Regular City Commission Meeting
Agenda
April 10, 2023

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

City Manager Mike DaRoza
City Attorney Marian Rush

The City Commission will conduct a

Regular City Commission Meeting
At 6:00 PM

to address the item(s) below.

Meeting Date: April 10, 2023

Meeting Location: James A Lewis Commission Chambers
15100 NW 142 Ter.

CITY COMMISSION MEETING

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

CALL TO ORDER

INVOCATION

PLEDGE TO THE FLAG

APPROVAL OF THE AGENDA

APPROVE READING OF PROPOSED ORDINANCES AND RESOLUTIONS BY TITLE ONLY

I. SPECIAL PRESENTATIONS

A. Alachua Elementary School- Student Artist Appreciation

B. 2023 Great American Cleanup Proclamation

C. National Public Safety Telecommunications Week Proclamation

II. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

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

III. COMMITTEE REPORTS/COMMITTEE APPOINTMENTS/CITY ANNOUNCEMENTS

IV. PUBLIC HEARINGS AND ORDINANCES

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

V. AGENDA ITEMS

A. Resolution 23-06: Accepting the Annual Comprehensive Financial Report and Management Letter for the Fiscal Year Ended September 30, 2022

VI. COMMENTS FROM CITIZENS ON SUBJECTS NOT ON THE AGENDA

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

VII. COMMENTS FROM CITY MANAGER AND CITY ATTORNEY

VIII.COMMISSION COMMENTS/DISCUSSION

ADJOURN

CONSENT AGENDA

CONSENT AGENDA ITEMS

Commission Agenda Item

MEETING DATE: 4/10/2023
SUBJECT: Alachua Elementary School- Student Artist Appreciation
PREPARED BY: Diane L. Amendola, Assistant Deputy City Clerk

RECOMMENDED ACTION:
Mayor Coerper and Ms. Jamie Smith to present the certificates to the students.

Summary

In recognition of the student artists, we are presenting art certificates to the students of the Alachua Elementary School who had their artwork featured on display in the foyer of City Hall.

Commission Agenda Item

MEETING DATE: 4/10/2023
SUBJECT: 2023 Great American Cleanup Proclamation
PREPARED BY: Rodolfo Valladares, Public Services Director

RECOMMENDED ACTION:

Mayor to read the proclamation.

Summary

The City of Alachua is seeking help to beautify our community by participating in our local Great American Cleanup event scheduled for Saturday, May 6th.

The Great American Cleanup is the country's largest community improvement program that kicks off in more than 20,000 communities each spring. This program is designed to end littering, improve recycling and beautify our community. We encourage volunteers to participate in our local cleanup.

This year, we will begin at 8:30 am at City Hall with breakfast being provided. Trash bags, safety vests, gloves, maps and instructions for the cleanup will also be provided. The event will conclude by noon.

This year's proposed beautification activities include:

- CRA District - tree planting.
- Criswell Park & Hipp Way - creating a cleaner community for our neighbors, friends, & family
- Swick House - beautification
- Tire Roundup Event - scheduled on Friday, May 5th and Saturday, May 6th, 2023; staged at the Alachua Wastewater Treatment Facility.

The City is currently accepting sponsorships for this event. By aligning with both organizational and personal passions, we continue to make a difference.

FINANCIAL IMPACT: No

BUDGETED: Yes

FUNDING SOURCE: Other

COMMISSION GOALS:
Quality of Life, Community Enhancement, Strengthen Community Services

ATTACHMENTS:

Description

Commission Agenda Item

MEETING DATE: 4/10/2023
SUBJECT: National Public Safety Telecommunications Week Proclamation
PREPARED BY: Vicki Floyd, Administrative Services Manager

RECOMMENDED ACTION:
Mayor to read the proclamation declaring April 9th - 15th, 2023, as National Public Safety Telecommunications Week.

Summary

Each year, the second full week in the month of April is dedicated to the men and women who serve as Public Safety Telecommunicators, known as "National Public Safety Telecommunications Week". The City of Alachua Police Department has its own telecommunications section, referred to as the Communications Division, which is comprised of seven (7) full-time employees; one (1) Communications Supervisor and six (6) Communications Operators. The Communications Division is the public's first line of contact with the department.
They are responsible for handling all incoming emergency calls for service to the department, including 911 transfers from the Alachua County Sheriff's Office; dispatching and monitoring of radio traffic for all officers responding to and initiating calls for service, as well as walk-ins at the station. While this is but a brief list of their duties and responsibilities, and in no way intended to be all inclusive, it is important to recognize that the Communications Division is a vital component of the public safety service provided to our citizens. Therefore, in recognition of their significant contributions to the community, staff requests proclaiming the week of April 9th - 15th, 2023, as ***"National Public Safety Telecommunications Week"*** in the City of Alachua, Florida.

FINANCIAL IMPACT: No

ATTACHMENTS:
Description

Description

Proclamation Nat'l Public Safety Telecommunications Week 2023

City of Alachua, Florida

Office of Mayor *Gib Coerper*

PROCLAMATION

WHEREAS, the professional Public Safety Telecommunicators in the City of Alachua, Florida play a crucial role in the protection of life, property and delivery of Public Safety Services; and

WHEREAS, each day, City of Alachua, Florida citizens call for help in emergency situations, and the Telecommunicators who answer these calls for help gather essential information and dispatch the appropriate assistance, often making the difference between life and death for persons in need; and

WHEREAS, these well trained, highly dedicated and deeply motivated individuals serve the citizens of the City of Alachua, Florida twenty-four hours a day, seven days a week, and during extreme situations, such as hurricanes, are unable to be with their families to protect their own personal homes and property; and

WHEREAS, these Telecommunicators often do not receive recognition due them by the citizens and agencies who depend on them and benefit from their services; and

WHEREAS, the Congress of the United Sates has proclaimed its support and recognition to these employees and their profession, and the City of Alachua, Florida Commission wishes to publicly recognize the Telecommunicators who serve the citizens of the City of Alachua, Florida in such a professional manner.

NOW, THEREFORE, I, Gib Coerper, Mayor of the City of Alachua, Florida, representing the City and the City Commission, do hereby proclaim **April 9th – 15th, 2023** as

"National Public Safety Telecommunications Week"

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of April, 2023.

ATTEST:

____

Gib Coerper, Mayor

Commission Agenda Item

MEETING DATE: 4/10/2023
SUBJECT: Resolution 23-06: Accepting the Annual Comprehensive Financial Report and Management Letter for the Fiscal Year Ended September 30, 2022
PREPARED BY: Robert A. Bonetti, Finance and Administrative Services Director

RECOMMENDED ACTION:
Adopt Resolution 23-06 Accepting the Annual Comprehensive Financial Report and Management Letter for the Fiscal Year ended September 30, 2022.

Summary

The annual audit of the City's Fiscal Year 2021-2022 financial statements has been completed by Purvis, Gray and Company, the City's independent Certified Public Accountants. This evening, Mr. Ron Whitesides of Purvis, Gray and Company will present the results of the Fiscal Year 2021-2022 audit process.

Overall, the City received an unmodified ("clean") opinion as it pertains to the financial statements for the year ended September 30, 2022. This is the highest audit opinion that can be received. This is the twentieth consecutive year of receiving this distinction. Additionally, there were no current year written comments.

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

FINANCIAL IMPACT: No

BUDGETED: No

AMOUNT: N / A

ATTACHMENTS:

	Description
🗋	Resolution 23-06
🗋	Annual Comprehensive Financial Report FYE 2022
🗋	Communication with Those In Governance

RESOLUTION 23-06

A RESOLUTION OF THE CITY OF ALACHUA, FLORIDA; ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT AND MANAGEMENT LETTER FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Alachua City Commission has been presented with and reviewed the Annual Comprehensive Financial Report of the City of Alachua, presented by Purvis, Gray & Company for the fiscal year ending September 30, 2022;

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

1. Upon reviewing the Annual Comprehensive Financial Report, the Alachua City Commission does hereby accept the report.

2. That this resolution shall take effect immediately upon its adoption.

DULY ADOPTED in regular session, this 10th day of April, 2023.

CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA

____
Gib Coerper, Mayor

SEAL

ATTEST:

____
Mike DaRoza, City Manager/Clerk

2022

City of Alachua, Florida

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2022

CITY OF ALACHUA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Prepared by:
Finance and Administrative Services

CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

CITY OF ALACHUA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

IV. OTHER INDEPENDENT AUDITOR'S REPORTS AND SCHEDULES

INTRODUCTORY SECTION

City of Alachua

Mayor and City Commissioners

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

Mike DaRoza, City Manager
Marian Rush, City Attorney

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alachua
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

City of Alachua

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

Office of the City Manager
Mike DaRoza

March 29, 2023

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, 2022, 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, 2022, 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, 2022, are presented fairly and in conformity with GAAP.

PO Box 9
Alachua, Florida 32616-0009

"The Good Life Community"
www.cityofalachua.com

Phone: (386) 418-6100
Fax: (386) 418-6175

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

PROFILE OF THE GOVERNMENT

The City of Alachua is geographically located in North Central Florida. The City's boundaries encompass about 36.5 square miles. Alachua was established in 1884 on a railroad line, after the railroad had bypassed nearby Newnansville, Florida. Alachua got a post office in 1887, and was officially incorporated on April 12, 1905, at which time it had a population of 526 people. According to the University of Florida Bureau of Economic and Business Research (BEBR), the City's population was approximately 10,844 as of September 30, 2022. The City has a charter government structure approved by referendum of the electors pursuant to the Constitution and laws of the State of Florida. The City operates under the City Manager form of government with a commission comprised of an elected Mayor and four elected Commissioners. The elections are non-partisan and each Commissioner represents the entire City.

