental activities and an increase of \$6,536,391 in business-type activities.

Governmental Activities

The City's net position within governmental activities was improved by \$2,255,226 during fiscal year 2024. This net position increase was, primarily, the result of an increase within sources of funding.

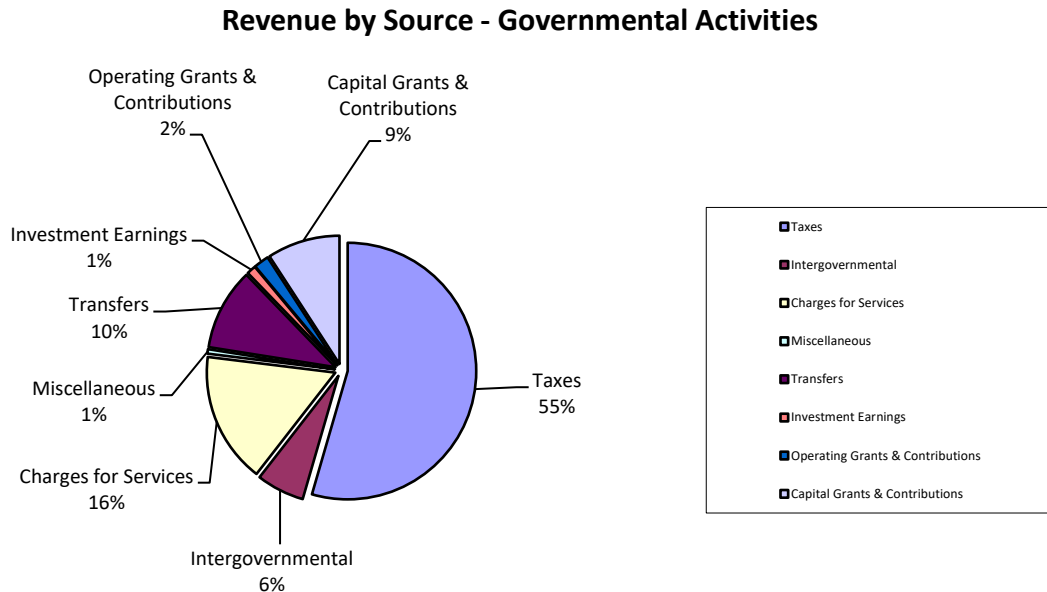
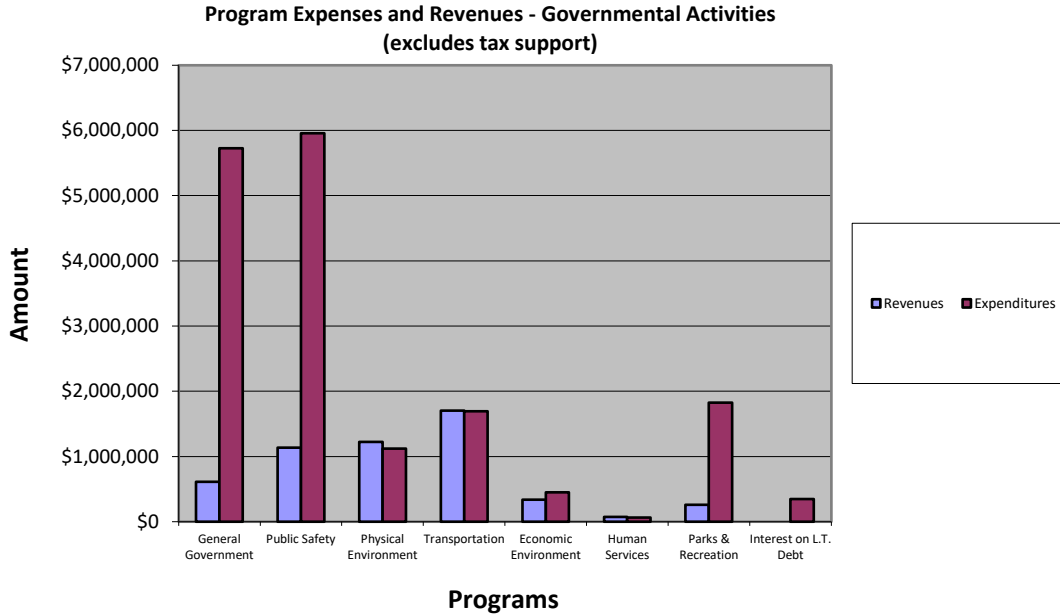
Major changes in revenues were caused by the following:

- For the fiscal year ending September 30, 2024, property taxes increased by \$1,443,876, due to the increased property valuation and increase in millage rate to 5.9500 from 5.3900. Other revenue decreased by \$1,705,760 due to a one-time \$1.8 million settlement related to a development surety instrument that was received in the prior year. Other tax revenues increased by \$307,282.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of \$910,360. This increase was, in large part, the result of payroll costs and payroll-related benefits coupled with inflation related to the procurement of goods and services.



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

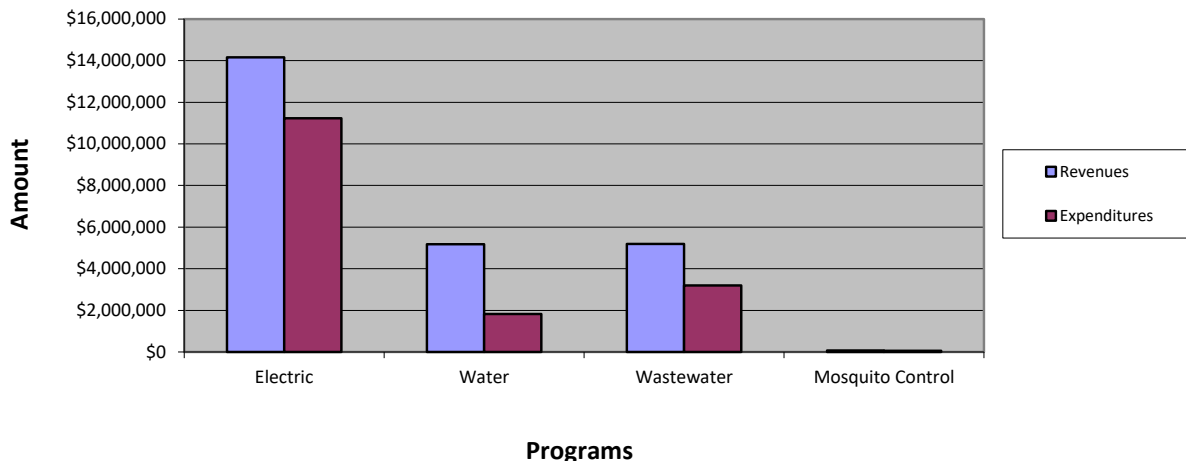
Business-Type Activities

The City's net position within business-type activities was improved by \$6,536,391 during fiscal year 2024.

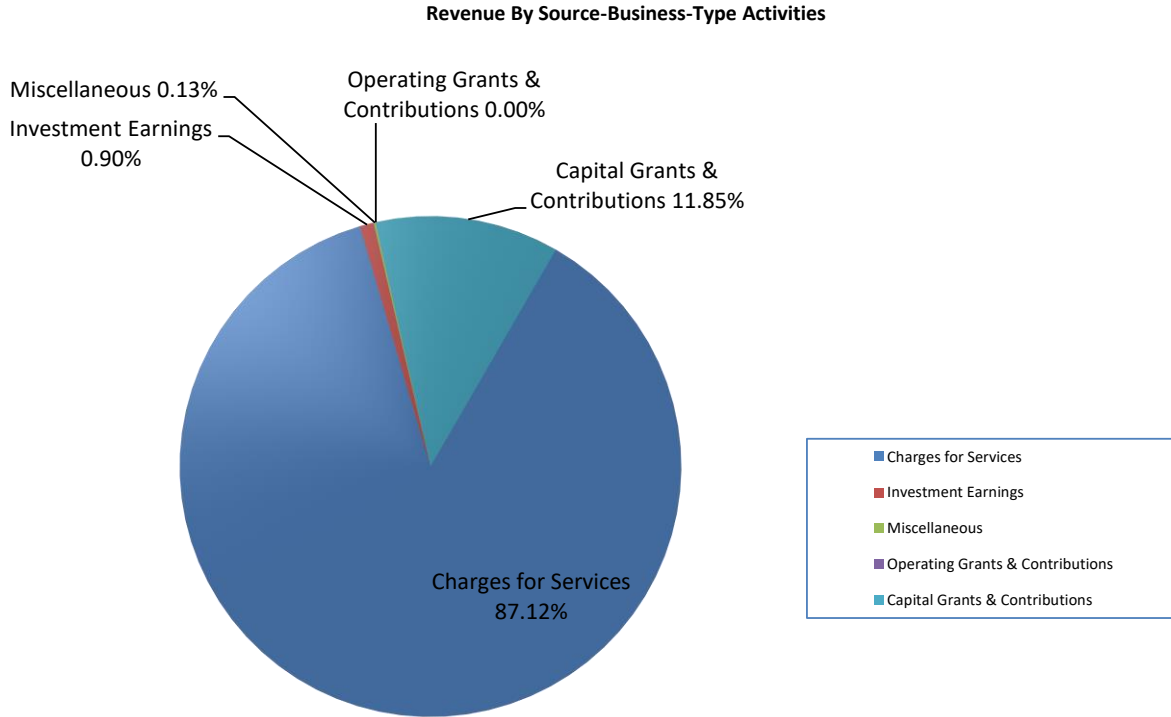
Net position increased overall due to decreased costs of purchased power coupled with increased water and sewer rates. Charges for services increased by \$900,475. Capital grants and contributions increased by \$2,222,877 while other revenues increased by \$134,310 in 2024. Business-type expenses decreased by \$369,084 largely due to purchase power during the fiscal year.

- The Electric Utility of the City purchases power from Florida Power & Light (FPL) and Florida Municipal Power Agency (FMPA). The majority of the customers are supplied from the Alachua Substation, which receives power from FPL and is connected via the FPL and the Gainesville Regional Utilities transmission systems and operates at 12.47Y/138kV. The second source is the Legacy Substation, which became operational in the latter part of fiscal year 2021, operates at 12.47Y/69kV, and receives power from FMPA via the Duke Energy of Florida transmission system.
- The Water Utility obtains its water supply from the upper portion of the Floridan Aquifer. Three wells with depths of approximately 365 feet withdraw water from the Ocala limestone and discharge it into the City's distribution system. The quality of the City's water supply is such that chlorination and fluoridation are the only treatments required before public distribution. The system's wells range in age from 32 to 55 years old.
- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City's wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 1,500,000 gallons per day. The effluent from the treatment facility is chlorinated and disposed of by spray irrigation and is also available to be resold as reclaimed water.

Expenses and Program Revenues - Business-Type Activities



**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**



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 2024, the City's governmental funds reported combined ending fund balances of \$13,565,999, an increase of \$885,738 in comparison with the prior year.

Major Funds

The General Fund is the only major governmental fund.

The General Fund is the chief operating fund of the City. The General Fund had an increase in fund balance of \$283,291. This increase was the result of additional revenue from property taxes, investment income, and charges for services. The total fund balance was \$10,497,195 of which \$5,635,718 was unassigned. The cash balance at the end of the year was \$10,771,185. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund revenues. Unassigned fund balance represents 40.5% of the total General Fund operating revenue, while total fund balance represents 75.4% of that same figure. The Government Finance Officers Association (GFOA), Best Practices guidelines call for an unassigned fund balance level of two (2) months of operating revenues. Total fund balance includes committed, restricted, assigned, and unassigned fund balances.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

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, 2024, were \$75.8 million, total liabilities and deferred inflows were \$23.0 million. Net position was \$52.8 million.

General Fund Budgetary Highlights with Variances

The General Fund operating budget was \$13,299,117 at the beginning of fiscal year 2024. The final amended budget amount of \$13,712,571 was brought about by the following amendments:

- \$330,000: Increase to appropriate additional unanticipated ad valorem taxes, utility taxes, and interest to provide budget for expenses of the Executive Department related to organizational changes; City Attorney for increased litigation costs; and Alachua Police Department for additional overtime costs.
- \$40,000: Increase to provide budget for expenses of the Alachua Police Department related to a School Resource Contract.
- \$24,454: Increase to provide budget for expenses of the Alachua Police Department related to an Edward Byrne Memorial Justice Assistance Grant (JAG).
- \$19,000: Increase to appropriate unanticipated donations of the Alachua Police Department for the Police K-9 unit.

General Fund Actual Results Highlights with Variances

At September 30, 2024, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue of \$208,730. This was due to increased taxes, permits and fees related to development, and interest earnings relative to the budgetary forecast. The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures of \$3,364,300. This was primarily due to unspent operating and capital expense appropriations in the general government, economic environment, and transportation functions of the City.

Capital Asset and Debt Administration

The City's capital assets for its governmental and business-type activities as of September 30, 2024, totaled \$109.0 million (net of accumulated depreciation) and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

**CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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

	Governmental		Business-Type		Total		Total %
	Activities		Activities				Change
	2024	2023	2024	2023	2024	2023	2023-2024
Land	\$ 7,841	7,841	586	586	8,427	8,427	0.0%
Buildings	16,904	16,912	9,991	9,991	26,895	26,903	0.0%
Improvements other than buildings	15,920	15,041	12,926	10,781	28,846	25,822	11.7%
Infrastructure	26,911	26,319	54,237	53,899	81,148	80,218	1.2%
Furniture, fixtures, and equipment	5,535	5,112	4,550	4,083	10,085	9,195	9.7%
Construction in progress	1,217	25	5,294	2,270	6,511	2,295	183.7%
Less: accumulated depreciation	(21,006)	(19,316)	(31,848)	(30,183)	(52,854)	(49,499)	6.8%
Total Assets	\$ 53,322	51,934	55,736	51,427	109,058	103,361	5.5%

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

Major capital asset events during the current fiscal year for governmental activities included repaving Alachua Hills. Additionally, another heating, ventilation, and air conditioning unit was ordered for City Hall along with the purchase of five police sport utility vehicles and a truck.

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

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

Long-Term Debt

At the end of fiscal year 2024, the City had total long-term debt outstanding of approximately \$24.3 million. The City's debt represents bonds, notes, and loans secured by specific revenue sources (i.e., revenue bonds/notes).

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

	Governmental		Business-Type		Total		Total %
	Activities		Activities				Change
	2024	2023	2024	2023	2024	2023	2023-2024
Revenue Bonds	\$ 10,806,249	11,248,384	3,859,539	4,015,328	14,665,788	15,263,712	-3.9%
Revenue Notes	-	-	3,275,000	3,495,000	3,275,000	3,495,000	-6.3%
Loans	-	-	6,343,063	6,641,565	6,343,063	6,641,565	-4.5%
Total Debt	\$ 10,806,249	11,248,384	13,477,602	14,151,893	24,283,851	25,400,277	-4.4%

The City's outstanding principal debt decreased \$1,116,426 during fiscal year 2024. Debt activity included normal principal/interest payments.