REPORTING ENTITY AND ITS SERVICES

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

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived therefrom and the evaluation of costs and benefits requires estimates and judgments by management. We believe all internal control evaluations occur within this framework and that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

MAJOR FUND PRESENTATION

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

LOCAL ECONOMY

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

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

LONG-TERM FINANCIAL PLANNING

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

The City's Fiscal Year 2021-2022 five-year Capital Improvement Plan (CIP), covering the period from October 1, 2021 through September 30, 2026, has earmarked funding approximately at $25.1 million for 42 projects throughout the City. Electric utility system projects account for the largest portion of the total Capital Improvement Plan funding at $6.9 million or 27.56%. The Water utility system projects are the second largest, accounting for $5.3 million, or 21.09%, and the Wastewater utility system projects are the third largest accounting for $3.2 million, or 12.95%, of the Capital Improvement Plan.

City utility revenues (capital facility charges, utility charges, etc.) represent the largest share of funding for the five-year Capital Improvement Plan, accounting for 50.4% of the value. Grants represent 28.6% of CIP funding. General government funding for the CIP is 8.3% and the remaining 12.7% of the funding is provided by Federal, State, Local, Tax Increment, assessment, and private sources.

MAJOR INITIATIVES

ECONOMIC ENVIRONMENT

The Community Redevelopment Agency (CRA) continued the implementation of the recommendations of the CRA Market Study & Economic Development Implementation Plan. Marketing costs were approximately $33,269.

The construction of a downtown parking lot construction project began during FY 2021-2022. This parking lot will add 40 parking spaces behind Main Street businesses and include a sidewalk connecting it to downtown businesses. Fiscal year 2021-2022 CRA expenses were $190,563.

TRANSPORTATION

The City's major transportation-related efforts during FY 2021-2022 centered around continuation of normal annual maintenance of City streets. Most of the roadway improvement funding for FY 2021-2022 is being retained to supplement a $700,000 Community Development Block Grant (CDBG) – Neighborhood Revitalization category grant received for segments of NW 125 St., NW 148 Ave., NW 147 Ln., NW 122 Terr., NW 121 Terr., NW 148 Pl., and NW 147 Pl. This project is expected to begin within the next fiscal year.

GENERAL GOVERNMENT

In fiscal year 2021-2022, City staff completed the construction and assembly activities related to the placement of a 2,000 square foot maintenance facility at the Hal Brady Recreation Complex. Total project costs were approximately $120,000. Fiscal year 2021-2022 expenses were approximately $44,436. The City also purchased the first air-conditioned tractor to be utilized for general ground maintenance activities at a cost of approximately $42,958.

PUBLIC SAFETY

The Alachua Police Department (APD) made huge strides towards achieving accreditation from the Commission for Florida Law Enforcement Accreditation. Final evaluation was conducted in July 2022.

While adding two new additional officer positions, APD also continued to upgrade its technology and equipment in order to more efficiently process operations of the department. Equipment purchased included 5 vehicles, body worn and in-car cameras, mobile radios, ballistic vests and tasers. The total cost for these equipment enhancements was approximately $317,725.

HUMAN SERVICES

In fiscal year 2021-2022, the City was the recipient of an additional $66,665 in grant funding from 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 the providing youth enrichment programs for children and $50,900 of these funds was expended during this fiscal year. Total expenditures on the youth enrichment programs was $86,665.

RECREATION AND CULTURE

This fiscal year 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 at the multi-purpose center. Over $26,000 was expended on these activities to include the provision of Zumba and dance classes. Athletic programming and events included baseball, basketball, football, gymnastics, pickleball, soccer, table tennis, and volleyball.

Additionally, a sport utility vehicle was purchased for $30,386.

PHYSICAL ENVIRONMENT

Improvement and expansion of infrastructure continues to be at the forefront of the City's utilities activities. The electric utility completed construction of a second substation. This substation allows energy to be received through Duke Energy transmission lines from multiple wholesale providers. Furthermore, this substation allows for diversification of power sources, redundancy and the necessary infrastructure for future City growth and development. Final construction costs were approximately $5.18 million.

The water utility began the design of a new wellfield during the fiscal year. This wellfield is anticipated to cost approximately $5.4 million and is utilizing both Florida Department of Environmental Protection (FDEP) and American Rescue Plan Act (ARPA) funding. The wastewater utility began design of 16-inch force main sewer line that is to extend from Lift Station #1 to the Alachua Water Reclamation Facility (AWRF).

Additionally, the Mill Creek Sink stormwater quality improvement project was completed. This project created and constructed a natural filtration system to clean runoff water from Interstate-75 and the surrounding area. This water runoff eventually winds up in the Florida Aquifer. This project's total cost was approximately $1.4 million.

RELEVANT FINANCIAL INFORMATION

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alachua for its Annual Financial Report for the fiscal year ended September 30, 2021. This was the twelfth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for 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	Robert A. Bonetti
City Manager	Finance & Administrative Services Director

CITY OF ALACHUA GOVERNMENT

- **CITY OF ALACHUA CITIZENS**
  - **MAYOR & CITY COMMISSIONERS**
    Gib Coerper, Mayor
    Jennifer Blalock, Vice-Mayor
    Shirley Green Brown
    Dayna Miller
    Edward Potts
    - **CITY MANAGER** – William DaRoza
      - **POLICE DEPARTMENT** – Jesse Sandusky
      - **COMPLIANCE AND RISK MANAGEMENT DEPARTMENT** – Grafton Wilson
      - **FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT** – Robert Bonetti
      - **HUMAN RESOURCES DEPARTMENT** – Tara Malone
      - **PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT** – Kathy Winburn
      - **PUBLIC SERVICES DEPARTMENT** – Rodolfo Valladares
      - **RECREATION AND CULTURE DEPARTMENT** – Elliot Harris
    - **CITY ATTORNEY** – Marian Rush

FINANCIAL SECTION

PURVIS GRAY

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, 2022, 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, 2022, 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.

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in other postemployment benefit and related ratios, schedules of proportionate share of the net pension liability, and schedule of contributions on pages 4 through 15 and 58 through 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

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

INDEPENDENT AUDITOR'S REPORT

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 schedule of state financial assistance projects, as required by Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 schedule of state financial assistance projects are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 29, 2023, 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 29, 2023
Gainesville, Florida

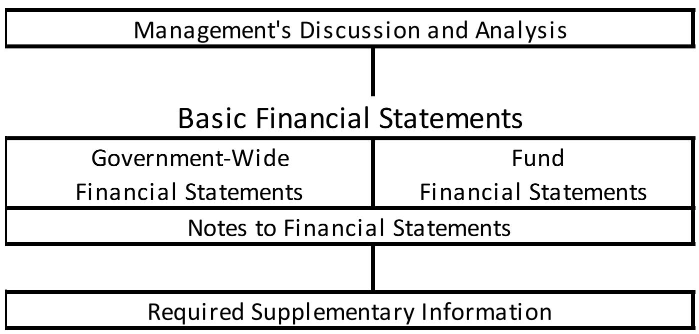
The City of Alachua's (the City) Management's Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next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

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

Financial Highlights

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

Required components of City's Annual Financial Report



Government-Wide Financial Statements

- The City of Alachua's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2022, by $88.1 million, which is a 4.99% increase from the previous year. Unrestricted net position was at $10.9 million, which is a 52.10% increase from the previous year.

- The City's total net position increased by $4,187,613 over the prior reported period. Despite the property tax rate remaining at 5.3900 mills, an increased net position was achieved, primarily, through net operating activity.

- The City's total long-term debt (due in more than one year) decreased by $1,127,919 during the current fiscal year. This decrease is due to the reduction of outstanding debt as a result of the normal debt payments.

- Other Postemployment Benefits (OPEB), Net Pension Liability, and Compensated Absences increased by $6,890,754, due primarily to an increase in the Net Pension Liability.

- Total net position ($88.1 million) is comprised of the following:
  1. The $76.1 million net investment in capital assets includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.

2. $1.1 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. $10.9 million of unrestricted net position.

Fund Financial Statements

- At September 30, 2022, the City's governmental funds reported combined ending fund balances of $9.4 million, an increase of $2.10 million, in comparison with the prior fiscal year. This increase is the result of planned expenditures not occurring within the fiscal year coupled with a reduction in advances to other funds.

- Governmental fund revenues were $13,591,512, or $0.6 million more than the previous fiscal year. This was primarily the result of an increase in General Fund property tax and other taxes, along with additional charges for services.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

- The *statement of net position* presents information on all of the City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is strengthening or weakening.

- The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

The government-wide financial statements include not only the City itself (known as the primary government), but also one component unit. The Community Redevelopment Agency, a legally separate entity created by the City Commission has been reported in the basic financial statements as a special revenue fund (pages 18 and 20).

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

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
Accounting basis and measurement focus	Modified accrual accounting and current financial resources	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	All assets and liabilities, both financial and capital, and short and long-term.
Type of inflow/ outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of *spendable resources,* as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Because of the different measurement focus (current financial resources versus total economic resources), a reconciliation of the governmental fund Balance Sheet to the government-wide Statement of Net Position and a reconciliation of the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities is provided (see pages 19 and 21) to facilitate the comparison between governmental funds and governmental activities. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the government-wide statements).

The City reports fifteen (15) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

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

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

Proprietary Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 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.

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 $88.1 million at the close of the fiscal year ended September 30, 2022**.**

A portion of the City's net position, $1,067,693, represents resources that are subject to external restriction on how they may be used.