CITY OF ALACHUA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

During this fiscal year, the City of Alachua's credit rating was upgraded by Moody's Investor Service from Aa3 to Aa2.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA was 3.5%, which includes the City of Alachua. This is a 16.67% increase from the previous fiscal year's rate of 3.0%.
- The final certified City-wide taxable value of property increased to \$1.22 billion, representing an increase of 13.96%.
- The population increased approximately 2.55% from the prior year to an estimate of 11,296.
- During the current fiscal year, ad valorem taxes increased by \$1,443,877 to \$7,028,965 due, primarily, to increased ad valorem tax rate from 5.3900 mills to 5.9500 mills.
- Next fiscal year property tax revenue is based on the millage rate of 5.9500 mills.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 11,282,098	\$ 15,913,273	\$ 27,195,371
Receivables, Net of Allowance	243,326	2,567,724	2,811,050
Due from Other Governments	332,822	574,081	906,903
Inventories	4,961	3,945,839	3,950,800
Prepaid and Other Assets	128,583	159,946	288,529
Restricted Assets:			
Cash and Cash Equivalents	2,794,609	2,863,782	5,658,391
Internal Balances	235,664	(235,664)	-
Capital Assets Not Being Depreciated:			
Land	7,841,280	586,447	8,427,727
Construction in Progress	1,216,967	5,293,718	6,510,685
Depreciable Capital Assets, Net	44,264,425	49,855,941	94,120,366
Total Assets	68,344,735	81,525,087	149,869,822
Deferred Outflows of Resources			
OPEB Related	113,030	53,154	166,184
Pension Related	2,874,902	897,804	3,772,706
Total Deferred Outflows of Resources	2,987,932	950,958	3,938,890
Liabilities			
Accounts Payable	686,526	1,294,406	1,980,932
Accrued Expenses	563,673	228,021	791,694
Due to Other Governments	173,657	92,376	266,033
Unearned Revenue	32,208	2,979,039	3,011,247
Rate Stabilization Credit	-	2,975,393	2,975,393
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	185,486	176,589	362,075
Customer Deposit	-	2,151,465	2,151,465
Non-Current Liabilities:			
Due Within One Year	763,073	761,653	1,524,726
Due in More Than One Year	10,776,586	13,024,014	23,800,600
Net Pension Liability	9,614,559	3,002,532	12,617,091
Total OPEB Liability	286,374	134,673	421,047
Total Liabilities	23,082,142	26,820,161	49,902,303
Deferred Inflows of Resources			
OPEB Related	71,934	33,829	105,763
Pension Related	1,002,941	313,209	1,316,150
Total Deferred Inflows of Resources	1,074,875	347,038	1,421,913
Net Position			
Net Investment in Capital Assets	42,142,370	41,759,157	83,901,527
Restricted for:			
Law Enforcement	19,337	-	19,337
Physical Environment	1,684,916	-	1,684,916
Economic Environment	686,180	-	686,180
Human Services	7,627	-	7,627
Parks and Recreation	1,502	-	1,502
Unrestricted	2,633,718	13,549,689	16,183,407
Total Net Position	\$ 47,175,650	\$ 55,308,846	\$ 102,484,496

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 5,726,684	\$ 595,543	\$ 13,979	\$ -	\$ (5,117,162)	\$ -	\$ (5,117,162)
Public Safety	5,954,156	1,079,414	55,155	-	(4,819,587)	-	(4,819,587)
Physical Environment	1,118,274	1,215,622	-	9,612	106,960	-	106,960
Transportation	1,693,097	50,504	220,380	1,430,436	8,223	-	8,223
Economic Environment	448,591	-	-	339,395	(109,196)	-	(109,196)
Parks and Recreation	1,825,706	254,335	5,000	-	(1,566,371)	-	(1,566,371)
Human Services	65,222	-	72,848	-	7,626	-	7,626
Interest on Long-Term Debt	347,544	-	-	-	(347,544)	-	(347,544)
Total Governmental Activities	17,179,274	3,195,418	367,362	1,779,443	(11,837,051)	-	(11,837,051)
Business-Type Activities							
Electric	11,234,221	14,054,132	-	103,845	-	2,923,756	2,923,756
Water	1,819,291	3,171,055	-	2,000,400	-	3,352,164	3,352,164
Wastewater	3,197,161	4,355,772	-	840,912	-	1,999,523	1,999,523
Mosquito Control	58,559	64,989	-	-	-	6,430	6,430
Total Business-Type Activities	16,309,232	21,645,948	-	2,945,157	-	8,281,873	8,281,873
Total Primary Government	\$ 33,488,506	\$ 24,841,366	\$ 367,362	\$ 4,724,600	(11,837,051)	8,281,873	(3,555,178)
		General Revenues					
		Ad Valorem			7,028,964	-	7,028,964
		Utility Service Taxes			1,608,058	-	1,608,058
		Discretionary Sales Surtax			1,576,194	-	1,576,194
		Communication Service Taxes			326,359	-	326,359
		Business License Taxes			48,714	-	48,714
		Half-Cent Sales Tax			734,125	-	734,125
		State Revenue Sharing			436,961	-	436,961
		Investment Earnings			224,893	223,443	448,336
		Miscellaneous			108,009	31,075	139,084
		Transfers			2,000,000	(2,000,000)	-
		Total General Revenues and Transfers			14,092,277	(1,745,482)	12,346,795
		Change in Net Position			2,255,226	6,536,391	8,791,617
		Net Position, Beginning of Year			44,920,424	48,772,455	93,692,879
		Net Position, End of Year			\$ 47,175,650	\$ 55,308,846	\$ 102,484,496

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General	Non-Major Governmental	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 10,771,185	\$ 3,305,522	\$ 14,076,707
Receivables:			
Accounts, Net of Allowance	149,845	9,196	159,041
Taxes	39,801	-	39,801
Franchise Fees	44,484	-	44,484
Due from Other Governments	141,540	191,282	332,822
Inventory	-	4,961	4,961
Prepaid Items	127,318	1,265	128,583
Advances to Other Funds	280,736	-	280,736
Total Assets	11,554,909	3,512,226	15,067,135
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	296,099	390,427	686,526
Accrued Liabilities	555,750	7,923	563,673
Due to Other Governments	173,657	-	173,657
Unearned Revenue	32,208	-	32,208
Advances from Other Funds	-	45,072	45,072
Total Liabilities	1,057,714	443,422	1,501,136
Fund Balances			
Non-Spendable:			
Prepays	127,318	1,265	128,583
Inventory	-	4,961	4,961
Advances to Other Funds	280,736	-	280,736
Restricted for:			
Law Enforcement	3,390	15,947	19,337
Physical Environment		1,684,916	1,684,916
Economic Environment		686,180	686,180
Human Services	-	7,627	7,627
Parks and Recreation	-	1,502	1,502
Assigned for:			
Subsequent Year Budget	4,450,033	-	4,450,033
Debt Service	-	733,371	733,371
Unassigned	5,635,718	(66,965)	5,568,753
Total Fund Balances	10,497,195	3,068,804	13,565,999
Total Liabilities and Fund Balances	\$ 11,554,909	\$ 3,512,226	\$ 15,067,135

See accompanying notes.

CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund Balance - Total Governmental Funds \$ 13,565,999

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	\$ 74,328,914	
(Accumulated Depreciation)	<u>(21,006,242)</u>	53,322,672

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

2016 Capital Improvement and Refunding Bonds	(10,265,475)	
Bond Issuance Premium	(540,774)	
Compensated Absences	<u>(733,410)</u>	(11,539,659)

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. (286,374)

The net pension obligation is reported in the government-wide financial statements but not reported in the governmental fund financial statements. (9,614,559)

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	2,874,902	
Deferred Inflows Related to Pensions	(1,002,941)	
Deferred Outflows Related to OPEB	113,030	
Deferred Inflows Related to OPEB	<u>(71,934)</u>	1,913,057

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>(185,486)</u>
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Net Position of Governmental Activities \$ 47,175,650

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Non-Major Governmental	Total Governmental Funds
Revenues			
Taxes	\$ 9,371,118	\$ 1,576,194	\$ 10,947,312
Permits, Fees, and Special Assessments	1,061,579	9,612	1,071,191
Intergovernmental Revenues	1,232,317	1,112,978	2,345,295
Charges for Services	1,896,699	155,110	2,051,809
Fines and Forfeitures	73,247	8,783	82,030
Investment Income	190,844	34,049	224,893
Miscellaneous	95,497	24,346	119,843
Total Revenues	<u>13,921,301</u>	<u>2,921,072</u>	<u>16,842,373</u>
Expenditures			
Current:			
General Government	5,065,538	-	5,065,538
Public Safety	5,472,800	12,817	5,485,617
Physical Environment	1,098,308	19,966	1,118,274
Transportation	873,827	-	873,827
Economic Environment	3,875	407,976	411,851
Human Services	-	65,222	65,222
Parks and Recreation	1,294,613	75,236	1,369,849
Debt Service:			
Principal	-	418,100	418,100
Interest and Fiscal Charges	-	382,034	382,034
Capital Outlay	758,886	2,007,437	2,766,323
(Total Expenditures)	<u>(14,567,847)</u>	<u>(3,388,788)</u>	<u>(17,956,635)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(646,546)</u>	<u>(467,716)</u>	<u>(1,114,262)</u>
Other Financing Sources (Uses)			
Transfers in	2,001,680	1,071,843	3,073,523
Transfers (out)	(1,071,843)	(1,680)	(1,073,523)
Total Other Financing Sources (Uses)	<u>929,837</u>	<u>1,070,163</u>	<u>2,000,000</u>
Net Change in Fund Balance	283,291	602,447	885,738
Fund Balance, Beginning of Year	<u>10,213,904</u>	<u>2,466,357</u>	<u>12,680,261</u>
Fund Balance, End of Year	<u>\$ 10,497,195</u>	<u>\$ 3,068,804</u>	<u>\$ 13,565,999</u>

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balance - Total Governmental Funds \$ 885,738

**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	\$ 2,766,323	
Depreciation Expense	<u>(1,965,986)</u>	800,337

Donations of capital assets are not recorded in governmental funds.

However, in the statement of activities, the fair values of those assets are recorded as revenue. 592,127

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		(3,849)
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Repayment of long-term liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.

418,100

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of Premium	24,035	
Change in Accrued Interest Payable	10,455	
Change in Compensated Absences Liability	<u>(120,785)</u>	(86,295)

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

(17,102)

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.

(333,830)

Change in Net Position of Governmental Activities

\$ 2,255,226

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund	
	Major Funds			Non-Major Fund	Total		
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds		
Assets							
Current Assets:							
Cash and Cash Equivalents	\$ 6,627,737	\$ 4,316,179	\$ 2,319,141	\$ 267,963	\$ 13,531,020	\$ 2,382,253	
Receivables, Net of Allowance	1,886,290	297,649	374,840	6,036	2,564,815	2,909	
Due from Other Governments	-	-	574,081	-	574,081	-	
Prepaid Items	26,203	9,734	31,173	389	67,499	36,425	
Inventories	3,673,583	261,614	10,642	-	3,945,839	-	
Total Current Assets	12,213,813	4,885,176	3,309,877	274,388	20,683,254	2,421,587	
Non-Current Assets:							
Restricted Assets:							
Cash and Cash Equivalents	1,453,413	498,499	846,699	-	2,798,611	65,171	
Total Restricted Assets	1,453,413	498,499	846,699	-	2,798,611	65,171	
Capital Assets:							
Land	92,630	-	163,310	-	255,940	330,507	
Construction in Progress	1,345,314	2,821,960	1,126,444	-	5,293,718	-	
Property, Plant and Equipment	26,380,981	11,203,668	37,920,943	125,966	75,631,558	6,072,817	
(Accumulated Depreciation)	(10,523,850)	(5,963,633)	(14,020,341)	(103,092)	(30,610,916)	(1,237,518)	
Total Net Capital Assets	17,295,075	8,061,995	25,190,356	22,874	50,570,300	5,165,806	
Other Assets:							
Advances to Other Funds	1,302,343	-	-	-	1,302,343	215,065	
Unamortized Bond Insurance	-	-	-	-	-	56,022	
Total Other Assets	1,302,343	-	-	-	1,302,343	271,087	
Total Non-Current Assets	20,050,831	8,560,494	26,037,055	22,874	54,671,254	5,502,064	
Total Assets	32,264,644	13,445,670	29,346,932	297,262	75,354,508	7,923,651	
Deferred Outflows of Resources							
OPEB Related	12,219	3,055	5,499	-	20,773	32,381	
Pension Related	267,352	39,401	135,515	2,004	444,272	453,532	
Total Deferred Outflows of Resources	279,571	42,456	141,014	2,004	465,045	485,913	
Total Assets and Deferred Outflows	32,544,215	13,488,126	29,487,946	299,266	75,819,553	8,409,564	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024
(Concluded)

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 732,439	\$ 461,666	\$ 72,390	\$ 435	\$ 1,266,930	\$ 27,476
Accrued Expenses	98,370	10,854	26,928	645	136,797	91,224
Due to Other Governments	92,376	-	-	-	92,376	-
Rate Stabilization Credit	2,975,393	-	-	-	2,975,393	-
Compensated Absences	12,076	3,920	11,775	-	27,771	35,865
Current Portion of Long-Term Debt	-	-	-	-	-	162,289
Payable from Restricted Assets:						
Accrued Interest Payable	-	26,937	84,481	-	111,418	65,171
Current Portion of Long-Term Debt	-	115,000	420,728	-	535,728	-
Unearned Revenue	-	2,979,039	-	-	2,979,039	-
Total Current Liabilities	3,910,654	3,597,416	616,302	1,080	8,125,452	382,025
Non-Current Liabilities:						
Advances from Other Funds	-	695,957	1,057,115	-	1,753,072	-
Total OPEB Liability	30,959	7,740	13,932	-	52,631	82,042
Compensated Absences	85,874	13,511	49,967	-	149,352	95,077
Net Pension Liability	894,107	131,768	453,204	6,703	1,485,782	1,516,750
Long-Term Debt	-	1,522,500	7,559,836	-	9,082,336	3,697,249
Payable from Restricted Assets:						
Customer Deposits	1,453,413	356,562	341,490	-	2,151,465	-
Total Non-Current Liabilities	2,464,353	2,728,038	9,475,544	6,703	14,674,638	5,391,118
Total Liabilities	6,375,007	6,325,454	10,091,846	7,783	22,800,090	5,773,143
Deferred Inflows of Resources						
OPEB Related	7,778	1,944	3,499	-	13,221	20,608
Pension Related	93,269	13,745	47,276	699	154,989	158,220
Total Deferred Inflows of Resources	101,047	15,689	50,775	699	168,210	178,828
Net Position						
Net Investment in Capital Assets	17,295,075	5,971,999	17,162,941	22,874	40,452,889	1,306,268
Unrestricted	8,773,086	1,174,984	2,182,384	267,910	12,398,364	1,151,325
Total Net Position	26,068,161	7,146,983	19,345,325	290,784	52,851,253	2,457,593
Total Liabilities, Deferred Inflows, and Net Position	\$ 32,544,215	\$ 13,488,126	\$ 29,487,946	\$ 299,266	\$ 75,819,553	\$ 8,409,564
Net Position - Above					\$ 52,851,253	
Internal Service Fund Net Position in the Enterprise Funds					<u>2,457,593</u>	
Net Position of Business-Type Activities					<u>\$ 55,308,846</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, 2024