The largest portion of the City's net position ($76,109,157 or 86%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

City of Alachua
Statement of Net Position
As of September 30, 2022 and 2021

	Governmental Activities			Business-type Activities		Total		Total % Change
		2022	2021	2022	2021	2022	2021	2021-2022
Current Assets & Other Assets	$	10,037,188	7,876,951	22,167,510	16,777,030	32,204,698	24,653,981	30.63%
Capital Assets		51,615,494	51,828,558	51,065,907	51,738,712	102,681,401	103,567,270	-0.86%
Total Assets	$	61,652,682	59,705,509	73,233,417	68,515,742	134,886,099	128,221,251	5.20%
Deferred Outflows	$	2,498,980	2,176,041	886,907	700,400	3,385,887	2,876,441	17.71%
Total Assets and Deferred Outflows	$	64,151,662	61,881,550	74,120,324	69,216,142	138,271,986	131,097,692	5.47%
Long-Term Liabilities Outstanding	$	20,752,174	16,106,849	18,026,110	16,908,600	38,778,284	33,015,449	17.45%
Other liabilities		842,368	790,180	10,130,851	7,104,718	10,973,219	7,894,898	38.99%
Total Liabilities	$	21,594,542	16,897,029	28,156,961	24,013,318	49,751,503	40,910,347	21.61%
Deferred Inflows	$	277,990	4,688,375	100,553	1,544,643	378,543	6,233,018	-93.93%
Total Liabilities and Deferred Inflows	$	21,872,532	21,585,404	28,257,514	25,557,961	50,130,046	47,143,365	6.34%
Net Position								
Net Investment in Capital Assets	$	39,845,824	39,709,937	36,263,333	36,157,170	76,109,157	75,867,107	0.32%
Restricted		1,067,693	878,224	-	-	1,067,693	878,224	21.57%
Unrestricted		1,365,613	(292,015)	9,599,477	7,501,011	10,965,090	7,208,996	52.10%
Total Net Position	$	42,279,130	40,296,146	45,862,810	43,658,181	88,141,940	83,954,327	4.99%

Normal Impacts

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

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

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

City of Alachua
Changes in Net Position
For the Years Ended September 30, 2022 and 2021

		Governmental Activities		Business-type Activities		Totals		Totals % change
		2022	2021	2022	2021	2022	2021	2021-2022
Revenues:								
Program Revenues:								
Charges for Services	$	2,773,395	2,338,615	24,059,226	20,108,440	26,832,621	22,447,055	19.54%
Operating Grants and Contributions		258,650	508,954	-	15,000	258,650	523,954	-50.63%
Capital Grants and Contributions		1,455,383	1,207,760	341,422	138,665	1,796,805	1,346,425	33.45%
General Revenues:								
Property Tax		5,079,266	4,726,998	-	-	5,079,266	4,726,998	7.45%
Utility Tax		1,670,498	1,608,171	-	-	1,670,498	1,608,171	3.88%
Other Tax		1,136,676	1,045,226	-	-	1,136,676	1,045,226	8.75%
Intergovernmental		1,189,151	1,019,001	-	-	1,189,151	1,019,001	16.70%
Other		110,569	62,942	16,045	6,161	126,614	69,103	83.23%
Total Revenues	$	13,673,588	12,517,667	24,416,693	20,268,266	38,090,281	32,785,933	16.18%
Expenses:								
General Government	$	4,390,990	4,279,253	-	-	4,390,990	4,279,253	2.61%
Public Safety		4,596,139	3,808,353	-	-	4,596,139	3,808,353	20.69%
Physical Environment		751,599	739,350	-	-	751,599	739,350	1.66%
Transportation		1,374,633	1,319,813	-	-	1,374,633	1,319,813	4.15%
Economic Environment		466,375	366,847	-	-	466,375	366,847	27.13%
Human Services		86,665	129,547	-	-	86,665	129,547	-33.10%
Parks and Recreation		1,632,577	1,545,586	-	-	1,632,577	1,545,586	5.63%
Electric		-	-	15,257,771	11,363,594	15,257,771	11,363,594	34.27%
Water and Sewer		-	-	4,906,437	4,716,240	4,906,437	4,716,240	4.03%
Mosquito Control		-	-	47,856	46,369	47,856	46,369	3.21%
Interest on Long-Term Debt		391,626	409,116	-	-	391,626	409,116	-4.28%
Total Expenses	$	13,690,604	12,597,865	20,212,064	16,126,203	33,902,668	28,724,068	18.03%
Increase (Decrease) in Net Position Before Transfers	$	(17,016)	(80,198)	4,204,629	4,142,063	4,187,613	4,061,865	3.10%
Transfers		2,000,000	2,071,641	(2,000,000)	(2,071,641)	-	-	0.00%
Increase (Decrease) in Net Position	$	1,982,984	1,991,443	2,204,629	2,070,422	4,187,613	4,061,865	3.10%
Net Position - Beginning		40,296,146	38,304,703	43,658,181	41,587,759	83,954,327	79,892,462	5.08%
Adjustment to Net Position		-	-	-	-	-	-	0.00%
Net Position - Beginning, as Restated		40,296,146	38,304,703	43,658,181	41,587,759	83,954,327	79,892,462	5.08%
Net Position - Ending	$	42,279,130	40,296,146	45,862,810	43,658,181	88,141,940	83,954,327	4.99%

Government-Wide Net Position

The City's total net position at the end of fiscal year 2022 improved by $4,187,613 resulting from an increase of $1,982,984 in governmental activities and an increase of $2,204,629 in business-type activities.

Governmental Activities

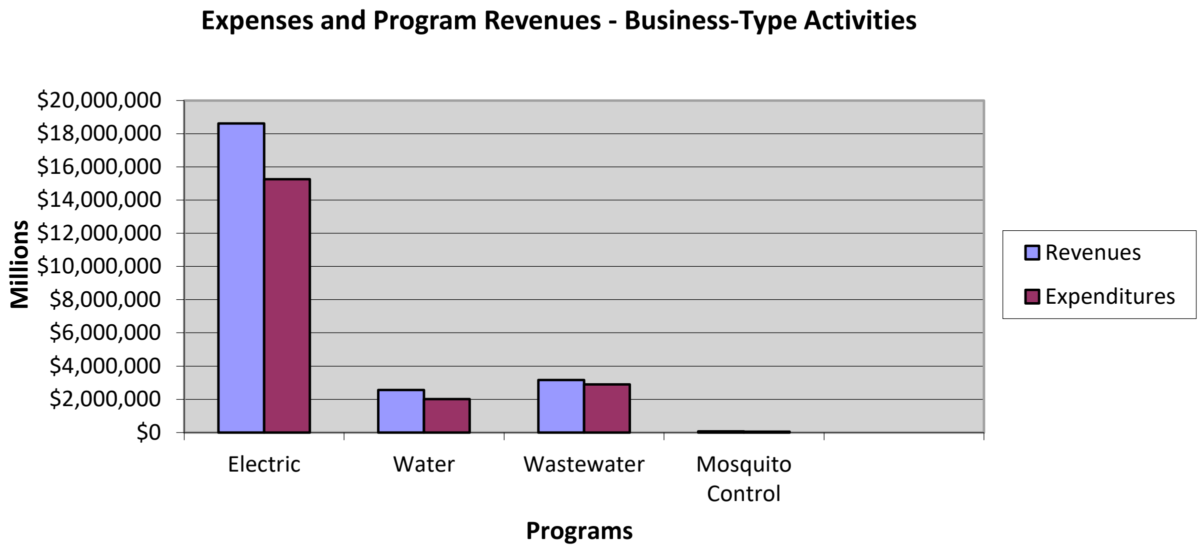
The City's net position within governmental activities was improved by $1,982,984 during fiscal year 2022. This net position increase was, primarily, the result of an increase within governmental sources of funding.

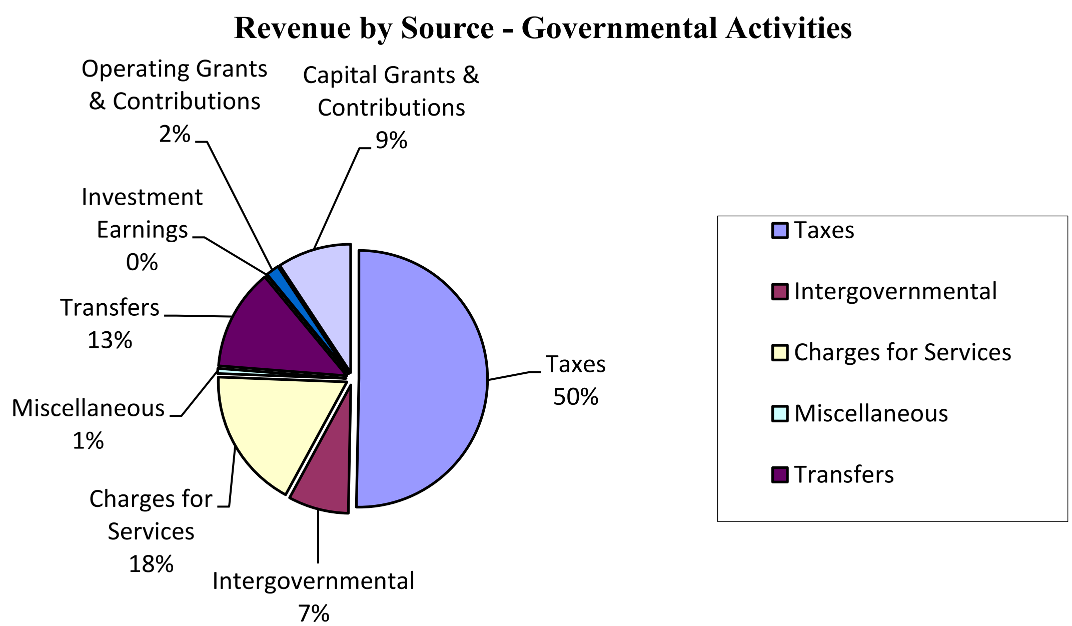
Major changes in revenues were caused by the following:

- For fiscal year ended September 30, 2022, property taxes increased by $352,268, primarily, due to the increased property valuation. Other taxes increased by $153,777 and intergovernmental revenues increased by $170,150.