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund	
	Major Funds			Non-Major Fund	Total		
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds		
Operating Revenues							
Charges for Services	\$ 14,003,991	\$ 3,171,055	\$ 4,355,772	\$ 64,989	\$ 21,595,807	\$ -	
Interfund Charges	-	-	-	-	-	4,019,078	
Other Operating Revenue	50,141	-	-	-	50,141	2,099	
Total Operating Revenues	14,054,132	3,171,055	4,355,772	64,989	21,645,948	4,021,177	
Operating Expenses							
Electric Power Expenses:							
Purchased Power	7,098,341	-	-	-	7,098,341	-	
Personal Services	1,403,496	212,944	648,965	5,152	2,270,557	2,002,097	
Contractual Services	216,952	70,001	99,563	-	386,516	93,842	
Supplies	106,596	32,055	153,390	2,482	294,523	141,539	
Repairs and Maintenance	447,003	22,508	129,208	390	599,109	160,219	
Billing and Administrative	1,593,263	1,426,681	944,134	55,000	4,019,078	-	
Depreciation	668,865	271,383	1,014,241	8,558	1,963,047	165,105	
Other Expenses	136,963	121,406	256,750	2,071	517,190	231,216	
(Total Operating Expenses)	(11,671,479)	(2,156,978)	(3,246,251)	(73,653)	(17,148,361)	(2,794,018)	
Operating Income	2,382,653	1,014,077	1,109,521	(8,664)	4,497,587	1,227,159	
Non-Operating Revenues							
(Expenses)							
Investment Earnings	98,149	49,831	35,744	3,973	187,697	35,746	
Intergovernmental Revenue	-	1,868,911	737,475	-	2,606,386	-	
Interest and Fiscal Charges	-	(53,854)	(210,020)	-	(263,874)	(124,156)	
Gain (Loss) on Disposal of Capital Assets	29,869	-	1,206	-	31,075	-	
Total Non-Operating Revenues	128,018	1,864,888	564,405	3,973	2,561,284	(88,410)	
(Expenses)							
Income Before Capital							
Contributions and Transfers	2,510,671	2,878,965	1,673,926	(4,691)	7,058,871	1,138,749	

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>					<u>Business-Type Activities</u>	
	<u>Major Funds</u>			<u>Non-Major Fund</u>	<u>Total</u>		<u>Internal Service Fund</u>
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Mosquito Control</u>	<u>Enterprise Funds</u>		
Contributions and Transfers							
Capital Contributions	\$ 103,845	\$ 131,489	\$ 103,437	\$ -	\$ 338,771	\$ -	
Transfers (out)	(2,000,000)	-	-	-	(2,000,000)	-	
Total Contributions and Transfers	<u>(1,896,155)</u>	<u>131,489</u>	<u>103,437</u>	<u>-</u>	<u>(1,661,229)</u>	<u>-</u>	
Change in Net Position	614,516	3,010,454	1,777,363	(4,691)	5,397,642	1,138,749	
Net Position, Beginning of Year	<u>25,453,645</u>	<u>4,136,529</u>	<u>17,567,962</u>	<u>295,475</u>	<u>47,453,611</u>	<u>1,318,844</u>	
Net Position, End of Year	<u>\$ 26,068,161</u>	<u>\$ 7,146,983</u>	<u>\$ 19,345,325</u>	<u>\$ 290,784</u>	<u>\$ 52,851,253</u>	<u>\$ 2,457,593</u>	
Change in Net Position - Above					\$ 5,397,642		
Internal Service Fund Activities in the Enterprise Funds					<u>1,138,749</u>		
Change in Net Position of Business-Type Activities					<u>\$ 6,536,391</u>		

See accompanying notes.

**CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Business-Type Activities - Enterprise Funds					Business-Type Activities Internal Service Fund
	Major Funds			Non-Major Fund	Total	
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	
Cash Flows from Operating Activities						
Receipts from Customers	\$ 13,934,679	\$ 3,232,643	\$ 3,907,839	\$ 64,515	\$ 21,139,676	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	4,005,035
Cash from Other Sources	50,141	-	-	-	50,141	2,099
Payments to Suppliers for Goods and Services	(8,293,035)	196,218	(583,219)	(5,400)	(8,685,436)	(614,955)
Payments for Interfund Services Used	(1,593,263)	(1,426,681)	(944,134)	(55,000)	(4,019,078)	-
Payments to Employees for Services	(1,355,294)	(211,709)	(580,224)	(8,149)	(2,155,376)	(2,181,318)
Net Cash Provided by (Used in) Operating Activities	2,743,228	1,790,471	1,800,262	(4,034)	6,329,927	1,210,861
Cash Flows from Non-Capital Financing Activities						
Loans/Advances and Repayments from (to) Other Funds	240,000	(89,999)	(150,000)	-	1	-
Intergovernmental Revenue	-	1,868,911	737,475	-	2,606,386	-
Transfers in (out)	(2,000,000)	-	-	-	(2,000,000)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(1,760,000)	1,778,912	587,475	-	606,387	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(2,438,936)	(2,361,334)	(1,509,744)	-	(6,310,014)	(178,445)
Capital Contributions	103,845	131,489	103,437	-	338,771	-
Proceeds from Disposal of Capital Assets	62,724	-	19,562	-	82,286	-
Grants and Donations - Federal	-	(1,868,911)	-	-	(1,868,911)	-
Debt Principal Payments	-	(110,000)	(408,502)	-	(518,502)	(155,789)
Debt Interest Payments and Other Charges	-	(55,663)	(214,534)	-	(270,197)	(125,338)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,272,367)	(4,264,419)	(2,009,781)	-	(8,546,567)	(459,572)
Cash Flows from Investing Activities						
Interest Received	98,149	49,831	35,744	3,973	187,697	35,746
Net Cash Provided by (Used in) Investing Activities	98,149	49,831	35,744	3,973	187,697	35,746
Net Increase (Decrease) in Cash and Cash Equivalents	(1,190,990)	(645,205)	413,700	(61)	(1,422,556)	787,035
Cash and Cash Equivalents, Beginning of Year	9,272,140	5,459,883	2,752,140	268,024	17,752,187	1,660,389
Cash and Cash Equivalents, End of Year	\$ 8,081,150	\$ 4,814,678	\$ 3,165,840	\$ 267,963	\$ 16,329,631	\$ 2,447,424

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>					<u>Business-Type Activities Internal Service Fund</u>
	<u>Major Funds</u>			<u>Non-Major Fund</u>	<u>Total</u>	
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Mosquito Control</u>	<u>Enterprise Funds</u>	
<u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 6,627,737	\$ 4,316,179	\$ 2,319,141	\$ 267,963	\$ 13,531,020	\$ 2,382,253
Restricted Assets:						
Non-Current Assets:						
Cash and Cash Equivalents	1,453,413	498,499	846,699	-	2,798,611	65,171
Total	<u>\$ 8,081,150</u>	<u>\$ 4,814,678</u>	<u>\$ 3,165,840</u>	<u>\$ 267,963</u>	<u>\$ 16,329,631</u>	<u>\$ 2,447,424</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ 2,382,653	\$ 1,014,077	\$ 1,109,521	\$ (8,664)	\$ 4,497,587	\$ 1,227,159
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	668,865	271,383	1,014,241	8,558	1,963,047	165,105
(Increase) Decrease in:						
Accounts Receivable, Net	467,033	43,118	86,326	(372)	596,105	(550)
Due from Other Governments	-	-	(538,281)	-	(538,281)	-
Prepaid Items	(6,215)	(2,225)	(7,659)	(102)	(16,201)	(13,493)
Inventory	(260,225)	19,098	(149)	-	(241,276)	-
Increase (Decrease) in:						
Accounts Payable	(72,050)	418,338	43,508	435	390,231	(2,413)
Accrued Expenses	66,402	4,752	12,333	(892)	82,595	14,274
Due to Other Governments	(21,307)	-	-	-	(21,307)	-
Rate Stabilization Credit	(589,718)	-	-	-	(589,718)	-
Compensated Absences	27,606	4,744	12,230	-	44,580	3,410
Customer Deposits	59,588	20,695	11,681	-	91,964	-
Net Pension Liability	18,746	(3,970)	55,679	(2,997)	67,458	(187,531)
Total OPEB Liability	1,850	461	832	-	3,143	4,900
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,743,228</u>	<u>\$ 1,790,471</u>	<u>\$ 1,800,262</u>	<u>\$ (4,034)</u>	<u>\$ 6,329,927</u>	<u>\$ 1,210,861</u>
<u>Non-Cash Investing, Capital and Financing Activities</u>						
Amortization of Discount and Refunding Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,490

See accompanying notes.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

■ **Community Redevelopment Agency**

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

The government reports the following major governmental funds:

■ **General Fund**

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

The government reports the following major proprietary funds:

■ **Electric Fund**

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

■ **Water Fund**

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

■ **Wastewater Fund**

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

In addition, the government reports the following fund type:

■ **Internal Service Fund**

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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

■ **Deposits and Investments**

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

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

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as qualified public depositories, a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2024.

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

■ **Receivable and Payables**

Outstanding balances between funds are reported as *due to/from other funds* or *advances to/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

■ **Inventory**

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

■ **Prepays**

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

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

■ **Restricted Assets**

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

■ **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value rather than fair value.

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

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

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

■ **Compensated Absences**

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

■ **Long-Term Obligations**

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

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

■ **Deferred Inflows and Outflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports deferred outflows of resources related to unamortized refunding losses, as well as pension and other postemployment benefits (OPEB) related deferred inflows and outflows of resources.

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

■ **Fund Balance**

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

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items and principal (corpus) of an endowment fund. On the governmental funds balance sheet, the prepaid balances reported is offset by a non-spendable fund balance classification, which indicates it does not constitute “available spendable resources” even though it is a component of current assets.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., by ordinance) of the City Commission. These committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action employed to constrain those amounts.

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- **Assigned**—This component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Commission in accordance with the City’s fiscal policies. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund, as approved by the City Commission through the budget process.
- **Unassigned**—This classification is used for: (a) deficit unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

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

■ **Net Position**

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

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

Accounting Estimates

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

Upcoming GASB Pronouncements

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

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

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Deficit Fund Equity

At September 30, 2024, the following fund had a deficit fund balance:

Fund	Type	Deficit
Wild Spaces Public Places	Non-Major Governmental	\$ (66,965)

Note 3 - Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 27,195,371
Restricted:	
Cash and Cash Equivalents	5,658,391
Net Restricted Cash and Cash Equivalents	<u><u>\$ 32,853,762</u></u>

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Deposits and investments consist of the following:

Cash Deposits	\$ 31,657,197
Investments	<u>1,196,565</u>
Total Cash and Investments	<u><u>\$ 32,853,762</u></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.

Investments

The City’s investments are summarized below, at September 30, 2024:

	Fair Value	Fair Market Value Level
Florida PRIME, at Amortized Costs	\$ 1,196,565	N/A

Fair Value Hierarchy

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

Florida PRIME

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Credit Risk—The City’s policy limits investments of governmental and business-type funds to U.S. Treasury and agency obligations, federal instrumentalities, interest-bearing time deposit or saving accounts, repurchase agreements, money market funds, and intergovernmental investment pools. Investments in mutual funds must maintain a rating of Aam or Aam-G or better by Standard & Poor’s, or the equivalent by another rating agency. Florida PRIME is rated by Standards & Poor’s and has a rating at September 30, 2024, of AAAM.

Interest Rate Risk—The City’s investment policy permits the investment of current operating funds with maturities of no longer than two years. Investments of non-operating funds such as bond reserves shall have a term appropriate to the need for funds and in accordance with debt covenants but not exceeding five years. Custodians are primarily bank trust departments, insurance companies, brokerage firms, the State of Florida, and SBA. The dollar weighted-average days to maturity of the Florida PRIME at September 30, 2024, is 39 days. The weighted average life of Florida PRIME at September 30, 2023, is 74 days.

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

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

Note 4 - Restricted Assets

Restricted cash and investments at September 30, 2024, are as follows:

	Governmental Activities	Business-Type Activities
Cash and Cash Equivalents		
Debt Service Reserve and Sinking Funds	\$ -	\$ 232,001
Cash with Fiscal Agent	622,086	283,874
Customer Deposit	-	2,282,736
Economic Environment	728,722	-
Parks and Recreation	198,376	-
Physical Environment	1,239,598	-
Infrastructure	4,325	65,171
Other	1,502	-
Net Restricted Cash and Cash Equivalents	\$ 2,794,609	\$ 2,863,782

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 5 - Inventory

Inventory at September 30, 2024, consists of the following:

Governmental Activities	Balance
Materials and Supplies	\$ 4,961
Total	\$ 4,961
Business-Type Activities	Balance
Electric Utility Supplies	\$ 1,449,246
Transformers	2,031,811
Meters	192,526
Water/Wastewater Supplies	272,256
Total	\$ 3,945,839

Note 6 - Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended September 30, 2024:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 7,841,280	\$ -	\$ -	\$ 7,841,280
Construction in Progress	24,900	1,192,067	-	1,216,967
Total Capital Assets Not Being Depreciated	<u>7,866,180</u>	<u>1,192,067</u>	<u>-</u>	<u>9,058,247</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	16,912,239	-	(8,000)	16,904,239
Improvements Other Than Building	15,041,013	879,380	-	15,920,393
Infrastructure	26,318,927	592,127	-	26,911,054
Furniture, Fixtures, and Equipment	5,112,260	694,879	(272,158)	5,534,981
Total Capital Assets Being Depreciated	<u>63,384,439</u>	<u>2,166,386</u>	<u>(280,158)</u>	<u>65,270,667</u>
Less Accumulated Depreciation:				
Building	(4,145,349)	(339,949)	8,000	(4,477,298)
Improvements Other Than Buildings	(3,815,223)	(580,277)	-	(4,395,500)
Infrastructure	(7,977,411)	(530,952)	-	(8,508,363)
Furniture, Fixtures, and Equipment	(3,378,582)	(514,808)	268,309	(3,625,081)
Total Accumulated Depreciation	<u>(19,316,565)</u>	<u>(1,965,986)</u>	<u>276,309</u>	<u>(21,006,242)</u>
Total Capital Assets Being Depreciated, Net	<u>44,067,874</u>	<u>200,400</u>	<u>(3,849)</u>	<u>44,264,425</u>
Total Governmental Activities Capital Assets Depreciated, Net	<u>\$ 51,934,054</u>	<u>\$ 1,392,467</u>	<u>\$ (3,849)</u>	<u>\$ 53,322,672</u>

The following is a summary of changes in capital assets for the business-type activities for the year ended September 30, 2024:

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	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 586,447	\$ -	\$ -	\$ 586,447
Construction in Progress	2,269,762	4,399,959	(1,376,003)	5,293,718
Total Capital Assets Not Being Depreciated	2,856,209	4,399,959	(1,376,003)	5,880,165
Capital Assets Being Depreciated:				
Buildings and Improvements	9,990,737	-	-	9,990,737
Improvements Other Than Building Infrastructure	10,781,169	2,195,383	(50,135)	12,926,417
Furniture, Fixtures, and Equipment	53,898,572	338,771	-	54,237,343
Total Capital Assets Being Depreciated	4,082,854	930,349	(463,325)	4,549,878
Less Accumulated Depreciation:				
Buildings and Improvements	(4,919,546)	(157,719)	-	(5,077,265)
Improvements Other Than Building Infrastructure	(4,232,909)	(515,436)	1,181	(4,747,164)
Furniture, Fixtures, and Equipment	(17,935,282)	(1,221,590)	-	(19,156,872)
Total Accumulated Depreciation	(3,094,794)	(233,407)	461,068	(2,867,133)
Total Capital Assets Being Depreciated, Net	(30,182,531)	(2,128,152)	462,249	(31,848,434)
Total Business-Type Activities	48,570,801	1,336,351	(51,211)	49,855,941
Capital Assets Depreciated, Net	\$ 51,427,010	\$ 5,736,310	\$ (1,427,214)	\$ 55,736,106