Major changes in expenses were caused by the following:

- Expenses for governmental activities experienced an increase of $1,092,739. This increase was the result of reduction of the discount rate used to determine the net pension liability coupled with inflation on professional and contractual services provided to the City.





Business-Type Activities
The City's net position within business-type activities was improved by $2,204,629 during fiscal year 2022.

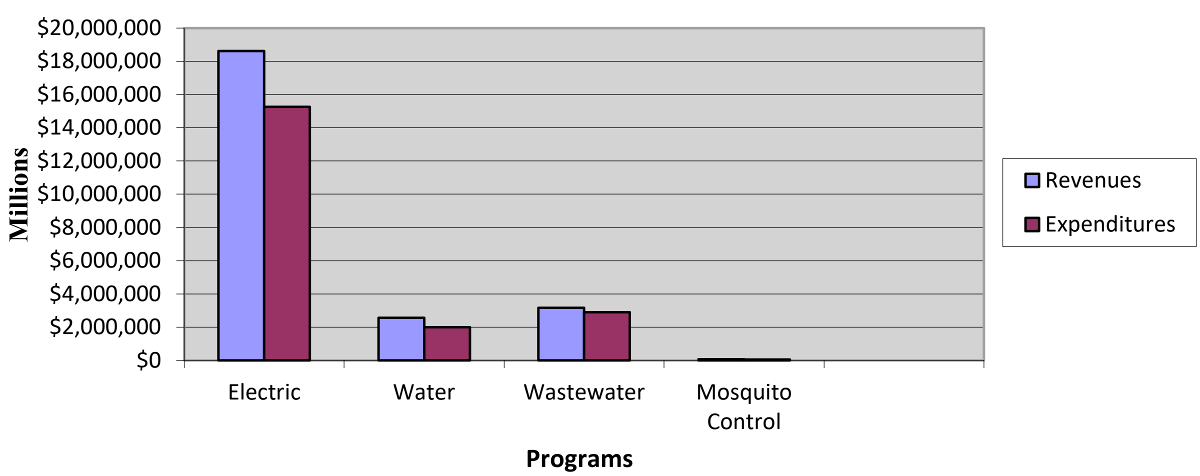
Net position increased due to overall increases in revenues. Charges for services increased by $3,950,786. Other revenues increased by $197,641 in 2022. Business-type expenses increased by $4,085,861 largely due to purchase power and transmission costs during the fiscal year.

- The Electric Utility of the City operates at 12.47/138kV. The City purchases power from Florida Power & Light and Florida Municipal Power Agency (FMPA) at two different locations. The majority of the customers are supplied from the Alachua Substation, which is connected to GRU's transmission system. The second source is the recently constructed Legacy Substation that became operational late fiscal year 2021, operates at 12.47/69kV, and is connected to the Duke Energy of Florida transmission system.

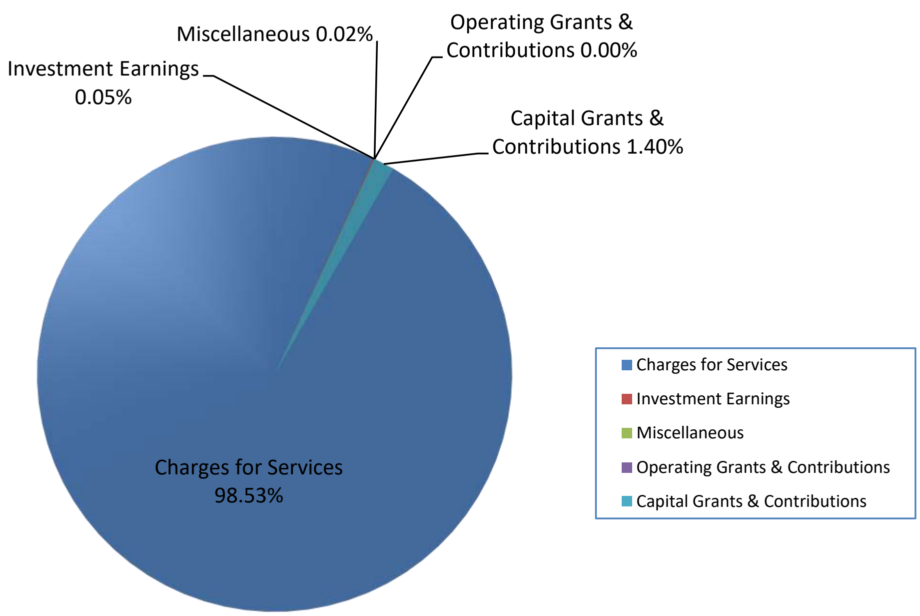
- The Water Utility obtains its water supply from the upper portion of the Floridan Aquifer. Three wells with depths of approximately 365 feet withdraw water from the Ocala limestone and discharge it into the City's distribution system. The quality of the City's water supply is such that chlorination and fluoridation are the only treatments required prior to distribution. The system's wells range in age from 30 to 53 years old.

- Wastewater generated through the utility is collected through a gravity sewer system and pumped to the City's wastewater treatment plant. The collected wastewater is treated in an activated sludge treatment facility, which has a current capacity of 1,500,000 gallons per day. The effluent from the treatment facility is chlorinated and disposed of by spray irrigation, and is also resold as reclaimed water.

Expenses and Program Revenues - Business-Type Activities



Revenue By Source-Business-Type Activities



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 2022, the City's governmental funds reported combined ending fund balances of $9,401,471, an increase of $2,101,608 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 $934,280. This increase was the result of decreased expenditures and primarily, increased property taxes based on property values. The total fund balance was $7,911,608, of which $4,905,716 was unassigned. The cash balance at the end of the year was $7,283,605. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 43.3% of the total General Fund operating revenue, while total fund balance represents 69.9% of that same figure. The Government Finance Officers Association (GFOA), Best Practices Guidelines calls for an unassigned fund balance level of two (2) months of operating revenues. Total fund balance includes committed, restricted, assigned, and unassigned fund balances.

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, 2022, were $69.2 million, total liabilities and deferred inflows were $24.2 million. Net position was $45.0 million.

General Fund Budgetary Highlights with Variances

The General Fund operating budget was $10,537,757 at the beginning of fiscal year 2022. The final amended budget amount of $10,554,468 was brought about by the following amendments:

- $2,024: Increase to provide budget for expenses of the Alachua Police Department related to an Edward Byrne Memorial Justice Assistance Grant (JAG).
- $9,687: Increase unanticipated forfeiture funds of the Alachua Police Department for the use of software.
- $5,000: Increase to appropriate additional unanticipated fuel tax refund and extra duty charges to cover increased fuel expenditures of the Alachua Police Department.

General Fund Actual Results Highlights with Variances

At September 30, 2022, the City's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of $771,312. This was due to increased taxes, permits and fees related to development and higher levels of intergovernmental revenues relative to the budgetary forecast. The City's General Fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of $1,990,490. This was primarily due to unspent operating and capital expense appropriations in general government, public safety, and transportation.

Capital Asset and Debt Administration

The City's capital assets for its governmental and business-type activities as of September 30, 2022, totaled $102.7 million (net of accumulated depreciation), and includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

City of Alachua
Capital Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2022	2021	2022	2021	2022	2021	2021-2022
Land	$ 7,841	7,841	586	586	8,427	8,427	0.0%
Buildings	16,908	16,784	9,972	9,972	26,880	26,756	0.5%
Improvements Other than Buildings	13,758	13,647	9,312	8,594	23,070	22,241	3.7%
Infrastructure	23,582	21,952	53,403	48,220	76,985	70,172	9.7%
Furniture, Fixtures, and Equipment	4,641	4,299	3,904	3,844	8,545	8,143	4.9%
Construction in Progress	2,351	3,154	2,052	6,713	4,403	9,867	-55.4%
Less: Accumulated Depreciation	(17,466)	(15,849)	(28,163)	(26,191)	(45,629)	(42,040)	8.5%
Total Assets	$ 51,615	51,828	51,066	51,738	102,681	103,566	-0.9%

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

Major capital asset events during the current fiscal year for governmental activities included commencement of the downtown parking lot, completion of a natural stormwater filtration system at Mill Creek Sink, and completion of the Hal Brady recreation maintenance shed.

Major capital asset events for the business-type activities included the construction of the new electrical Legacy substation.

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

Long-Term Debt
At the end of fiscal year 2022, the City had total long-term debt outstanding of approximately $26.6 million. The City's debt represents bonds, notes, and loans secured by specific revenue sources (i.e., revenue bonds/notes).

The City's Capital Improvement and Refunding Revenue Bonds, Series 2016, A1 rating by Moody's Investor Service has remained unmodified at the end of the fiscal year.

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

	Governmental Activities		Business-type Activities		Total		Total % Change
	2022	2021	2022	2021	2022	2021	2021-2022
Revenue Bonds	$ 11,672,019	11,925,453	4,164,617	4,254,106	15,836,636	16,179,559	-2.1%
Revenue Notes	97,651	193,168	3,705,000	4,110,000	3,802,651	4,303,168	-11.6%
Loans	-	-	6,932,957	7,217,436	6,932,957	7,217,436	-3.9%
Total Debt	$ 11,769,670	12,118,621	14,802,574	15,581,542	26,572,244	27,700,163	-4.1%

The City's outstanding principal debt decreased $1,127,919 during fiscal year 2022. Debt activity included normal principal/interest payments.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Gainesville MSA, was 2.4%, which includes the City of Alachua. This is a 54% decrease from the previous fiscal year's rate of 5.2%.
- The final certified citywide taxable value of property increased to $976 million, representing an increase of 7.58%.
- The population increased approximately 0.8% from the prior year to an estimate of 10,844.
- During the current fiscal year, ad valorem taxes increased by $352,268 to $5,079,266 due to increased property valuations. The ad valorem tax rate was 5.3900 mills.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact Finance and Administrative Services at 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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 7,948,062	$ 14,457,601	$ 22,405,663
Receivables, Net of Allowance	219,864	2,944,165	3,164,029
Due from Other Governments	212,196	296,706	508,902
Inventories	4,961	1,873,328	1,878,289
Prepaid and Other Assets	94,798	144,073	238,871
Restricted Assets:			
Cash and Cash Equivalents	1,321,644	2,687,300	4,008,944
Capital Assets Not Being Depreciated:			
Land	7,841,280	586,447	8,427,727
Construction in Progress	2,350,843	2,051,632	4,402,475
Depreciable Capital Assets, Net	41,423,371	48,427,828	89,851,199
Internal Balances	235,663	(235,663)	-
Total Assets	61,652,682	73,233,417	134,886,099
Deferred Outflows of Resources			
OPEB Related	68,464	32,197	100,661
Pension Related	2,430,516	854,710	3,285,226
Total Deferred Outflows of Resources	2,498,980	886,907	3,385,887
Liabilities			
Accounts Payable	190,118	1,620,984	1,811,102
Accrued Expenses	408,627	125,342	533,969
Due to Other Governments	4,794	120,538	125,332
Accrued Interest Payable	723	-	723
Unearned Revenue	32,178	4,882,923	4,915,101
Rate Stabilization Credit	-	1,195,155	1,195,155
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	205,928	196,188	402,116
Customer Deposit	-	1,989,721	1,989,721
Non-Current Liabilities:			
Due Within One Year	832,527	811,921	1,644,448
Due in More Than One Year	11,522,504	14,231,658	25,754,162
Net Pension Liability	8,147,492	2,865,129	11,012,621
OPEB Liability	249,651	117,402	367,053
Total Liabilities	21,594,542	28,156,961	49,751,503
Deferred Inflows of Resources			
OPEB Related	23,562	11,082	34,644
Pension Related	254,428	89,471	343,899
Total Deferred Inflows of Resources	277,990	100,553	378,543
Net Position			
Net Investment in Capital Assets	39,845,824	36,263,333	76,109,157
Restricted for:			
Law Enforcement	22,033	-	22,033
Physical Environment	226,198	-	226,198
Economic Environment	797,631	-	797,631
Human Services	1,000	-	1,000
Parks and Recreation	20,831	-	20,831
Unrestricted	1,365,613	9,599,477	10,965,090
Total Net Position	$ 42,279,130	$ 45,862,810	$ 88,141,940

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Function/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 4,390,990	$ 691,202	$ -	$ -	$ (3,699,788)	$ -	$ (3,699,788)
Public Safety	4,596,139	853,988	13,091	-	(3,729,060)	-	(3,729,060)
Physical Environment	751,599	844,814	-	931,749	1,024,964	-	1,024,964
Transportation	1,374,633	46,463	194,659	232,864	(900,647)	-	(900,647)
Economic Environment	466,375	-	-	290,770	(175,605)	-	(175,605)
Parks and Recreation	1,632,577	336,928	-	-	(1,295,649)	-	(1,295,649)
Human Services	86,665	-	50,900	-	(35,765)	-	(35,765)
Interest on Long-Term Debt	391,626	-	-	-	(391,626)	-	(391,626)
Total Governmental Activities	13,690,604	2,773,395	258,650	1,455,383	(9,203,176)	-	(9,203,176)
Business-Type Activities							
Electric	15,257,771	18,612,142	-	-	-	3,354,371	3,354,371
Water	2,003,269	2,222,169	-	341,422	-	560,322	560,322
Wastewater	2,903,168	3,162,773	-	-	-	259,605	259,605
Mosquito Control	47,856	62,142	-	-	-	14,286	14,286
Total Business-Type Activities	20,212,064	24,059,226	-	341,422	-	4,188,584	4,188,584
Total Primary Government	33,902,668	26,832,621	258,650	1,796,805	(9,203,176)	4,188,584	(5,014,592)
General Revenues							
Ad Valorem					5,079,266	-	5,079,266
Utility Service Taxes					1,670,498	-	1,670,498
Discretionary Sales Surtax					774,727	-	774,727
Communication Service Taxes					313,796	-	313,796
Business License Taxes					48,153	-	48,153
Half-Cent Sales Tax					753,960	-	753,960
State Revenue Sharing					435,191	-	435,191
Investment Earnings					10,524	12,051	22,575
Miscellaneous					100,045	3,994	104,039
Transfers					2,000,000	(2,000,000)	-
Total General Revenues and Transfers					11,186,160	(1,983,955)	9,202,205
Change in Net Position					1,982,984	2,204,629	4,187,613
Net Position, Beginning of Year					40,296,146	43,658,181	83,954,327
Net Position, End of Year					$ 42,279,130	$ 45,862,810	$ 88,141,940

See accompanying notes.

CITY OF ALACHUA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General	Non-Major Governmental	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 7,283,605	$ 1,986,101	$ 9,269,706
Receivables:			
Accounts, Net of Allowance	100,371	21,224	121,595
Taxes	43,156	-	43,156
Franchise Fees	55,113	-	55,113
Due from Other Governments	123,004	89,192	212,196
Inventory	-	4,961	4,961
Prepaid Items	93,975	823	94,798
Advances to Other Funds	824,705	-	824,705
Total Assets	8,523,929	2,102,301	10,626,230
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	176,245	13,873	190,118
Accrued Liabilities	399,104	9,523	408,627
Due to Other Governments	4,794	-	4,794
Unearned Revenue	32,178	-	32,178
Advances from Other Funds	-	589,042	589,042
Total Liabilities	612,321	612,438	1,224,759
Fund Balances			
Non-Spendable:			
Prepaids	93,975	823	94,798
Inventory	-	4,961	4,961
Advances to Other Funds	824,705	-	824,705
Restricted for:			
Law Enforcement	-	22,033	22,033
Physical Environment		226,198	226,198
Economic Environment	-	797,631	797,631
Human Services	-	1,000	1,000
Parks and Recreation	-	20,831	20,831
Assigned for:			
Subsequent Year Budget	2,087,212	-	2,087,212
Debt Service	-	717,979	717,979
Unassigned	4,905,716	(301,593)	4,604,123
Total Fund Balances	7,911,608	1,489,863	9,401,471
Total Liabilities and Fund Balances	$ 8,523,929	$ 2,102,301	$ 10,626,230

See accompanying notes.

CITY OF ALACHUA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Fund Balance - Total Governmental Funds		$ 9,401,471
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	$ 69,082,089	
(Accumulated Depreciation)	(17,466,595)	51,615,494
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	(11,083,175)	
Bond Issuance Premium	(588,844)	
2013 Redevelopment Note	(97,651)	
Compensated Absences	(585,361)	(12,355,031)
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.		(249,651)
The net pension obligation is reported in the government-wide financial statements but not reported in the governmental fund financial statements.		(8,147,492)
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	2,430,516	
Deferred Inflows Related to Pensions	(254,428)	
Deferred Outflows Related to OPEB	68,464	
Deferred Inflows Related to OPEB	(23,562)	2,220,990
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		(206,651)
Net Position of Governmental Activities		$ 42,279,130

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Non-Major Governmental	Total Governmental Funds
Revenues			
Taxes	$ 7,427,093	$ 774,726	$ 8,201,819
Permits, Fees, and Special Assessments	981,830	24,013	1,005,843
Intergovernmental Revenues	1,228,830	1,266,250	2,495,080
Charges for Services	1,570,821	164,491	1,735,312
Fines and Forfeitures	47,266	8,987	56,253
Investment Income	9,530	994	10,524
Miscellaneous	60,410	26,271	86,681
Total Revenues	11,325,780	2,265,732	13,591,512
Expenditures			
Current:			
General Government	3,951,708	-	3,951,708
Public Safety	4,216,129	-	4,216,129
Physical Environment	722,178	29,367	751,545
Transportation	699,970	-	699,970
Economic Environment	7,644	402,700	410,344
Human Services	-	86,665	86,665
Parks and Recreation	1,174,091	2,186	1,176,277
Debt Service:			
Principal	-	324,918	324,918
Interest and Fiscal Charges	-	422,102	422,102
Capital Outlay	370,971	1,079,275	1,450,246
(Total Expenditures)	(11,142,691)	(2,347,213)	(13,489,904)
Excess (Deficiency) of Revenues Over (Under) Expenditures	183,089	(81,481)	101,608
Other Financing Sources (Uses)			
Transfers in	2,000,000	1,248,809	3,248,809
Transfers (out)	(1,248,809)	-	(1,248,809)
Total Other Financing Sources (Uses)	751,191	1,248,809	2,000,000
Net Change in Fund Balance	934,280	1,167,328	2,101,608
Fund Balance, Beginning of Year	6,977,328	322,535	7,299,863
Fund Balance, End of Year	$ 7,911,608	$ 1,489,863	$ 9,401,471