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

Governmental Activities	
General Government	\$ 367,037
Public Safety	267,122
Transportation	782,922
Economic Environment	106,543
Parks and Recreation	442,362
Total	<u>\$ 1,965,986</u>

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

Business-Type Activities	
Electric	\$ 668,971
Water	271,383
Wastewater	1,014,135
Mosquito	8,558
Internal Service	165,105
Total	<u>\$ 2,128,152</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, 2024:

CITY OF ALACHUA, FLORIDA
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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Improvement and Refunding Revenue Bonds, Series 2016	\$ 10,683,575	\$ -	\$ (418,100)	\$ 10,265,475	\$ 436,600
Plus Premium	564,809	-	(24,035)	540,774	24,035
Compensated Absences	612,625	343,181	(222,396)	733,410	302,438
Total	\$ 11,861,009	\$ 343,181	\$ (664,531)	\$ 11,539,659	\$ 763,073

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

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

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

■ **Compensated Absences**

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

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

Fiscal Year Ending	Principal	Interest	Total
2025	\$ 460,635	\$ 360,056	\$ 820,691
2026	479,134	337,764	816,898
2027	508,734	314,269	823,003
2028	530,934	289,479	820,413
2029	556,834	266,150	822,984
2030-2034	3,091,272	1,035,436	4,126,708
2035-2039	2,299,472	597,987	2,897,459
2040-2044	1,744,472	327,954	2,072,426
2045-2049	1,134,762	57,255	1,192,017
Total	\$ 10,806,249	\$ 3,586,350	\$ 14,392,599

Business-Type Activities

The following schedule summarizes the changes in the City’s business-type long-term liabilities during the year ended September 30, 2024:

CITY OF ALACHUA, FLORIDA
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2009 State Revolving Fund					
Loan – Florida Department of Environmental Protection	\$ 6,641,565	\$ -	\$ (298,502)	\$ 6,343,063	\$ 305,728
2016 Capital Improvement and Refunding Revenue Bonds	3,806,425	-	(146,900)	3,659,525	153,400
Series 2016 Plus Premium	208,903	-	(8,889)	200,014	8,889
Capital Improvement Revenue Note, Series 2019	3,495,000	-	(220,000)	3,275,000	230,000
Compensated Absences	260,075	216,380	(168,390)	308,065	63,636
Total	<u>\$ 14,411,968</u>	<u>\$ 216,380</u>	<u>\$ (842,681)</u>	<u>\$ 13,785,667</u>	<u>\$ 761,653</u>

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

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

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

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

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

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

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

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

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

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<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 698,017	\$ 382,086	\$ 1,080,103
2026	726,949	359,007	1,085,956
2027	739,963	335,160	1,075,123
2028	770,563	310,507	1,081,070
2029	792,654	285,848	1,078,502
2030-2034	4,308,051	1,064,208	5,372,259
2035-2039	3,486,078	477,025	3,963,103
2040-2044	1,502,802	142,258	1,645,060
2045-2049	452,525	20,117	472,642
Total	<u>\$ 13,477,602</u>	<u>\$ 3,376,216</u>	<u>\$ 16,853,818</u>

Interest

During the year, the City incurred \$770,063 of interest costs.

Debt Covenants

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

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

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

As of September 30, 2024, 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, 2024. 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, 2024:

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Pledged Revenue	Description of Bonds	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Non-Ad Valorem	Capital Improvement and Refunding Revenue Bonds, Series 2016	\$ 11,251,320	\$ 1,080,438	10%	\$ 19,512,180	2047
Non-Ad Valorem	Capital Improvement Revenue Note, Series 2019	11,251,320	354,014	3%	3,959,402	2036
Net Utility Revenues	State Revolving Fund Loan - 2009	4,195,770	457,343	11%	7,774,835	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, 2024:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Govt. Funds	\$ 45,072
General Fund	Water Utility	235,664
Electric Utility	Water Utility	245,228
Electric Utility	Wastewater Utility	1,057,115
Internal Service Fund	Water Utility	215,065
Total		\$ 1,798,144

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, 2024.

Interfund Transfers:

Transfers (Out)	Transfers In		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 1,071,843	\$ 1,071,843
Non-Major Govt. Funds	1,680	-	1,680
Electric Utility	2,000,000	-	2,000,000
Total	\$ 2,001,680	\$ 1,071,843	\$ 3,073,523

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Transfers are normally recurring and are approved by the City Commission during the budget process. A transfer in the amount of \$2,000,000 from the Electric Fund to the General Fund is in support of general government operations to the extent moneys are available after paying operating expenses and debt service on outstanding bonds. A transfer in the amount of \$1,071,843 from the General Fund to the Non-Major Governmental Funds is for debt service and the City’s required portion of tax incremental funding, neighborhood revitalization, and additional funding for construction projects being completed by the CRA.

Note 10 - Contingent Liabilities

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

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

Note 11 - Restricted Net Position

Net position is restricted within governmental activities as follows:

	Governmental Activities
Law Enforcement	\$ 19,337
Physical Environment	1,684,916
Economic Environment	686,180
Human Services	7,627
Parks and Recreation	1,502
Total	\$ 2,399,562

The City’s restricted net position includes \$656,318 restricted by enabling legislation.

Note 12 - Power Purchase Agreements

Florida Power & Light Company (FPL)

Effective July 26, 2021, the City entered into an agreement for FPL to provide wholesale electric service to the Alachua Substation. The Alachua Substation was built in 1988 and has dual 138 x 69 - 12.47Y/7.2kV transformers to receive power. Load supply commenced on April 1, 2022, and the contract extends through December 31, 2029. Power from FPL is received via Gainesville Regional Utilities (GRU) and FPL transmission lines. Total purchase power payments to FPL for 2024 were \$3,996,335.

Florida Municipal Power Agency (FMPA)

Effective July 26, 2021, the City entered into an agreement for FMPA to provide wholesale electric service to the Legacy Substation. Construction of the Legacy Substation was completed in 2021 with a 138 x 69 - 12.47Y/7.2kV transformer. Primary load supply commenced on April 1, 2022, and the contract extends through December 31, 2027. Power from FMPA is received via Duke Energy (Duke) transmission lines. Total purchase power payments to FMPA for 2024 were \$1,831,515.

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St. Lucie No. 2 Power Purchase Agreement

The City has negotiated a long-term agreement with FPL through FMPA to purchase 0.3044 megawatts of generating capacity and a corresponding amount of energy monthly from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. Total payments for 2024 were \$154,111.

Other Power Costs

The City incurs other miscellaneous costs for the provision of purchased power, including transmission costs for energy received through FPL, Duke, and GRU transmission lines and net meter purchased power. Total other power costs for 2024 were \$1,116,381.

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 Health Insurance Subsidy Plan (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

The City's pension expense totaled \$1,834,880 for the fiscal year ended September 30, 2024. This included \$1,636,496 of expenses related to the FRS Pension Plan and \$198,384 related to HIS.

FRS Pension Plan

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

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.

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- *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.

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

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Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Elected Officers</i>	3.33
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular:</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for the FRS during the City’s 2023-2024 fiscal year were as follows:

Class	Year Ended June 30, 2024		Year Ended June 30, 2025	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer⁽¹⁾	Employee	Employer⁽¹⁾
Regular	3.00	11.51	3.00	13.63
Elected Officers	3.00	56.62	3.00	58.68
Senior Management Service	3.00	32.46	3.00	34.52
Special Risk Regular	3.00	30.61	3.00	32.79
DROP	N/A	19.13	N/A	21.13

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for the Retiree Health Insurance Subsidiary of 2.00% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The City’s contributions to the Plan totaled \$1,436,647 for the fiscal year ended September 30, 2024. 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, 2024, the City reported a liability of \$9,457,907 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2024, the City’s proportion was .024448699%, which was an increase of .001957061% from its proportion measured as of June 30, 2023.

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At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 348,780	\$ -
Difference Between Expected and Actual		
Experience	955,502	-
Changes of Assumptions	1,296,293	-
Changes in Proportion and Difference Between City's Contributions and Proportionate Share of Contributions	724,304	628,622
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	229,264
Total	\$ 3,324,879	\$ 857,886

The deferred outflows of resources related to pensions, totaling \$348,780, 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
Ending	
2025	\$ 42,568
2026	1,673,564
2027	178,933
2028	102,130
2029	121,018
Total	\$ 2,118,213

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.50% Average, Including Inflation
Discount Rate	6.70%
Investment Rate of Return	6.70%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of the actuarial experience study of the FRS for the period July 1, 2018 – June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns but instead was based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below.

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Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Annual Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.5%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.70% in the July 1, 2024, valuation.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
City’s Proportionate Share of the Net Pension Liability	\$ 16,636,127	\$ 9,457,907	\$ 3,444,625

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately-issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report. The effect of FRS on the City’s net position has been determined on the same basis used by FRS.

HIS Pension Plan

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Benefits Provided. For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS-participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2024 and 2025, respectively the contribution rates were 2.00% of payroll, pursuant to Section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$184,477 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the City reported a net pension liability of \$3,159,184 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2024, the City's proportion was .021059854%, which was an increase of 0.001647838% from its proportion measured as of June 30, 2023.

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 44,430	\$ -
Difference Between Expected and Actual		
Experience	30,504	6,066
Changes of Assumptions	55,910	374,007
Changes in Proportion and Difference Between City's		
Contributions and Proportionate Share of Contributions	316,983	77,048
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	1,143
Total	<u>\$ 447,827</u>	<u>\$ 458,264</u>

The deferred outflows of resources related to pensions, totaling \$44,430, 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Fiscal Year Ending	Amount
2025	\$ 14,687
2026	(3,309)
2027	(45,003)
2028	(30,539)
2029	5,391
Thereafter	3,906
Total	\$ (54,867)

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.50% Average, Including Inflation

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2021.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of the actuarial experience study of the FRS for the period July 1, 2018 – June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
City's Proportionate Share of the Net Pension Liability	\$ 3,596,325	\$ 3,159,184	\$ 2,796,286

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately-issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report. The effect of FRS on the City's net position has been determined on the same basis used by FRS.

**CITY OF ALACHUA, FLORIDA
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SEPTEMBER 30, 2024**

FRS - Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members’ accounts (employer and employee) during the 2023-2024 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	8.30%
FRS, Elected County Officers	11.38%
FRS, Senior Management Service	9.67%
FRS, Special Risk Regular	16.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-Vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2024, 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

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan expense totaled \$293,739 for the fiscal year ended September 30, 2024.

Note 14 - Other Postemployment Benefits (OPEB)

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

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

Membership of the OPEB Plan consisted of the following:

Date of Actuarial Valuation	September 30, 2023
Retirees and Beneficiaries Receiving Benefits	3
Active Plan Members	141
Total	144

Changes in the Total OPEB Plan Liability

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

	Increase/ (Decrease) in Total OPEB Liability
Reporting Period Ending September 30, 2023	\$ 330,185
Changes for the Year:	
Service Cost	27,734
Interest	16,710
Differences Between Expected and Actual Experience	(37,308)
Changes of Assumptions	99,105
Benefit Payments	(15,379)
Net Changes	90,862
Reporting Period Ending September 30, 2024	\$ 421,047

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

As of September 30, 2024, the total OPEB Plan liability was \$421,047, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The portion of the total OPEB Plan liability that is due within one year is immaterial and, therefore, the entire amount has been classified with non-current liabilities. The covered payroll (annual payroll of active participating employees) was \$7,445,814, and the ratio of the total OPEB Plan liability to the covered payroll was 5.65%. Covered employee payroll was projected one year forward from the valuation date of September 30, 2023, for the reporting period ended September 30, 2024.

Actuarial Assumptions and Methods

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

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2023, actuarial valuation of the FRS Benefit Pension Plan.

The mortality rates are mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman’s July 1, 2023, FRS valuation report.

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

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

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

On September 30, 2024, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,287	\$ 47,914
Changes of Assumptions	133,808	57,849
Employer Contributions Subsequent to the Measurement Date	27,089	-
Total	\$ 166,184	\$ 105,763

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

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Year Ended September 30,	Amount
2025	\$ 5,793
2026	5,793
2027	6,808
2028	6,217
2029	2,062
Thereafter	6,659
Total	\$ 33,332

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

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

	1% Decrease 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
Total OPEB Liability	\$ 453,968	\$ 421,047	\$ 390,067

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

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

	1% Decrease 3.00%-6.00%	Healthcare Cost Trend 4.00%-7.00%	1% Increase 5.00%-8.00%
Total OPEB Liability	\$ 372,101	\$ 421,047	\$ 479,384

Note 15 - Risk Management

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

■ **Florida Municipal Insurance Trust**

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

**CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Note 16 - Commitments and Contingencies

As of September 30, 2024, the City had the following commitments related to significant unfinished projects:

	Expended as of September 30, 2024	Remaining Commitment
Repairs NW 135th Terr./NW 154th Ave.	\$ -	\$ 215,075
NW 86th Drive Roadway Improvements	104,284	856,044
City Hall HVAC Replacement	69,431	21,967
Water Quality and Resiliency Improvements	2,304,874	5,709,685
Alachua West Wastewater Improvements	1,028,512	258,557
Total	\$ 3,507,101	\$ 7,061,328

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

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

Subsequent to year-end, the Division Economic Development determined that the City had met all of the return on investment criteria for this award as of November 18, 2024, and issued a closeout of the project.