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, 2022

Net Change in Fund Balance - Total Governmental Funds		$ 2,101,608
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:		
Expenditures for Capital Assets	$ 1,450,246	
Depreciation Expense	(1,744,723)	(294,477)
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.		82,076
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		(665)
Repayment of long-term liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.		324,918
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Amortization of Premium	24,034	
Change in Accrued Interest Payable	6,442	
Change in Compensated Absences Liability	(459)	30,017
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.		(21,953)
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.		(238,540)
Change in Net Position of Governmental Activities		$ 1,982,984

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 6,776,503	$ 5,175,733	$ 1,474,061	$ 243,900	$ 13,670,197	$ 787,404
Receivables, Net of Allowance	2,352,072	227,019	340,325	5,591	2,925,007	19,158
Due from Other Governments	163,846	132,860	-	-	296,706	-
Prepaid Items	34,777	6,168	20,599	251	61,795	21,276
Inventories	1,714,458	147,303	11,567	-	1,873,328	-
Total Current Assets	11,041,656	5,689,083	1,846,552	249,742	18,827,033	827,838
Non-Current Assets:						
Restricted Assets:						
Cash and Cash Equivalents	1,360,888	447,445	806,614	-	2,614,947	72,353
Total Restricted Assets	1,360,888	447,445	806,614	-	2,614,947	72,353
Capital Assets:						
Land	92,630	-	163,310	-	255,940	330,507
Construction in Progress	1,276,194	520,010	250,888	-	2,047,092	4,540
Property, Plant and Equipment	23,192,743	10,586,333	36,763,267	125,966	70,668,309	5,922,559
(Accumulated Depreciation)	(9,633,201)	(5,409,723)	(12,096,710)	(85,976)	(27,225,610)	(937,430)
Total Net Capital Assets	14,928,366	5,696,620	25,080,755	39,990	45,745,731	5,320,176
Other Assets:						
Advances to Other Funds	1,542,343	-	40,347	-	1,582,690	215,065
Unamortized Bond Issuance Cost	-	-	-	-	-	61,002
Total Other Assets	1,542,343	-	40,347	-	1,582,690	276,067
Total Non-Current Assets	17,831,597	6,144,065	25,927,716	39,990	49,943,368	5,668,596
Total Assets	28,873,253	11,833,148	27,774,268	289,732	68,770,401	6,496,434
Deferred Outflows of Resources						
OPEB Related	7,402	1,850	3,331	-	12,583	19,614
Pension Related	228,145	44,548	121,813	1,511	396,017	458,693
Total Deferred Outflows of Resources	235,547	46,398	125,144	1,511	408,600	478,307
Total Assets and Deferred Outflows	29,108,800	11,879,546	27,899,412	291,243	69,179,001	6,974,741

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022
(Concluded)

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Non-Major Fund	Total	
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Liabilities						
Current Liabilities:						
Accounts Payable	$ 1,426,334	$ 136,712	$ 13,630	$ 1,841	$ 1,578,517	$ 42,467
Accrued Expenses	41,297	4,696	16,977	345	63,315	62,027
Due to Other Governments	120,538	-	-	-	120,538	-
Rate Stabilization Credit	1,195,155	-	-	-	1,195,155	-
Compensated Absences	42,281	11,010	28,206	-	81,497	79,744
Current Portion of Long-Term Debt	-	-	-	-	-	149,289
Payable from Restricted Assets:						
Accrued Interest Payable	-	30,474	93,361	-	123,835	72,353
Current Portion of Long-Term Debt	-	105,000	396,391	-	501,391	-
Unearned Revenue	-	4,882,923	-	-	4,882,923	-
Total Current Liabilities	2,825,605	5,170,815	548,565	2,186	8,547,171	405,880
Non-Current Liabilities:						
Advances from Other Funds	-	785,956	1,247,462	-	2,033,418	-
OPEB Liability	26,989	6,747	12,145	-	45,881	71,521
Compensated Absences	20,301	1,158	17,526	-	38,985	40,779
Net Pension Liability	764,781	149,331	408,338	5,065	1,327,515	1,537,614
Long-Term Debt	-	1,747,500	8,389,066	-	10,136,566	4,015,328
Payable from Restricted Assets:						
Customer Deposits	1,360,888	311,971	316,862	-	1,989,721	-
Total Non-Current Liabilities	2,172,959	3,002,663	10,391,399	5,065	15,572,086	5,665,242
Total Liabilities	4,998,564	8,173,478	10,939,964	7,251	24,119,257	6,071,122
Deferred Inflows of Resources						
OPEB Related	2,548	637	1,146	-	4,331	6,751
Pension Related	23,882	4,663	12,752	158	41,455	48,016
Total Deferred Inflows of Resources	26,430	5,300	13,898	158	45,786	54,767
Net Position						
Net Investment in Capital Assets	14,928,366	3,844,120	16,295,298	39,990	35,107,774	1,155,559
Unrestricted	9,155,440	(143,352)	650,252	243,844	9,906,184	(306,707)
Total Net Position	24,083,806	3,700,768	16,945,550	283,834	45,013,958	848,852
Total Liabilities, Deferred Inflows, and Net Position	$ 29,108,800	$ 11,879,546	$ 27,899,412	$ 291,243	$ 69,179,001	$ 6,974,741

Net Position - Above	$ 45,013,958
Internal Service Fund Net Position in the Enterprise Funds	848,852
Net Position of Business-Type Activities	$ 45,862,810

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					Business-Type Activities
	Major Funds			Non-Major Fund	Total	
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Operating Revenues						
Charges for Services	$ 18,563,776	$ 2,222,169	$ 3,162,773	$ 62,142	$ 24,010,860	$ -
Interfund Charges	-	-	-	-	-	3,002,434
Other Operating Revenue	48,366	-	-	-	48,366	2,165
Total Operating Revenues	18,612,142	2,222,169	3,162,773	62,142	24,059,226	3,004,599
Operating Expenses						
Electric Power Expenses:						
Purchased Power	11,670,098	-	-	-	11,670,098	-
Personal Services	1,074,853	216,923	563,627	4,374	1,859,777	2,019,460
Contractual Services	350,616	67,192	105,048	-	522,856	124,800
Supplies	118,824	24,491	95,923	13,638	252,876	104,795
Repairs and Maintenance	231,003	13,522	111,751	202	356,478	126,240
Billing and Administrative	1,139,313	1,263,789	579,332	20,000	3,002,434	-
Depreciation	602,269	255,770	955,931	8,558	1,822,528	180,604
Other Expenses	117,534	152,499	284,106	1,904	556,043	184,732
(Total Operating Expenses)	(15,304,510)	(1,994,186)	(2,695,718)	(48,676)	(20,043,090)	(2,740,631)
Operating Income	3,307,632	227,983	467,055	13,466	4,016,136	263,968
Non-Operating Revenues (Expenses)						
Investment Earnings	7,690	2,410	1,397	172	11,669	382
Intergovernmental Revenue	-	341,422	-	-	341,422	-
Interest and Fiscal Charges	-	(60,929)	(231,216)	-	(292,145)	(140,797)
Gain (Loss) on Disposal of Capital Assets	5,027	(1,147)	587	-	4,467	(473)
Total Non-Operating Revenues (Expenses)	12,717	281,756	(229,232)	172	65,413	(140,888)
Income Before Capital Contributions and Transfers	3,320,349	509,739	237,823	13,638	4,081,549	123,080

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Contributions and Transfers						
Transfers (out)	$ (2,000,000)	$ -	$ -	$ -	$ (2,000,000)	$ -
Total Contributions and Transfers	(2,000,000)	-	-	-	(2,000,000)	-
Change in Net Position	1,320,349	509,739	237,823	13,638	2,081,549	123,080
Net Position, Beginning of Year	22,763,457	3,191,029	16,707,727	270,196	42,932,409	725,772
Net Position, End of Year	$ 24,083,806	$ 3,700,768	$ 16,945,550	$ 283,834	$ 45,013,958	$ 848,852

Change in Net Position - Above	$ 2,081,549
Internal Service Fund Activities in the Enterprise Funds	123,080
Change in Net Position of Business-Type Activities	$ 2,204,629

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities						
Receipts from Customers	$ 16,420,142	$ 2,131,400	$ 3,306,523	$ 62,178	$ 21,920,243	$ -
Receipts from Interfund Services Provided	-	-	-	-	-	2,992,813
Cash from Other Sources	48,366	-	-	-	48,366	2,165
Payments to Suppliers for Goods and Services	(12,898,700)	(178,101)	(587,114)	(14,223)	(13,678,138)	(495,943)
Payments for Interfund Services Used	(1,139,313)	(1,263,789)	(579,332)	(20,000)	(3,002,434)	-
Payments to Employees for Services	(1,033,139)	(212,741)	(500,639)	(4,567)	(1,751,086)	(1,862,270)
Net Cash Provided by (Used in) Operating Activities	1,397,356	476,769	1,639,438	23,388	3,536,951	636,765
Cash Flows from Non-Capital Financing Activities						
Loans/Advances and Repayments from (to) Other Funds	120,000	(106,793)	(75,000)	61,793	-	-
Intergovernmental Revenue	-	341,422	-	-	341,422	-
Transfers in (out)	(2,000,000)	-	-	-	(2,000,000)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(1,880,000)	234,629	(75,000)	61,793	(1,658,578)	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(716,280)	(418,956)	(181,128)	-	(1,316,364)	(9,969)
Grants and Donations-Federal	-	4,882,923	-	-	4,882,923	-
Debt Principal Payments	-	(202,500)	(486,979)	-	(689,479)	(89,489)
Debt Interest Payments and Other Charges	-	(64,260)	(237,124)	-	(301,384)	(137,832)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(716,280)	4,197,207	(905,231)	-	2,575,696	(237,290)
Cash Flows from Investing Activities						
Interest Received	7,690	2,410	1,397	172	11,669	382
Net Cash Provided by (Used in) Investing Activities	7,690	2,410	1,397	172	11,669	382
Net Increase (Decrease) in Cash and Cash Equivalents	(1,191,234)	4,911,015	660,604	85,353	4,465,738	399,857
Cash and Cash Equivalents, Beginning of Year	9,328,625	712,163	1,620,071	158,547	11,819,406	459,900
Cash and Cash Equivalents, End of Year	$ 8,137,391	$ 5,623,178	$ 2,280,675	$ 243,900	$ 16,285,144	$ 859,757

See accompanying notes.

CITY OF ALACHUA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Fund	Total	Business-Type Activities
	Electric	Water	Wastewater	Mosquito Control	Enterprise Funds	Internal Service Fund
Reconciliation of Cash and Cash Equivalents to Statement of Net Position						
Current Assets:						
Cash and Cash Equivalents	$ 6,776,503	$ 5,175,733	$ 1,474,061	$ 243,900	$ 13,670,197	$ 787,404
Restricted Assets:						
Cash and Cash Equivalents	1,360,888	447,445	806,614	-	2,614,947	72,353
Total	$ 8,137,391	$ 5,623,178	$ 2,280,675	$ 243,900	$ 16,285,144	$ 859,757
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	$ 3,307,632	$ 227,983	$ 467,055	$ 13,466	$ 4,016,136	$ 263,968
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	602,269	255,770	955,931	8,558	1,822,528	180,604
(Increase) Decrease in:						
Accounts Receivable, Net	196,252	34,424	137,359	124	368,159	(16,110)
Due from Other Government	(163,846)	(132,860)	-	-	(296,706)	-
Prepaid Items	(23,546)	4,756	3,578	(88)	(15,300)	6,489
Inventory	(556,415)	(21,026)	1,045	-	(576,396)	-
Increase (Decrease) in:						
Accounts Payable	87,596	101,457	3,178	1,776	194,007	27,552
Accrued Expenses	17,416	(828)	5,491	(255)	21,824	17,072
Due to Other Governments	40,778	-	-	-	40,778	-
Rate Stabilization Credit	(2,293,031)	-	-	-	(2,293,031)	-
Compensated Absences	3,574	(134)	(10,806)	-	(7,366)	1,313
Customer Deposits	140,537	2,911	2,813	-	146,261	-
Net Pension Liability	35,767	3,722	72,727	(193)	112,023	149,588
OPEB Liability	2,373	594	1,067	-	4,034	6,289
Net Cash Provided by (Used in) Operating Activities	$ 1,397,356	$ 476,769	$ 1,639,438	$ 23,388	$ 3,536,951	$ 636,765
Non-Cash Investing, Capital and Financing Activities						
Amortization of Discount and Refunding Loss	$ -	$ -	$ -	$ -	$ -	$ 2,490

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

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

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

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

- **Community Redevelopment Agency**
  The Community Redevelopment Agency (the CRA) was created by the City Commission in 1982 pursuant to Ordinance 82-5 to carry out the community redevelopment purposes of Florida Statute, Chapter 163. Subsequent amendments were made to the CRA through Ordinances 98-14, 98-24, 99- 03, and 13-07. The City 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.

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.

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

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

The government reports the following major governmental funds:

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

The government reports the following major proprietary funds:

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

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

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

In addition, the government reports the following fund type:

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

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

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, 2022.

  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.

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

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

- **Capital Assets**
  Capital assets, which include property, plant and equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $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.

- **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 OPEB related deferred inflows and outflows of resources.

  - **Unavailable Revenues—**In the governmental funds, revenues not received within the City's availability period are considered unavailable and, therefore, reported as a deferred inflow. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

  - **Pension and OPEB Related—**The difference between expected and actual experience with regard to economic or demographic factors and changes to assumption in the measurement of total pension and OPEB liability, the differences between expected and actual earnings on pension plan and OPEB investments, and the change in the proportionate share of the net pension liability and OPEB liability resulting from a change in proportion are reported as deferred inflows or outflows of resources, to be recognized in expense. Contributions made subsequent to the measurement date, but prior to the reporting date, are reported as deferred outflows of resources.

- **Fund Balance**

  Fund balance classifications comprise a hierarchy based primarily on the extent to which the 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.

- **Assigned**—This component of fund balance consists of amounts that the City intends to use for a specific purpose as determined by the City Commission in accordance with the City's fiscal policies. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund, as approved by the City Commission through the budget process.

- **Unassigned**—This classification is used for: (a) deficit unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

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

- **Net Position**

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

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

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

Upcoming Governmental Accounting Standards Board (GASB) Pronouncements
GASB has issued new accounting and financial reporting pronouncements, which will become effective for the City's 2023 fiscal year reporting period:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, changes the accounting and financial reporting related to Subscription-Based Information Technology Arrangements (SBITAs) for government end-users. Upon adoption, a SBITA will result in a right-to-use subscription asset, which will be an intangible asset, and a corresponding subscription liability. The new guidance also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA.

Note 2 – <u>Stewardship, Compliance, and Accountability</u>

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, 2022, the following funds had deficit fund balances:

Fund	Type	Deficit
Wild Spaces Public Places	Non-Major Governmental	$ (301,593)

The City anticipates that the deficit in the Wild Spaces Public Places fund will be recovered with sales tax receipts.

Note 3 – Cash, Cash Equivalents, and Investments

Deposits and investments as of September 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	$ 22,405,663
Restricted:	
Cash and Cash Equivalents	4,008,944
Total Cash and Investments	$ 26,414,607

Deposits and investments consist of the following:

Cash Deposits	$ 25,335,429
Investments	1,079,178
Total Cash and Investments	$ 26,414,607

Deposits

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

Investments
The City's investment are summarized below, at September 30, 2022:

	Fair Value	FMV Level
Florida PRIME, at Amortized Costs	$ 1,079,178	N/A

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

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

Credit Risk—The City's policy limits investments of governmental and business-type funds to U.S. Treasury and agency obligations, federal instrumentalities, interest-bearing time deposit or saving accounts, repurchase agreements, money market funds, and intergovernmental investment pools. Investments in mutual funds must maintain a rating of Aam or Aam-G or better by Standard & Poor's, or the equivalent by another rating agency. Florida PRIME is rated by Standards & Poor's and has a rating at September 30, 2022, of AAAm.

Interest Rate Risk—The City's investment policy permits the investment of current operating funds with maturities of no longer than two years. Investments of non-operating funds such as bond reserves shall have a term appropriate to the need for funds and in accordance with debt covenants, but not exceeding five years. Custodians are primarily bank trust departments, insurance companies, brokerage firms, the State of Florida, and SBA. The dollar weighted-average days to maturity (WAM) of the Florida PRIME at September 30, 2022, is 21 days. The weighted average life (WAL) of Florida PRIME at September 30, 2022, is 72 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, 2022, are as follows:

	Governmental Activities	Business-Type Activities
Cash and Cash Equivalents		
Debt Service Reserve and Sinking Funds	$ -	$ 171,504
Cash with Fiscal Agent	605,528	525,555
Customer Deposit	-	1,990,241
Economic Environment	670,631	-
Parks and Recreation	1,661	-
Physical Environment	20,317	-
Infrastructure	4,325	-
Other	19,182	-
Net Restricted Cash and Cash Equivalents	$ 1,321,644	$ 2,687,300

Note 5 – Inventory

Inventory at September 30, 2022, consists of the following:

	Balance
Governmental Activities	
Lightpoles and Globes	$ 4,961
Total	$ 4,961
Business-Type Activities	
Electric Utility Supplies	$ 767,602
Transformers	862,380
Meters	84,476
Water/Wastewater Supplies	158,870
Total	$ 1,873,328

Note 6 – Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended September 30, 2022:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 7,841,280	$ -	$ -	$ 7,841,280
Construction in Progress	3,154,281	1,131,711	(1,935,149)	2,350,843
Total Capital Assets Not Being Depreciated	10,995,561	1,131,711	(1,935,149)	10,192,123
Capital Assets Being Depreciated:				
Buildings and Improvements	16,783,923	123,770	-	16,907,693
Improvements Other than Building	13,647,092	111,403	-	13,758,495
Infrastructure	21,952,051	1,630,323	-	23,582,374
Furniture, Fixtures, and Equipment	4,299,400	470,266	(128,262)	4,641,404
Total Capital Assets Being Depreciated	56,682,466	2,335,762	(128,262)	58,889,966
Less Accumulated Depreciation:				
Building	(3,463,389)	(337,466)	-	(3,800,855)
Improvements Other than Buildings	(2,793,521)	(498,392)	-	(3,291,913)
Infrastructure	(6,990,648)	(457,801)	-	(7,448,449)
Furniture, Fixtures, and Equipment	(2,601,911)	(451,064)	127,597	(2,925,378)
Total Accumulated Depreciation	(15,849,469)	(1,744,723)	127,597	(17,466,595)
Total Capital Assets Being Depreciated, Net	40,832,997	591,039	(665)	41,423,371
Governmental Activities Capital Depreciated, Net	$ 51,828,558	$ 1,722,750	$ (1,935,814)	$ 51,615,494