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, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 9,028,656	\$ 9,328,656	\$ 9,371,118	\$ 42,462
Permits, Fees, and Special Assessments	1,037,000	1,037,000	1,061,579	24,579
Intergovernmental Revenues	1,211,795	1,236,249	1,232,317	(3,932)
Charges for Services	1,824,066	1,864,066	1,896,699	32,633
Fines and Forfeitures	40,000	40,000	73,247	33,247
Investment Income	-	30,000	190,844	160,844
Miscellaneous	157,600	176,600	95,497	(81,103)
Total Revenues	<u>13,299,117</u>	<u>13,712,571</u>	<u>13,921,301</u>	<u>208,730</u>
Expenditures				
Current:				
General Government:				
Legislative	157,090	157,090	145,794	11,296
Executive	991,135	1,026,085	1,023,832	2,253
Finance	1,160,326	1,160,326	1,093,568	66,758
Information Technology	484,279	484,279	412,337	71,942
Legal	232,063	254,063	237,250	16,813
Planning and Zoning	1,287,009	1,287,009	1,159,385	127,624
Other	1,519,387	1,519,387	1,114,242	405,145
Public Safety:				
Police	5,028,202	5,384,706	5,378,207	6,499
Protective Inspections	430,044	430,044	413,058	16,986
Physical Environment:				
Solid Waste	1,111,762	1,111,762	1,098,308	13,454
Transportation:				
Streets and Roads	3,480,089	3,480,089	1,170,114	2,309,975
Economic Environment	58,063	58,063	3,875	54,188
Parks and Recreation	1,379,244	1,379,244	1,317,877	61,367
Reserve for Contingency	200,000	200,000	-	200,000
(Total Expenditures)	<u>(17,518,693)</u>	<u>(17,932,147)</u>	<u>(14,567,847)</u>	<u>3,364,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,219,576)</u>	<u>(4,219,576)</u>	<u>(646,546)</u>	<u>3,573,030</u>
Other Financing Sources (Uses)				
Transfers in	1,931,700	1,931,700	2,001,680	69,980
Transfers (out)	(1,072,026)	(1,072,026)	(1,071,843)	183
Total Other Financing Sources (Uses)	<u>859,674</u>	<u>859,674</u>	<u>929,837</u>	<u>70,163</u>
Net Change in Fund Balance	(3,359,902)	(3,359,902)	283,291	3,643,193
Fund Balance, Beginning of Year	<u>3,359,902</u>	<u>3,359,902</u>	<u>10,213,904</u>	<u>6,854,002</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,497,195</u>	<u>\$ 10,497,195</u>

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

Reporting Period Ending Measurement Date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Changes for the Year:							
Service Cost	\$ 27,734	\$ 38,083	\$ 36,658	\$ 28,250	\$ 19,067	\$ 19,968	\$ 21,024
Interest	16,710	9,671	7,214	9,390	9,118	7,584	6,074
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(37,308)	-	8,458	-	(40,714)	-	-
Changes of Assumptions	99,105	(70,316)	16,558	33,226	53,674	(9,227)	(9,152)
Benefit Payments	(15,379)	(14,306)	(4,591)	(4,271)	(7,987)	(7,361)	(6,769)
Net Change in Total OPEB Liability	90,862	(36,868)	64,297	66,595	33,158	10,964	11,177
Total OPEB Liability - Beginning	330,185	367,053	302,756	236,161	203,003	192,039	180,862
Total OPEB Liability - Ending	\$ 421,047	\$ 330,185	\$ 367,053	\$ 302,756	\$ 236,161	\$ 203,003	\$ 192,039
Covered-Employee Payroll*	\$ 7,445,814	\$ 6,747,589	\$ 6,488,066	\$ 6,837,698	\$ 6,574,710	\$ 6,240,140	\$ 6,000,134
Sponsor's Total OPEB Liability as Percentage of Covered-Employee Payroll	5.65%	4.89%	5.66%	4.43%	3.59%	3.25%	3.20%

* Covered-Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2024.

Notes to Schedules

Changes of Assumptions

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

The following are the discount rates used in each period:

Fiscal Year 2024	4.87%	Fiscal Year 2020	3.58%
Fiscal Year 2023	4.77%	Fiscal Year 2019	4.18%
Fiscal Year 2022	2.43%	Fiscal Year 2018	3.64%
Fiscal Year 2021	2.14%	Fiscal Year 2017	3.06%

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

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Proportion of the FRS Net Pension Plan	0.024448699%	0.022491638%	0.023788079%	0.023108466%	0.022337822%	0.020788355%	0.020641302%	0.020019883%	0.018830837%	0.018337949%
Proportionate Share of the FRS Net Pension Plan	\$ 9,457,907	\$ 8,962,206	\$ 8,851,077	\$ 1,745,582	\$ 9,681,541	\$ 7,159,220	\$ 6,217,267	\$ 5,921,747	\$ 4,754,801	\$ 2,368,592
Covered Payroll*	8,917,108	7,727,439	7,437,315	7,092,748	6,722,238	6,241,681	5,939,507	5,642,229	5,284,260	5,024,124
Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	106.06%	115.98%	119.01%	24.61%	144.02%	114.70%	104.68%	104.95%	89.98%	47.14%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Proportion of the HIS Net Pension Plan	0.021059854%	0.019412016%	0.020408098%	0.019850710%	0.019367462%	0.018662965%	0.018194623%	0.017692579%	0.017117360%	0.017073473%
Proportionate Share of the HIS Net Pension Plan	\$ 3,159,184	\$ 3,082,887	\$ 2,161,543	\$ 2,434,988	\$ 2,364,736	\$ 2,088,199	\$ 1,925,739	\$ 1,891,772	\$ 1,994,957	\$ 1,741,226
Covered Payroll*	8,917,108	7,727,439	7,437,315	7,092,748	6,722,238	6,241,681	5,939,507	5,642,229	5,284,260	5,024,124
Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.43%	39.90%	29.06%	34.33%	35.18%	33.46%	32.42%	33.53%	37.75%	34.66%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.65%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,436,647	\$ 1,081,992	\$ 1,015,081	\$ 880,333	\$ 742,187	\$ 644,589	\$ 588,261	\$ 521,167	\$ 459,220	\$ 447,095
FRS Contribution in Relation to the Contractually Required Contribution	(1,436,647)	(1,081,992)	(1,015,081)	(880,333)	(742,187)	(644,589)	(588,261)	(521,167)	(459,220)	(447,095)
FRS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (FYE 9/30)	\$ 9,225,978	\$ 7,908,962	\$ 7,240,836	\$ 7,174,623	\$ 6,770,144	\$ 6,434,997	\$ 5,929,911	\$ 5,783,990	\$ 5,338,129	\$ 5,222,630
FRS Contributions as a Percentage of Covered Payroll	15.57%	13.68%	14.02%	12.27%	10.96%	10.02%	9.92%	9.01%	8.60%	8.56%

HEALTH INSURANCE SUBSIDY PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 184,477	\$ 127,696	\$ 123,486	\$ 116,683	\$ 111,606	\$ 103,634	\$ 98,670	\$ 93,634	\$ 87,737	\$ 65,265
HIS Contribution in Relation to the Contractually Required Contribution	(184,477)	(127,696)	(123,486)	(116,683)	(111,606)	(103,634)	(98,670)	(93,634)	(87,737)	(65,265)
HIS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (FYE 9/30)	\$ 9,225,978	\$ 7,908,962	\$ 7,240,836	\$ 7,174,623	\$ 6,770,144	\$ 6,434,997	\$ 5,929,911	\$ 5,783,990	\$ 5,338,129	\$ 5,222,630
HIS Contributions as a Percentage of Covered Payroll	2.00%	1.61%	1.71%	1.63%	1.65%	1.61%	1.66%	1.62%	1.64%	1.25%

CITY OF ALACHUA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Note 1 - Basis of Presentation

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

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

Note 2 - Legally Adopted Budgets

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

Note 3 - Pension Liability

A. Changes in Benefit Terms

There were no significant changes in benefit terms during the Pension Plan's fiscal year ended June 30, 2024 or 2023.

B. Changes in Assumption

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

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

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

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

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

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

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

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

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

In the July 1, 2024, actuarial valuation, there were no significant changes in actuarial assumptions.

CITY OF ALACHUA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

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

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

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

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

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

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

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

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

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

In the July 1, 2024, actuarial valuation, all demographic assumptions and methods were reviewed as part of the 2024 Experience Study. The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

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

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

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

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

CAPITAL PROJECT FUNDS

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

- The *San Felasco Conservation Corridor Fund*—is used to account for improvements made to the San Felasco Corridor.
- The *Heritage Oaks Improvement Fund*—is used to account for expenditures for infrastructure improvements in the Heritage Oaks subdivision.
- *CDBG Neighborhood Revitalization*—is used to account for grant revenues and capital expenditures for projects approved under the Community Development Block Grant – Neighborhood Revitalization category.

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and Cash Equivalents	\$ 733,371	\$ 2,531,739	\$ 40,412	\$ 3,305,522
Accounts Receivable	-	9,196	-	9,196
Due from Other Governments	-	191,282	-	191,282
Inventory	-	4,961	-	4,961
Prepaid Items	-	1,265	-	1,265
Total Assets	733,371	2,738,443	40,412	3,512,226
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	-	390,427	-	390,427
Accrued Liabilities	-	7,923	-	7,923
Advances from Other Funds	-	45,072	-	45,072
Total Liabilities	-	443,422	-	443,422
Fund Balances				
Non-Spendable:				
Prepays	-	1,265	-	1,265
Inventory	-	4,961	-	4,961
Restricted for:				
Law Enforcement	-	15,947	-	15,947
Physical Environment	-	1,680,591	4,325	1,684,916
Economic Environment	-	650,093	36,087	686,180
Human Services	-	7,627	-	7,627
Parks and Recreation	-	1,502	-	1,502
Assigned	733,371	-	-	733,371
Unassigned	-	(66,965)	-	(66,965)
Total Fund Balances	733,371	2,295,021	40,412	3,068,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 733,371	\$ 2,738,443	\$ 40,412	\$ 3,512,226

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Taxes	\$ -	\$ 1,576,194	\$ -	\$ 1,576,194
Permits, Fees, and Special Assessments	-	9,612	-	9,612
Intergovernmental Revenues	-	426,223	686,755	1,112,978
Charges for Services	-	155,110	-	155,110
Fines and Forfeitures	-	8,783	-	8,783
Investment Income	98	33,947	4	34,049
Miscellaneous	-	24,346	-	24,346
Total Revenues	98	2,234,215	686,759	2,921,072
Expenditures				
Current:				
Public Safety	-	12,817	-	12,817
Physical Environment	-	19,966	-	19,966
Economic Environment	-	407,976	-	407,976
Human Services	-	65,222	-	65,222
Parks and Recreation	-	75,236	-	75,236
Debt Service:				
Principal	418,100	-	-	418,100
Interest	382,034	-	-	382,034
Capital Outlay	-	1,141,875	865,562	2,007,437
(Total Expenditures)	(800,134)	(1,723,092)	(865,562)	(3,388,788)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800,036)	511,123	(178,803)	(467,716)
Other Financing Sources (Uses)				
Transfers in	807,572	264,271	-	1,071,843
Transfers (out)	-	-	(1,680)	(1,680)
Total Other Financing Sources (Uses)	807,572	264,271	(1,680)	1,070,163
Net Change in Fund Balance	7,536	775,394	(180,483)	602,447
Fund Balance, Beginning of Year	725,835	1,519,627	220,895	2,466,357
Fund Balance, End of Year	\$ 733,371	\$ 2,295,021	\$ 40,412	\$ 3,068,804

**CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2024**

	Community Redevelopment	Wild Spaces Public Places	Infrastructure Surtax	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Assets										
Cash and Cash										
Equivalents	\$ 728,722	\$ 198,376	\$ 1,217,877	\$ 6,676	\$ 1,502	\$ 9,115	\$ 21,721	\$ -	\$ 347,750	\$ 2,531,739
Accounts Receivable	-	-	-	156	-	-	-	9,040	-	9,196
Due from Other										
Governments	1,796	94,743	94,743	-	-	-	-	-	-	191,282
Inventory	4,961	-	-	-	-	-	-	-	-	4,961
Prepaid Items	1,265	-	-	-	-	-	-	-	-	1,265
Total Assets	736,744	293,119	1,312,620	6,832	1,502	9,115	21,721	9,040	347,750	2,738,443
Liabilities and Fund Balances										
Liabilities										
Accounts Payable	28,843	360,084	-	-	-	-	1,500	-	-	390,427
Accrued Liabilities	7,923	-	-	-	-	-	-	-	-	7,923
Advances from										
Other Funds	43,659	-	-	-	-	-	-	1,413	-	45,072
Total Liabilities	80,425	360,084	-	-	-	-	1,500	1,413	-	443,422
Fund Balances										
Non-Spendable:										
Prepays	1,265	-	-	-	-	-	-	-	-	1,265
Inventory	4,961	-	-	-	-	-	-	-	-	4,961
Restricted for:										
Law Enforcement	-	-	-	6,832	-	9,115	-	-	-	15,947
Economic										
Environment	650,093	-	-	-	-	-	-	-	-	650,093
Physical										
Environment	-	-	1,312,620	-	-	-	20,221	-	347,750	1,680,591
Human										
Services	-	-	-	-	-	-	-	7,627	-	7,627
Parks and										
Recreation	-	-	-	-	1,502	-	-	-	-	1,502
Unassigned	-	(66,965)	-	-	-	-	-	-	-	(66,965)
Total Fund Balances	656,319	(66,965)	1,312,620	6,832	1,502	9,115	20,221	7,627	347,750	2,295,021
Total Liabilities and Fund Balances	\$ 736,744	\$ 293,119	\$ 1,312,620	\$ 6,832	\$ 1,502	\$ 9,115	\$ 21,721	\$ 9,040	\$ 347,750	\$ 2,738,443

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Community Redevelopment	Wild Spaces Public Places	Infrastructure Surtax	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Revenues										
Taxes	\$ -	\$ 788,097	\$ 788,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,576,194
Permits, Fees, and Special Assessments	-	-	-	-	-	-	9,612	-	-	9,612
Intergovernmental Revenues	353,374	-	-	-	-	-	-	72,849	-	426,223
Charges for Service	-	-	-	-	-	-	-	-	155,110	155,110
Fines and Forfeitures	-	-	-	4,807	-	3,976	-	-	-	8,783
Investment Income	7,711	7,922	12,908	145	37	-	419	-	4,805	33,947
Miscellaneous	24,346	-	-	-	-	-	-	-	-	24,346
Total Revenues	385,431	796,019	801,005	4,952	37	3,976	10,031	72,849	159,915	2,234,215
Expenditures										
Current:										
Economic Environment	407,976	-	-	-	-	-	-	-	-	407,976
Public Safety	-	-	-	12,817	-	-	-	-	-	12,817
Physical Environment	-	-	-	-	-	-	13,371	-	6,595	19,966
Human Services	-	-	-	-	-	-	-	65,222	-	65,222
Parks and Recreation	-	71,782	-	-	3,454	-	-	-	-	75,236
Capital Outlay	24,190	1,117,685	-	-	-	-	-	-	-	1,141,875
Total (Expenditures)	(432,166)	(1,189,467)	-	(12,817)	(3,454)	-	(13,371)	(65,222)	(6,595)	(1,723,092)
Excess (Deficiency) of										
Revenues Over										
(Under) Expenditures	(46,735)	(393,448)	801,005	(7,865)	(3,417)	3,976	(3,340)	7,627	153,320	511,123
Other Financing										
Sources (Uses)										
Transfers in	264,271	-	-	-	-	-	-	-	-	264,271
Total Other Financing										
Sources (Uses)	264,271	-	-	-	-	-	-	-	-	264,271
Net Change in										
Fund Balances	217,536	(393,448)	801,005	(7,865)	(3,417)	3,976	(3,340)	7,627	153,320	775,394
Fund Balance,										
Beginning of Year	438,783	326,483	511,615	14,697	4,919	5,139	23,561	-	194,430	1,519,627
Fund Balance,										
End of Year	\$ 656,319	\$ (66,965)	\$ 1,312,620	\$ 6,832	\$ 1,502	\$ 9,115	\$ 20,221	\$ 7,627	\$ 347,750	\$ 2,295,021

**CITY OF ALACHUA, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2024**

	San Felasco Conservation Corridor	Heritage Oaks Improvement	CDBG Neighborhood Revitalization	Total
Assets				
Cash and Cash Equivalents	\$ -	\$ 4,325	\$ 36,087	\$ 40,412
Total Assets	<u>-</u>	<u>4,325</u>	<u>36,087</u>	<u>40,412</u>
Fund Balances				
Fund Balances				
Restricted for:				
Physical Environment	-	4,325	-	4,325
Economic Environment	-	-	36,087	36,087
Total Fund Balances	<u>-</u>	<u>4,325</u>	<u>36,087</u>	<u>40,412</u>
Total Fund Balances	<u>\$ -</u>	<u>\$ 4,325</u>	<u>\$ 36,087</u>	<u>\$ 40,412</u>

**CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	San Felasco Conservation Corridor	Heritage Oaks Improvement	CDBG Neighborhood Revitalization	Total
Revenues				
Intergovernmental Revenues	\$ -	\$ -	\$ 686,755	\$ 686,755
Investment Income	4	-	-	4
Total Revenues	<u>4</u>	<u>-</u>	<u>686,755</u>	<u>686,759</u>
Expenditures				
Capital Outlay	-	-	865,562	865,562
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>(865,562)</u>	<u>(865,562)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4</u>	<u>-</u>	<u>(178,807)</u>	<u>(178,803)</u>
Other Financing Sources (Uses)				
Transfers (out)	(1,680)	-	-	(1,680)
Total Other Financing Sources (Uses)	<u>(1,680)</u>	<u>-</u>	<u>-</u>	<u>(1,680)</u>
Net Change in Fund Balances	(1,676)	-	(178,807)	(180,483)
Fund Balance, Beginning of Year	<u>1,676</u>	<u>4,325</u>	<u>214,894</u>	<u>220,895</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 4,325</u>	<u>\$ 36,087</u>	<u>\$ 40,412</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Income	\$ -	\$ 98	\$ 98
Total Revenues	<u>-</u>	<u>98</u>	<u>98</u>
Expenditures			
Debt Service:			
Principal	418,100	418,100	-
Interest and Fiscal Charges	<u>382,174</u>	<u>382,034</u>	<u>140</u>
(Total Expenditures)	<u>(800,274)</u>	<u>(800,134)</u>	<u>140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(800,274)</u>	<u>(800,036)</u>	<u>238</u>
Other Financing Sources (Uses)			
Transfers in	<u>807,572</u>	<u>807,572</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>807,572</u>	<u>807,572</u>	<u>-</u>
Net Change in Fund Balance	7,298	7,536	238
Fund Balance, Beginning of Year	<u>(7,298)</u>	<u>725,835</u>	<u>733,133</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 733,371</u>	<u>\$ 733,371</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Wild Spaces Public Places			Additional Court Costs		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	\$ 795,684	\$ 788,097	\$ (7,587)	\$ -	\$ -	\$ -
Intergovernmental Revenues	333,334	-	(333,334)	-	-	-
Fines and Forfeitures	-	-	-	5,000	4,807	(193)
Investment Income	-	7,922	7,922	-	145	145
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,129,018	796,019	(332,999)	5,000	4,952	(48)
Expenditures						
Current:						
Public Safety	-	-	-	13,000	12,817	183
Parks and Recreation	38,900	71,782	(32,882)	-	-	-
Capital Outlay	1,345,531	1,117,685	227,846	-	-	-
(Total Expenditures)	(1,384,431)	(1,189,467)	194,964	(13,000)	(12,817)	183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(255,413)	(393,448)	(138,035)	(8,000)	(7,865)	135
Net Change in Fund Balance	(255,413)	(393,448)	(138,035)	(8,000)	(7,865)	135
Fund Balance, Beginning of Year	255,413	326,483	71,070	8,000	14,697	6,697
Fund Balance, End of Year	\$ -	\$ (66,965)	\$ (66,965)	\$ -	\$ 6,832	\$ 6,832

Donations			Police Explorers		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	3,976	3,976
-	37	37	-	-	-
-	-	-	-	-	-
-	37	37	-	3,976	3,976
-	-	-	5,000	-	5,000
4,914	3,454	1,460	-	-	-
-	-	-	-	-	-
(4,914)	(3,454)	1,460	(5,000)	-	5,000
(4,914)	(3,417)	1,497	(5,000)	3,976	8,976
(4,914)	(3,417)	1,497	(5,000)	3,976	8,976
4,914	4,919	5	5,000	5,139	139
\$ -	\$ 1,502	\$ 1,502	\$ -	\$ 9,115	\$ 9,115

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Continued)

	TK Basin Special Assessment			Children's Trust Grant		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Permits, Fees, and Special Assessments	\$ 9,800	\$ 9,612	\$ (188)	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	73,769	72,849	(920)
Miscellaneous Income	300	-	(300)	-	-	-
Investment Income	-	419	419	-	-	-
Total Revenues	10,100	10,031	(69)	73,769	72,849	(920)
Expenditures						
Current:						
Economic Environment	-	-	-	-	-	-
Physical Environment	14,000	13,371	629	-	-	-
Human Services	-	-	-	73,769	65,222	8,547
Capital Outlay	-	-	-	-	-	-
Reserve for Contingency	10,000	-	10,000	-	-	-
(Total Expenditures)	(24,000)	(13,371)	10,629	(73,769)	(65,222)	8,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,900)	(3,340)	10,560	-	7,627	7,627
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(13,900)	(3,340)	10,560	-	7,627	7,627
Fund Balance, Beginning of Year	13,900	23,561	9,661	-	-	-
Fund Balance, End of Year	\$ -	\$ 20,221	\$ 20,221	\$ -	\$ 7,627	\$ 7,627

Tree Bank			Community Redevelopment Fund		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	155,110	155,110	339,630	353,374	13,744
-	-	-	32,000	7,711	(24,289)
-	4,805	4,805	-	24,346	24,346
-	159,915	159,915	371,630	385,431	13,801
-	-	-	546,947	407,976	138,971
201,511	6,595	194,916	-	-	-
-	-	-	-	-	-
-	-	-	261,875	24,190	237,685
-	-	-	20,000	-	20,000
(201,511)	(6,595)	194,916	(828,822)	(432,166)	396,656
(201,511)	153,320	354,831	(457,192)	(46,735)	410,457
-	-	-	264,454	264,271	(183)
-	-	-	264,454	264,271	(183)
(201,511)	153,320	354,831	(192,738)	217,536	410,274
201,511	194,430	(7,081)	192,738	438,783	246,045
\$ -	\$ 347,750	\$ 347,750	\$ -	\$ 656,319	\$ 656,319

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(Concluded)

	Infrastructure Surtax		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 795,684	\$ 788,097	\$ (7,587)
Intergovernmental Revenues	333,333	-	(333,333)
Investment Income	-	12,908	12,908
Total Revenues	<u>1,129,017</u>	<u>801,005</u>	<u>(328,012)</u>
Expenditures			
Capital Outlay	1,504,147	-	1,504,147
(Total Expenditures)	<u>(1,504,147)</u>	<u>-</u>	<u>1,504,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(375,130)</u>	<u>801,005</u>	<u>1,176,135</u>
Net Change in Fund Balance	(375,130)	801,005	1,176,135
Fund Balance, Beginning of Year	<u>375,130</u>	<u>511,615</u>	<u>136,485</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,312,620</u>	<u>\$ 1,312,620</u>

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	San Felasco Conservation Corridor		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Investment Income	\$ -	\$ 4	\$ 4
Total Revenues	<u>-</u>	<u>4</u>	<u>4</u>
Expenditures			
Capital Outlay	-	-	-
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>4</u>	<u>4</u>
Other Financing Sources (Uses)			
Transfers (out)	(1,700)	(1,680)	20
Total Other Financing Sources (Uses)	<u>(1,700)</u>	<u>(1,680)</u>	<u>20</u>
Net Change in Fund Balance	(1,700)	(1,676)	24
Fund Balance, Beginning of Year	<u>1,700</u>	<u>1,676</u>	<u>(24)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALACHUA, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUNDS - NON-MAJOR
 FOR THE YEAR ENDED SEPTEMBER 30, 2024
 (Continued)

	Heritage Oaks Improvement		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Capital Outlay	4,326	-	4,326
(Total Expenditures)	<u>(4,326)</u>	<u>-</u>	<u>4,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,326)</u>	<u>-</u>	<u>4,326</u>
Other Financing Sources (Uses)			
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,326)	-	4,326
Fund Balance, Beginning of Year	<u>4,326</u>	<u>4,325</u>	<u>(1)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 4,325</u>	<u>\$ 4,325</u>

CITY OF ALACHUA, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUNDS - NON-MAJOR
 FOR THE YEAR ENDED SEPTEMBER 30, 2024
 (Concluded)

	CDBG Neighborhood Revitalization		Variance With Final Budget
	Final Budget	Actual	
Revenues			
Intergovernmental Revenues	\$ 673,315	\$ 686,755	\$ 13,440
Total Revenues	<u>673,315</u>	<u>686,755</u>	<u>13,440</u>
Expenditures			
Capital Outlay	894,929	865,562	29,367
(Total Expenditures)	<u>(894,929)</u>	<u>(865,562)</u>	<u>29,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(221,614)</u>	<u>(178,807)</u>	<u>42,807</u>
Other Financing Sources (Uses)			
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(221,614)	(178,807)	42,807
Fund Balance, Beginning of Year	<u>221,614</u>	<u>214,894</u>	<u>(6,720)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 36,087</u>	<u>\$ 36,087</u>

STATISTICAL SECTION (unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends Information	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	79
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.	89
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.	94
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.	101
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.	104

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

FINANCIAL TRENDS INFORMATION

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 17,393,955	19,616,277	22,463,590	23,893,386	31,404,781
Restricted	1,933,806	697,533	965,855	1,118,805	720,643
Unrestricted	810,604	1,596,788	34,697	1,170,134	(228,560)
Total governmental activities net position	<u>\$ 20,138,365</u>	<u>21,910,598</u>	<u>23,464,142</u>	<u>26,182,325</u>	<u>31,896,864</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 27,034,352	26,925,962	27,105,739	27,305,901	30,545,539
Restricted	737,724	803,328	829,815	845,867	766,948
Unrestricted	5,141,346	7,524,704	8,213,058	10,039,192	8,850,939
Total business-type activities net position	<u>\$ 32,913,422</u>	<u>35,253,994</u>	<u>36,148,612</u>	<u>38,190,960</u>	<u>40,163,426</u>
Primary Government					
Net Investment in Capital Assets	\$ 44,428,307	46,542,239	49,569,329	51,199,287	61,950,320
Restricted	2,671,530	1,500,861	1,795,670	1,964,672	1,487,591
Unrestricted	5,951,950	9,121,492	8,247,755	11,209,326	8,622,379
Total primary government net position	<u>\$ 53,051,787</u>	<u>57,164,592</u>	<u>59,612,754</u>	<u>64,373,285</u>	<u>72,060,290</u>

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				
2020	2021	2022	2023	2024
38,811,346	39,709,937	39,845,824	40,727,323	42,142,370
824,515	877,524	1,067,693	1,734,624	2,399,562
(1,331,158)	(292,015)	1,365,613	2,458,477	2,633,718
<u>38,304,703</u>	<u>40,295,446</u>	<u>42,279,130</u>	<u>44,920,424</u>	<u>47,175,650</u>
32,375,147	36,157,170	36,263,333	37,275,117	41,759,157
497,822	0	0	0	0
<u>8,714,790</u>	<u>7,501,011</u>	<u>9,599,477</u>	<u>11,497,338</u>	<u>13,549,689</u>
<u>41,587,759</u>	<u>43,658,181</u>	<u>45,862,810</u>	<u>48,772,455</u>	<u>55,308,846</u>
71,186,493	75,867,107	76,109,157	78,002,440	83,901,527
1,322,337	877,524	1,067,693	1,734,624	2,399,562
<u>7,383,632</u>	<u>7,208,996</u>	<u>10,965,090</u>	<u>13,955,815</u>	<u>16,183,407</u>
<u>79,892,462</u>	<u>83,953,627</u>	<u>88,141,940</u>	<u>93,692,879</u>	<u>102,484,496</u>

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

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

Fiscal Year

2019	2020	2021	2022	2023	2024
3,929,844	4,312,382	4,279,253	4,390,990	5,104,557	5,726,684
4,005,543	4,448,401	3,808,353	4,596,139	5,625,838	5,954,156
697,179	709,120	739,350	751,599	1,100,907	1,118,274
1,146,987	1,132,041	1,319,813	1,374,633	1,574,783	1,693,097
361,475	348,111	366,847	466,375	502,830	448,591
1,240,993	1,354,105	1,545,586	1,632,577	1,911,392	1,825,706
0	51,787	129,547	86,665	79,110	65,222
441,643	425,762	409,116	391,626	369,497	347,544
<u>11,823,664</u>	<u>12,781,709</u>	<u>12,597,865</u>	<u>13,690,604</u>	<u>16,268,914</u>	<u>17,179,274</u>
10,993,671	10,973,016	11,363,594	15,257,771	11,414,410	11,234,221
4,376,020	4,496,164	4,716,240	4,906,437	5,212,628	5,016,452
64,968	41,531	46,369	47,856	51,278	58,559
<u>15,434,659</u>	<u>15,510,711</u>	<u>16,126,203</u>	<u>20,212,064</u>	<u>16,678,316</u>	<u>16,309,232</u>
27,258,323	28,292,420	28,724,068	33,902,668	32,947,230	33,488,506
465,209	499,375	528,747	691,202	662,254	595,543
460,845	557,469	760,854	853,988	896,118	1,079,414
811,177	819,832	831,301	844,814	1,183,392	1,215,622
40,108	41,157	45,230	46,463	47,723	50,504
0	0	0	0	0	0
113,726	48,268	172,483	336,928	157,276	254,335
0	0	0	0	0	0
399,811	277,541	508,954	258,650	320,283	367,362
5,292,668	7,004,740	1,207,760	1,455,383	1,430,620	1,779,443
<u>7,583,544</u>	<u>9,248,382</u>	<u>4,055,329</u>	<u>4,487,428</u>	<u>4,697,666</u>	<u>5,342,223</u>
14,098,831	14,454,678	14,899,859	18,612,142	14,788,541	14,054,132
4,158,288	4,366,496	5,146,692	5,384,942	5,893,278	7,526,827
60,487	60,786	61,889	62,142	63,654	64,989
75,407	6,266	15,000	0	0	0
768,000	0	138,665	341,422	722,280	2,945,157
<u>19,161,013</u>	<u>18,888,226</u>	<u>20,262,105</u>	<u>24,400,648</u>	<u>21,467,753</u>	<u>24,591,105</u>
<u>26,744,557</u>	<u>28,136,608</u>	<u>24,317,434</u>	<u>28,888,076</u>	<u>26,165,419</u>	<u>29,933,328</u>
(4,240,120)	(3,533,327)	(8,542,536)	(9,203,176)	(11,571,248)	(11,837,051)
3,726,354	3,377,515	4,135,902	4,188,584	4,789,437	8,281,873
<u>(513,766)</u>	<u>(155,812)</u>	<u>(4,406,634)</u>	<u>(5,014,592)</u>	<u>(6,781,811)</u>	<u>(3,555,178)</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 3,638,572	3,982,499	4,171,075	4,090,645
Utility taxes	1,165,926	1,387,113	1,423,860	1,450,979
Discretionary Sales Surtax	0	0	368,655	605,530
Communications services taxes	346,275	338,750	311,859	323,331
Local option gas tax	0	0	0	0
Business license tax	49,645	48,398	48,649	49,970
Franchise fees	0	0	0	0
Intergovernmental revenue	703,123	743,242	801,244	823,041
Unrestricted investment earnings	6,617	25,692	32,812	58,385
Miscellaneous	902,230	194,070	103,364	97,195
Capital asset transfers	0	0	0	0
Gain on disposal of capital assets	0	0	0	0
Special item	(3,186,541)	(123,628)	0	0
Transfers	1,614,556	2,200,859	2,382,101	2,362,597
Total governmental activities	<u>5,240,403</u>	<u>8,796,995</u>	<u>9,643,619</u>	<u>9,861,673</u>
Business-type activities:				
Unrestricted investment earnings	4,280	7,166	23,498	99,537
Miscellaneous	117,079	74,219	101,279	58,336
Capital asset transfers	0	0	0	0
Gain on disposal of capital assets	0	0	0	0
Special item	(803,120)	0	0	0
Transfers	(1,614,556)	(2,200,859)	(2,382,101)	(2,362,597)
Total business-type activities	<u>(2,296,317)</u>	<u>(2,119,474)</u>	<u>(2,257,324)</u>	<u>(2,204,724)</u>
Total primary government	<u>\$ 2,944,086</u>	<u>6,677,521</u>	<u>7,386,295</u>	<u>7,656,949</u>
Change in Net Position				
Governmental activities	\$ (807,347)	1,772,233	1,553,544	2,707,143
Business-type activities	1,123,560	2,340,572	894,618	2,035,190
Total primary government	<u>\$ 316,213</u>	<u>4,112,805</u>	<u>2,448,162</u>	<u>4,742,333</u>

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

Fiscal Year

2019	2020	2021	2022	2023	2024
4,280,381	4,489,384	4,726,998	5,079,266	5,585,088	7,028,964
1,506,043	1,481,057	1,608,171	1,670,498	1,742,543	1,608,058
609,820	571,527	684,556	774,727	1,273,912	1,576,194
332,749	361,901	321,121	313,796	327,756	326,359
0	0	0	0	0	0
51,497	47,733	39,549	48,153	42,317	48,714
0	0	0	0	0	0
853,502	790,075	1,019,001	1,189,151	1,202,264	1,171,086
114,730	30,281	5,407	10,524	107,924	224,893
140,609	101,531	57,535	100,045	1,930,738	108,009
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,065,328	2,067,677	2,071,641	2,000,000	2,000,000	2,000,000
<u>9,954,659</u>	<u>9,941,166</u>	<u>10,533,979</u>	<u>11,186,160</u>	<u>14,212,542</u>	<u>14,092,277</u>
187,324	58,977	6,161	12,051	118,924	223,443
124,115	55,518	0	3,994	1,284	31,075
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(2,065,328)	(2,067,677)	(2,071,641)	(2,000,000)	(2,000,000)	(2,000,000)
<u>(1,753,889)</u>	<u>(1,953,182)</u>	<u>(2,065,480)</u>	<u>(1,983,955)</u>	<u>(1,879,792)</u>	<u>(1,745,482)</u>
<u>8,200,770</u>	<u>7,987,984</u>	<u>8,468,499</u>	<u>9,202,205</u>	<u>12,332,750</u>	<u>12,346,795</u>
5,714,539	6,407,839	1,991,443	1,982,984	2,641,294	2,255,226
1,972,465	1,424,333	2,070,422	2,204,629	2,909,645	6,536,391
<u>7,687,004</u>	<u>7,832,172</u>	<u>4,061,865</u>	<u>4,187,613</u>	<u>5,550,939</u>	<u>8,791,617</u>

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

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
3,104,103	3,022,285	1,634,204	918,680	334,093	408,054
12,824	12,427	0	0	0	3,390
1,228,534	1,597,253	1,454,295	2,087,212	3,359,902	4,450,033
2,705,928	2,516,089	3,888,829	4,905,716	6,519,909	5,635,718
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,051,389</u>	<u>7,148,054</u>	<u>6,977,328</u>	<u>7,911,608</u>	<u>10,213,904</u>	<u>10,497,195</u>
597	589	5,613	5,784	5,898	6,226
707,819	812,088	878,224	1,067,693	1,734,624	2,396,172
491,462	502,343	537,640	717,979	725,835	733,371
(2,802,715)	(2,539,356)	(1,098,942)	(301,593)	0	(66,965)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(1,602,837)</u>	<u>(1,224,336)</u>	<u>322,535</u>	<u>1,489,863</u>	<u>2,466,357</u>	<u>3,068,804</u>

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 5,430,545	6,004,417	6,574,325	6,771,785
Permits, fees, and special assessments	495,716	491,381	491,187	536,096
Intergovernmental revenues	1,887,631	1,796,689	1,594,494	1,241,335
Charges for services	947,960	1,067,509	982,949	1,060,719
Fines and forfeitures	43,769	34,312	64,531	29,230
Interest	6,617	25,692	32,812	58,385
Miscellaneous	998,455	192,843	107,699	89,425
Total revenues	<u>9,810,693</u>	<u>9,612,843</u>	<u>9,847,997</u>	<u>9,786,975</u>
Expenditures				
General government	2,560,365	2,741,395	3,064,460	3,156,600
Public safety	3,128,641	3,283,396	3,555,867	3,133,453
Physical environment	840,588	828,228	724,030	728,843
Transportation	488,529	566,945	563,055	562,857
Economic environment	172,559	197,743	186,235	294,475
Human services	0	0	0	0
Parks and recreation	789,635	640,079	592,608	793,078
Debt service:				
Principal	321,840	418,711	482,911	534,888
Interest and fiscal charges	424,885	474,815	486,444	489,477
Capital outlay	1,979,202	4,339,117	7,395,139	1,048,099
Total expenditures	<u>10,706,244</u>	<u>13,490,429</u>	<u>17,050,749</u>	<u>10,741,770</u>
Excess (deficiency) of revenues over (under) expenditures	(895,551)	(3,877,586)	(7,202,752)	(954,795)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	0	0	0	0
Proceeds from borrowing	1,150,000	13,207,453	0	0
Payments to refunding bond escrow agent	(1,150,000)	(7,100,000)	0	0
Insurance proceeds	0	0	0	0
Transfers in	2,979,434	3,437,126	5,478,044	3,398,431
Transfers out	(1,364,878)	(1,236,267)	(3,095,943)	(1,035,834)
Total other financing sources (uses)	<u>1,614,556</u>	<u>8,308,312</u>	<u>2,382,101</u>	<u>2,362,597</u>
Net change in fund balances	<u>\$ 719,005</u>	<u>4,430,726</u>	<u>(4,820,651)</u>	<u>1,407,802</u>
Debt service as a percentage of noncapital expenditures	8.6%	9.8%	10.0%	10.6%

Source: City of Alachua Financial Reports

Note:

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

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
7,039,344	7,197,160	7,661,926	8,201,819	9,307,638	10,947,312
564,860	581,834	797,763	1,005,843	1,057,984	1,071,191
3,723,450	8,201,739	2,908,312	2,495,080	1,769,540	2,345,295
1,217,916	1,312,746	1,459,927	1,735,312	1,859,938	2,051,809
78,810	40,987	46,308	56,253	48,080	82,030
114,730	30,283	5,407	10,524	107,924	224,893
137,858	47,637	47,324	86,681	1,962,732	119,843
<u>12,876,968</u>	<u>17,412,386</u>	<u>12,926,967</u>	<u>13,591,512</u>	<u>16,113,836</u>	<u>16,842,373</u>
3,332,416	3,604,814	4,131,805	3,951,708	4,170,933	5,065,538
3,261,173	3,513,424	3,771,476	4,216,129	4,556,215	5,485,617
697,125	709,066	739,296	751,545	1,100,853	1,118,274
667,209	592,393	684,572	699,970	775,977	873,827
300,062	233,817	315,730	410,344	336,762	411,851
0	51,787	129,547	86,665	79,110	65,222
876,510	954,871	1,136,982	1,176,277	1,455,210	1,369,849
464,197	479,892	515,433	324,918	497,251	418,100
471,882	456,514	440,173	422,102	404,245	382,034
6,826,063	8,408,319	1,757,449	1,450,246	1,458,490	2,766,323
<u>16,896,637</u>	<u>19,004,897</u>	<u>13,622,463</u>	<u>13,489,904</u>	<u>14,835,046</u>	<u>17,956,635</u>
(4,019,669)	(1,592,511)	(695,496)	101,608	1,278,790	(1,114,262)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,015,805	3,033,621	3,048,523	3,248,809	3,035,007	3,073,523
(950,476)	(965,944)	(976,882)	(1,248,809)	(1,035,007)	(1,073,523)
<u>2,065,329</u>	<u>2,067,677</u>	<u>2,071,641</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
<u>(1,954,340)</u>	<u>475,166</u>	<u>1,376,145</u>	<u>2,101,608</u>	<u>3,278,790</u>	<u>885,738</u>
9.3%	8.8%	8.1%	6.2%	6.7%	5.3%

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
2015	\$ 287,733,692	\$ 106,342,560	\$ 57,151,050	\$ 122,327,400
2016	298,701,155	107,851,700	57,903,000	120,895,840
2017	309,304,486	113,985,346	53,879,730	121,952,410
2018	335,714,108	103,460,140	54,743,787	176,570,660
2019	357,724,814	106,719,620	60,071,970	179,366,290
2020	375,232,012	117,826,179	58,052,873	176,592,913
2021	384,017,832	121,199,899	59,666,304	194,476,724
2022	409,264,640	129,231,583	61,894,175	210,246,042
2023	460,164,061	147,124,615	62,321,063	223,287,162
2024	524,832,029	157,032,950	62,289,395	259,996,967

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
\$ 290,459,714	\$ 103,433,849	\$ 284,232,894	\$ 683,215,371	5.5000
287,466,114	100,745,527	285,472,955	688,090,381	5.9900
291,778,105	107,092,736	286,363,129	711,629,684	5.9900
306,847,540	107,354,328	302,079,280	782,611,283	5.3900
323,835,410	110,932,918	318,382,990	820,268,032	5.3900
329,621,158	124,683,997	325,488,330	856,520,802	5.3900
349,185,630	129,653,433	331,380,488	906,819,334	5.3900
357,686,564	142,274,830	335,026,671	975,571,163	5.3900
369,369,192	148,544,616	342,036,425	1,068,774,284	5.3900
390,213,187	178,706,392	355,072,495	1,217,998,425	5.9500

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

Fiscal Year Ended Sept. 30,	Direct			Overlapping							
	Basic Rate	General Obligation Debt Service	Total City	Alachua BOCC	Alachua BOCC GO Debt	Alachua County Library District	Library Debt Service	Alachua County Children's Trust	School Board	Suwannee River Water Management District	St. Johns River Water Management District
2015	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0950	0.0000	8.4100	0.4141	0.3164
2016	5.9900	0.0000	5.9900	8.7950	0.1595	1.4538	0.0900	0.0000	8.3420	0.4104	0.3023
2017	5.9900	0.0000	5.9900	8.9290	0.0000	1.3371	0.0750	0.0000	7.9360	0.4093	0.2885
2018	5.3900	0.0000	5.3900	8.4648	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027	0.2724
2019	5.3900	0.0000	5.3900	8.2829	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948	0.2562
2020	5.3900	0.0000	5.3900	8.2729	0.0000	1.1825	0.0000	0.5000	7.1440	0.3840	0.2414
2021	5.3900	0.0000	5.3900	7.8935	0.0000	1.1289	0.0000	0.5000	6.9150	0.3696	0.2287
2022	5.3900	0.0000	5.3900	7.8662	0.0000	1.0856	0.0000	0.5000	6.8430	0.3615	0.2189
2023	5.3900	0.0000	5.3900	7.7662	0.0000	1.0565	0.0000	0.4612	6.4980	0.3368	0.1974
2024	5.9500	0.0000	5.9500	7.6414	0.0000	1.0339	0.0000	0.4612	6.4320	0.3113	0.1793

Source: Alachua County Property Appraiser

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

Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
			Value			Value
National Resilience (Ology Bioservices)	\$ 83,278,090	1	6.84%			
Wal-Mart Stores East LP	73,382,112	2	6.02%	\$ 65,489,340	1	10.91%
Dolgencorp, Inc.	58,180,547	3	4.78%	56,415,610	2	7.40%
Baugh Southeast Cooperative, Inc.	27,121,080	4	2.23%	30,718,800	3	4.50%
Regeneration Technologies, Inc.	26,187,452	5	2.15%	23,802,490	4	3.37%
Alachua Development, LLC	23,883,017	6	1.96%	10,206,400	7	1.47%
Alachua Copeland Park Investments LLC	14,157,078	7	1.16%			
Alachua Highpoint LLC	12,191,594	8	1.00%			
CEGM Alachua LLC	10,601,638	9	0.87%			
Waco Properties, Inc.	10,583,712	10	0.87%	10,514,200	6	1.59%
SNH Medical Office Properties				11,372,900	5	2.25%
South Redistribution Center Inc.				9,225,100	8	1.36%
Lowes Home Centers, Inc.				8,091,020	9	1.24%
MAS Holding Company, Inc.				5,029,950	10	0.76%
	<u>\$ 339,566,320</u>		<u>27.88%</u>	<u>\$ 230,865,810</u>		<u>34.85%</u>

Source: Alachua County Tax Collector

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

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 3,757,685	\$ 3,632,904	96.7%	\$ 5,669	\$ 3,638,573	96.8%
2016	4,130,829	3,975,018	96.2%	7,481	3,982,499	96.4%
2017	4,262,662	4,164,772	97.7%	6,303	4,171,075	97.9%
2018	4,230,837	4,085,398	96.6%	5,247	4,090,645	96.7%
2019	4,404,414	4,296,687	97.6%	(16,306)	4,280,381	97.2%
2020	4,539,399	4,475,397	98.6%	13,987	4,489,384	98.9%
2021	4,892,610	4,719,365	96.5%	7,636	4,727,001	96.6%
2022	5,274,051	5,066,133	96.1%	13,135	5,079,268	96.3%
2023	5,785,556	5,584,523	96.5%	565	5,585,088	96.5%
2024	7,213,157	7,026,942	97.4%	2,023	7,028,965	97.4%

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

Governmental Activities					
Fiscal Year	Gen. Govt. Revenue Bonds	Gen. Govt. Participation Certificates	Sales Tax Revenue Notes	Financing Loans	Capital Leases
2015	\$ 7,177,584	\$ 1,015,000	\$ 0	\$ 500,000	\$ 0
2016	12,937,326	875,000	0	1,140,370	180,085
2017	12,839,292	725,000	0	971,501	90,043
2018	12,622,858	560,000	0	467,389	0
2019	12,399,024	385,000	0	377,995	0
2020	12,171,488	200,000	0	286,601	0
2021	11,925,453	0	0	193,168	0
2022	11,672,019	0	0	97,651	0
2023	11,248,384	0	0	0	0
2024	10,806,249	0	0	0	0

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

Business-Type Activities

Utility Acquisition Bonds	Utility Refunding Bonds	Utility Revenue Bonds	Financing Loans	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 375,000	\$ 3,410,000	\$ 0	\$ 8,345,992	\$ 0	\$ 21,547,614	5.86%	\$ 2,254
290,000	2,750,000	4,611,853	8,229,683	0	31,014,317	7.91%	3,135
200,000	2,085,000	4,576,964	8,086,990	0	29,574,790	7.36%	2,977
105,000	1,405,000	4,500,471	7,917,275	0	27,577,993	6.51%	2,716
0	710,000	4,421,382	12,220,079	0	30,513,479	6.95%	2,963
0	0	4,340,996	11,995,158	0	28,994,243	5.57%	2,769
0	0	4,254,106	11,327,436	0	27,709,054	5.45%	2,576
0	0	4,164,617	10,637,957	0	26,483,483	4.82%	2,442
0	0	4,015,328	10,136,566	0	25,400,278	4.53%	2,306
0	0	3,859,539	9,618,063	0	24,283,851	3.97%	2,150

Schedule 10
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Capital Improvement Revenue and Revenue Refunding Bonds, 2016	\$ 10,265,475	100.00%	\$ 10,265,475
Plus Premium	540,775	100.00%	540,775
Total direct debt	10,806,250		10,806,250
Overlapping:			
Alachua County Board of County Commissioners:			
Public Improvement Revenue Note, 2014	1,085,000	5.73%	62,215
Capital Improvement Revenue Note, 2015A	829,000	5.73%	47,535
Public Improvement Revenue Refunding Note, 2015B	4,406,000	5.73%	252,643
Public Improvement Revenue Refunding Note, 2016	4,770,000	5.73%	273,515
Public Improvement Revenue Note, 2017	613,000	5.73%	35,150
Local Option Gas Tax Revenue Note, 2018	5,315,000	5.73%	304,766
Capital Improvement Revenue Note, 2020A	2,325,000	5.73%	133,317
Capital Improvement Revenue Note, 2020B	2,995,000	5.73%	171,736
Capital Improvement Revenue Note, 2020C	8,510,000	5.73%	487,970
Tourist Development Tax Revenue Note, 2021AB	29,655,000	5.73%	1,700,440
Capital Improvement Revenue Note, 2022	32,405,000	5.73%	1,858,127
Capital Improvement Revenue Note, 2023	7,755,000	5.73%	444,677
School Board of Alachua County:			
Bus Purchase 2020	924,513	4.94%	45,652
Certificates of Participation	74,270,000	4.94%	3,667,402
Qualified School Construction Bonds	11,211,997	4.94%	553,641
Build America Bonds	2,017,899	4.94%	99,642
Total overlapping debt	189,087,409		10,138,428
Total direct and overlapping debt	\$ 199,893,659		\$ 20,944,678

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

Notes:

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

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

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

Fiscal Year	Pledged Revenue	Section 108 Loan Debt Service	
		Principal	Interest
2015	\$ 1,057,098	\$ 135,000	\$ 77,762
2016	1,133,662	140,000	16,405
2017	1,190,516	150,000	15,242
2018	1,235,434	165,000	13,848
2019	1,310,196	175,000	11,654
2020	1,272,267	185,000	8,363
2021	1,428,992	200,000	3,917
2022	0	0	0
2023	0	0	0
2024	0	0	0

Fiscal Year	Pledged Revenue	Series 2006 Capital Improvement Debt Service	
		Principal	Interest
2015	\$ 6,024,910	\$ 105,000	\$ 312,783
2016	6,402,248	110,000	304,448
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0

Notes:

(1) Pledged revenue for the Section 108 Loan consists of Half Cent Sales Tax, Franchise Fees, and Guaranteed Entitlement Revenue.

(2) Original Section 108 Loan Series 2001A was refinanced by HUD in FY 2014-2015 and paid off in FY 2021.

(3) Pledged revenue for the Series 2006 bonds consists of various non ad valorem revenue. This issue was in FY 2016 by the covenant-to-budget Series 2016 Capital Improvement and Revenue Refunding bonds.

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

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1995 Debt Service		Sales Tax Rev Note-1999A Debt Service		Coverage
		Principal	Interest	Principal	Interest	
2015	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00
2016	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2021	0	0	0	0	0	0.00
2022	0	0	0	0	0	0.00
2023	0	0	0	0	0	0.00
2024	0	0	0	0	0	0.00

Fiscal Year	Sales Tax Revenue	Sales Tax Rev Note-1999B Debt Service		Sales Tax Rev Note-2000 Debt Service		Coverage
		Principal	Interest	Principal	Interest	
2015	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00
2016	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2021	0	0	0	0	0	0.00
2022	0	0	0	0	0	0.00
2023	0	0	0	0	0	0.00
2024	0	0	0	0	0	0.00

Notes:

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

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

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

Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	\$ 430,915	\$ 81,841	\$ 17,439	\$ 99,280	4.34
2016	446,504	83,668	15,612	99,280	4.50
2017	461,807	85,535	13,744	99,279	4.65
2018	442,610	87,445	11,835	99,280	4.46
2019	459,275	89,397	9,882	99,279	4.63
2020	466,184	91,392	7,887	99,279	4.70
2021	470,975	93,433	5,847	99,280	4.74
2022	490,008	95,518	3,761	99,279	4.94
2023	549,266	97,651	1,629	99,280	5.53
2024	603,666	0	0	0	0.00

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 values multiplied by 95%.
- (2) 2013 Redevelopment Note was paid of Fiscal Year 2023.

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

Net Debt Service Requirements

Fiscal Year	Net Utility Revenue Available	Excise Taxes	Revenue Available for Debt Service	Total Debt	Coverage
2015	\$ 3,295,525	\$ 1,512,201	\$ 4,807,726	\$ 1,120,818	4.29
2016	3,949,967	1,725,863	5,675,830	1,142,493	4.97
2017	3,042,563	1,735,719	4,778,282	1,158,811	4.12
2018	3,587,827	1,774,310	5,362,137	1,184,685	4.53
2019	3,137,138	1,838,792	4,975,930	1,214,577	4.10
2020	3,711,173	1,842,958	5,554,131	1,132,122	4.91
2021	4,003,398	1,929,292	5,932,690	1,059,513	5.60
2022	3,958,469	1,984,294	5,942,880	990,900	6.00
2023	3,473,484	2,070,299	5,543,783	785,803	7.05
2024	5,920,122	1,934,417	7,854,539	788,710	9.96

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
2015	9,561	\$ 273,377	\$ 38,462	\$ 367,735,182	4.20%
2016	9,892	277,163	39,650	392,217,800	4.40%
2017	9,936	280,708	40,444	401,851,584	4.50%
2018	10,155	280,715	41,718	423,646,290	3.40%
2019	10,298	285,072	42,663	439,343,574	2.50%
2020	10,470	289,857	49,689	520,243,830	4.30%
2021	10,756	328,517	47,302	508,780,312	5.20%
2022	10,844	351,001	50,623	548,955,812	2.40%
2023	11,015	357,446	50,892	560,575,380	3.00%
2024	11,296	361,661	54,166	611,859,136	3.50%

Notes:

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

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

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

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

Employer	Type of Business	Fiscal Year 2024		
		Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	915	1	26.75%
Dollar General Distribution Center	Retail	776	2	22.68%
School Board of Alachua County	Public Education	313	3	9.15%
Sandvik Mining & Construction USA, LLC	Manufacturing	270	4	7.89%
Publix Supermarkets	Retail	243	5	7.10%
National Resilience (Ology Bioservices)	Biologic Technologies	235	6	6.87%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	210	7	6.14%
Lowe's	Retail	157	8	4.59%
City of Alachua	City Government	155	9	4.53%
Baugh Southeast Cooperative, Inc. (Sysco)	Retail	147	10	4.30%
	Total City Employment	3,421		

Source: Individual Employers

Employer	Fiscal Year 2015			
	Type of Business	Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	762	1	25.50%
Dollar General Distribution Center	Retail	600	2	20.08%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	540	3	18.07%
School Board of Alachua County	Public Education	323	4	10.81%
Lowe's	Retail	143	5	4.79%
State of Florida	State Government	139	6	4.65%
Baugh Southeast Cooperative, Inc.	Retail	131	7	4.38%
Sandvik Mining & Construction USA, LLC	Manufacturing	129	8	4.32%
City of Alachua	City Government	119	9	3.98%
Greenway Health (Vitera)	Healthcare Management	102	10	3.41%
	Total City Employment	2,988		

Source: Individual Employers

OPERATING INFORMATION

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

Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Administration	19.00	13.00	12.00	13.00	13.00	13.00	13.00	15.00	15.00	15.00
Culture and Recreation	7.00	7.00	5.00	6.00	7.00	8.00	8.00	8.00	12.00	10.00
Finance/Administrative Services	14.00	20.00	25.00	26.00	26.00	27.00	28.00	29.00	26.00	30.00
Police	30.00	31.50	32.50	34.50	34.50	36.50	36.50	38.50	41.50	41.50
Community Development and Planning	10.00	10.50	11.00	13.00	13.00	13.00	13.00	12.00	13.00	14.00
Public Services	37.00	38.00	38.00	40.00	40.00	41.00	43.00	48.00	50.00	53.00
Total	117.00	120.00	123.50	132.50	133.50	138.50	141.50	150.50	157.50	163.50

Source: City of Alachua Annual Budget

Notes:

- A) Community Development and Planning includes Compliance and Risk Management - 3.5 FTE in FY 2016.
- B) Purchasing, IT, and Facilities consolidated under Finance & Administrative Services during FY 2016.
- C) FTE for Electric System Planner added to Public Services during FY 2016.
- D) Recreation maintenance staff consolidated with Facilities in FY 2017, transferred back to Culture Recreation in FY2023 and reassigned to Facilities again in FY2024 - 3 FTE.
- E) Safety Specialist transferred to Human Resources from Compliance and Risk Management in FY 2022.

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety:										
Arrests	206	217	247	320	304	228	183	343	242	402
Traffic citations issued	1,941	2,196	1,889	1,144	1,813	1,567	1,861	1,682	1,192	1,444
Planning and Development:										
New local business tax receipts issued	76	58	42	49	54	35	41	47	60	47
Building permits issued	642	605	531	948	668	716	641	952	1,095	1,038
Culture and Recreation:										
Participants in Summer Recreation Program	0	0	0	42	165	62	194	190	177	144
Electric Utility:										
Number of residential customers	3,790	3,866	3,855	3,828	3,881	3,901	3,988	4,034	4,046	4,210
Kilowatts per hour sold-residential	42,873,312	44,908,136	49,536,179	43,899,437	45,432,789	44,486,790	46,932,453	47,876,451	45,066,429	49,224,047
Number of commercial customers	845	850	833	939	1,086	1,102	1,134	1,157	1,158	1,163
Kilowatts per hour sold-commercial	76,684,358	76,684,358	88,739,370	85,042,289	86,828,532	77,724,048	86,999,274	96,251,278	98,827,071	104,229,140
Water Utility:										
Number of residential customers	3,377	3,455	3,435	3,481	3,532	3,569	3,676	3,756	3,833	4,010
Gallons sold	181,027,654	195,392,511	239,218,578	190,649,990	203,401,990	210,642,294	201,998,290	215,566,410	215,908,840	234,132,650
Number of commercial customers	534	544	524	526	534	547	570	573	572	597
Gallons sold	160,707,699	183,371,258	151,993,571	185,630,701	192,225,666	184,659,250	196,476,140	212,258,580	215,379,015	231,003,762
Wastewater Utility:										
Number of customers	2,886	2,977	2,953	2,984	3,035	3,073	3,133	3,211	3,271	3,445
Gallons of wastewater billed to customers	238,979,271	239,973,349	271,199,248	266,929,170	281,685,710	271,043,085	285,272,510	305,450,040	311,847,795	334,420,510
Reclaimed Water:										
Number of customers	1	1	1	1	1	1	1	1	1	1
Gallons of wastewater billed to customers	138,011,490	220,200	58,655,900	177,262,500	173,520,740	25,575	31,930	6,102,000	0	0
Solid Waste:										
Number of customers	3,490	3,532	3,554	3,604	3,685	3,695	3,774	3,834	3,891	4,059

Source: Various City Departments

Notes:

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

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police substations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Public Services:										
Streets (miles)	48.00	48.00	49.10	49.97	52.00	52.00	56.00	56.00	56.00	56.00
Culture and Recreation:										
Parks	6	6	7	7	7	7	7	7	7	7
Tennis courts	2	2	2	2	2	2	2	2	2	2
Ball fields	11	11	11	11	11	11	11	11	11	11
Community centers	3	3	3	3	3	3	3	3	3	3
Skate park	1	1	1	1	1	1	1	1	1	1
Spray pool	1	1	1	1	1	1	1	1	1	1
Electric Utility:										
Substations	1	1	1	1	1	1	1	2	2	2
Water Utility:										
Wells	3	3	3	3	3	3	3	3	3	3
Wastewater Utility:										
Treatment capacity (millions of gallons per day)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: Various City Departments

OTHER INDEPENDENT AUDITOR'S REPORTS

**CITY OF ALACHUA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Federal and State Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
Federal Awards			
U.S. Department of Housing and Urban Redevelopment			
Passed-Through Florida Department of Economic Opportunity:			
Community Development Block Grant - Neighborhood Revitalization	14.228	22DB-OP-03-11-02-N17	\$ 686,755
Total U.S. Department of Housing and Urban Redevelopment			<u>686,755</u>
U.S. Department of Justice			
Passed-Through Florida Department of Law Enforcement:			
Law Enforcement Equipment	16.738	C-8C198	5,255
Law Enforcement Equipment	16.738	C-R7209	24,985
Total U.S. Department of Housing and Urban Redevelopment			<u>30,240</u>
U.S. Department of Treasury			
Passed-Through Florida Division of Emergency Management:			
COVID-19 American Rescue Plan			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5000	1,868,911
Total U.S. Department of Treasury			<u>1,868,911</u>
Total Expenditures of Federal Awards			<u>\$ 2,585,906</u>

CITY OF ALACHUA, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the City of Alachua, Florida (the City).

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2024. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - De Minimis Indirect Cost Rate Election

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
CITY OF ALACHUA, FLORIDA**

1. Summary of Audit Results

Financial Statements

I. Type of Audit Report Issued on Financial Statements

Unmodified Opinion

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

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

III. Non-Compliance Material to Auditee Financial Statements

Audit disclosed no material instances of non-compliance.

Federal Programs

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

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

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

Unmodified Opinion

VI. Audit Findings Relative to Major Federal Programs

The audit disclosed no findings required to be reported.

VII. Programs Tested as Major Federal Programs Included

■ **Federal Programs**

Coronavirus State and Local Fiscal Recovery Funds

**Assistance
Listing No.**

21.027

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

■ **Federal Programs**

\$750,000

IX. Low-Risk Auditee

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

X. Financial Statement Findings

No matters are reported.

XI. Federal Awards Findings and Questioned Costs

No matters are reported.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Alachua, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City has complied, in all material respects, with the types of compliance requirements referred to above that could have a material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with

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

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Purvis Gray

March 27, 2025
Gainesville, Florida

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 27, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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City Manager
Alachua, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

March 27, 2025
Gainesville, Florida

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

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

We have examined the City of Alachua, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

March 27, 2025
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Alachua, Florida (the City) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 27, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 27, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no such findings in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. These disclosures can be found in Note 1 to the financial statements.

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

MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City must state whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit, and provide contact information for any such programs. Management affirms the following program administrators operated PACE programs within the City's geographic boundaries during the year ended September 30, 2024:

- Ygrene Energy Fund Florida LLC
6303 Blue Lagoon Drive
Suite 400
Miami, Florida 33126
Customer.care@ygrene.com
866-634-1358
- Florida PACE Funding Agency
6650 Professional Parkway
Suite 102
Sarasota, Florida 34240
Info@FloridaPACE.gov
850-400-7223

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

MANAGEMENT LETTER

Specific Information

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

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

Purvis Gray

March 27, 2025
Gainesville, Florida