The following is a summary of changes in capital assets for the business-type activities for the year ended September 30, 2022:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 586,447	$ -	$ -	$ 586,447
Construction in Progress	6,713,351	864,538	(5,526,257)	2,051,632
Total Capital Assets Not Being Depreciated	7,299,798	864,538	(5,526,257)	2,638,079
Capital Assets Being Depreciated:				
Buildings and Improvements	9,972,016	-	-	9,972,016
Improvements Other than Building	8,594,072	718,196	-	9,312,268
Infrastructure	48,219,841	5,182,553	-	53,402,394
Furniture, Fixtures, and Equipment	3,844,316	87,303	(27,429)	3,904,190
Total Capital Assets Being Depreciated	70,630,245	5,988,052	(27,429)	76,590,868
Less Accumulated Depreciation:				
Buildings and Improvements	(4,553,133)	(209,829)	-	(4,762,962)
Improvements Other than Building	(3,425,086)	(354,997)	-	(3,780,083)
Infrastructure	(15,508,444)	(1,205,937)	-	(16,714,381)
Furniture, Fixtures, and Equipment	(2,704,668)	(232,369)	31,423	(2,905,614)
Total Accumulated Depreciation	(26,191,331)	(2,003,132)	31,423	(28,163,040)
Total Capital Assets Being Depreciated, Net	44,438,914	3,984,920	3,994	48,427,828
Total Business-Type Activities Capital Assets, Net	$ 51,738,712	$ 4,849,458	$ (5,522,263)	$ 51,065,907

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

Governmental Activities		
General Government	$	349,134
Public Safety		236,772
Physical Environment		54
Transportation		664,607
Economic Environment		53,504
Parks and Recreation		440,652
Total	$	1,744,723

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

Business-Type Activities		
Electric	$	602,269
Water		255,770
Wastewater		955,931
Mosquito		8,558
Internal Service		180,604
Total	$	2,003,132

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Improvement and Refunding Revenue Bonds, Series 2016	$ 11,312,575	$ -	$ (229,400)	$ 11,083,175	$ 399,601
Plus Premium	612,878	-	(24,034)	588,844	24,034
2013 Redevelopment Note	193,168	-	(95,517)	97,651	97,651
Compensated Absences	584,902	202,314	(201,855)	585,361	311,241
Total	$ 12,703,523	$ 202,314	$ (550,806)	$ 12,355,031	$ 832,527

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

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

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

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

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

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

- **Compensated Absences**

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

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

Fiscal Year Ending	Principal	Interest	Total
2023	$ 521,286	$ 403,495	$ 924,781
2024	442,134	381,424	823,558
2025	460,634	360,056	820,690
2026	479,134	337,764	816,898
2027	508,734	314,269	823,003
2028-2032	2,884,072	1,231,758	4,115,830
2033-2037	2,965,472	754,965	3,720,437
2038-2042	1,640,872	431,820	2,072,692
2043-2047	1,867,332	155,719	2,023,051
Total	$ 11,769,670	$ 4,371,270	$ 16,140,940

Business-Type Activities

The following schedule summarizes the changes in the City's business-type long-term liabilities during the year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2009 State Revolving Fund Loan – Florida Department of Environmental Protection	$ 7,217,436	$ -	$ (284,479)	$ 6,932,957	$ 291,391
2016 Capital Improvement and Refunding Revenue Bonds	4,027,425	-	(80,600)	3,946,825	140,400
Series 2016 Plus Premium	226,681	-	(8,889)	217,792	8,889
Capital Improvement Revenue Note, Series 2019	4,110,000	-	(405,000)	3,705,000	210,000
Compensated Absences	247,058	116,104	(122,157)	241,005	161,241
Total	$ 15,828,600	$ 116,104	$ (901,125)	$ 15,043,579	$ 811,921

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

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

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

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

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

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

Fiscal Year Ending	Principal	Interest	Total
2023	$ 650,680	$ 425,588	$ 1,076,268
2024	674,262	404,250	1,078,512
2025	698,017	382,086	1,080,103
2026	726,949	359,007	1,085,956
2027	739,963	335,160	1,075,123
2028-2032	4,075,303	1,308,357	5,383,660
2033-2037	4,214,222	689,399	4,903,621
2038-2042	2,312,345	247,495	2,559,840
2043-2047	710,833	54,712	765,545
Total	$ 14,802,574	$ 4,206,054	$ 19,008,628

Interest

During the year, the City incurred $849,314 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, 2022, 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, 2022. 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, 2022:

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	$ 7,630,593	$ 876,458	13%	$ 21,741,559	2047
Non-Ad Valorem	Capital Improvement Revenue Note, Series 2019	$ 7,630,593	$ 533,520	8%	$ 4,619,209	2035
Incremental Tax Revenue	2013 Redevelopment Note	$ 490,008	$ 99,279	20%	$ 99,279	2023
Net Utility Revenues	State Revolving Fund Loan - 2009	$ 6,238,095	$ 457,343	7%	$ 8,689,521	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, 2022:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 589,042
General Fund	Water Utility	235,663
Electric Utility	Water Utility	335,228
Electric Utility	Wastewater Utility	1,207,115
Water Utility	Wastewater Utility	40,347
Internal Service Fund	Water Utility	215,065
Total		$ 2,622,460

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, 2022.

Interfund Transfers:

	Transfers In		
Transfers (Out)	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 1,248,809	$ 1,248,809
Electric Utility	2,000,000	-	2,000,000
Total	$ 2,000,000	$ 1,248,809	$ 3,248,809

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 $1,248,809 from the General Fund to the Non-Major Governmental Funds is for debt service and the City's required portion of tax incremental funding, neighborhood revitalization, and additional funding for construction projects being completed by the CRA.

Note 10 - Contingent Liabilities

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 11 - Restricted Net Position

Net position is restricted within governmental activities as follows:

		Governmental Activities
Law Enforcement	$	22,033
Physical Environment		226,198
Economic Environment		797,631
Human Services		1,000
Parks and Recreation		20,831
Total	$	1,067,693

The City's restricted net position includes $582,737 restricted by enabling legislation.

Note 12 - Power Purchase Agreements

City of Gainesville
The City entered into a wholesale electric service contract with the City of Gainesville, Florida, on January 21, 1987, for the purchase of the majority of the City's electric power requirements beginning January 6, 1988. The City constructed a 138 x 69 - 12.47Y/7.2kV substation to receive the power, which was placed into operation on that date. The substation is located in such a manner that the City has reasonable access to the transmission lines of both the City of Gainesville and Duke Energy of Florida. A portion of the substation is owned by the City of Gainesville. The initial term of the contract was five years, with options for additional annual extensions. The contract was renegotiated on October 2, 1992, and extended for an additional fifteen years, beginning on December 31, 1992, with automatic extensions for succeeding periods of one year each. This contract was amended again on November 22, 2010, extending the contract for an initial ten-year term, with automatic extensions for up to three succeeding periods of one year each. Effective April 1, 2016, the City renewed its wholesale electric contract with the City of Gainesville. Provisions of the new agreement changed the pricing structure to a flat fifty-eight dollars per megawatt/hour. The City's purchased power agreement with the City of Gainesville ends on March 31, 2022. Total payments to the City of Gainesville for 2022 were $3,558,534.

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 Load commencing on April 1, 2022 through December 31, 2027. Total payments to FMPA for 2022 were $2,370,246.

Florida Power & Light Company (FPL)
Effective July 26, 2021, the City entered into an agreement for FPL to provide wholesale electric service to the Legacy Substation Load commencing on April 1, 2022 through December 31, 2029. Total payments to FPL for 2022 were $4,301,727.

St. Lucie No. 2 Power Purchase Agreement
The City has negotiated a long-term agreement with Florida Power and Light Corporation through FMPA to purchase 0.3044 megawatts of generating capacity and a corresponding amount of energy monthly from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. Total payments for 2022 were $227,621.

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

Note 13 - Defined Benefit Pension Plan

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

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 $1,354,743 for the fiscal year ended September 30, 2022. This included $1,242,918 of expenses related to the FRS Pension Plan and $111,825 related to the Health Insurance Subsidy Plan (HIS).

FRS Pension Plan

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

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

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

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
Regular Class Members Initially Enrolled Before July 1, 2011:	
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
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
Elected Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
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 FRS during the City's 2021-22 fiscal year were as follows:

	Year Ended June 30, 2022 Percent of Gross Salary		Year Ended June 30, 2023 Percent of Gross Salary	
Class	**Employee**	**Employer**[(1)]	**Employee**	**Employer**[(1)]
Regular	3.00	9.10	3.00	10.19
Elected Officers	3.00	49.70	3.00	55.28
Senior Management Service	3.00	27.29	3.00	29.85
Special Risk Regular	3.00	24.17	3.00	26.11
DROP	N/A	16.68	N/A	16.94

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

The City's contributions to the Plan totaled $1,015,081 for the fiscal year ended September 30, 2022. 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, 2022, the City reported a liability of $8,851,077 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's contributions during the Plan's fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2022, the City's proportionate share increased .0006796170% from its proportion measured as of June 30, 2021.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	(Deferred Inflows of Resources)
Employer Contributions After Measurement Date	$ 238,405	$ -
Difference Between Expected and Actual Experience	420,375	-
Changes of Assumptions	1,090,048	-
Changes in Proportion and Difference Between City's Contributions and Proportionate Share of Contributions	549,851	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	584,435	-
Total	$ 2,883,114	$ -

The deferred outflows of resources related to pensions, totaling $238,405, 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2023	$ 683,144
2024	345,797
2025	(32,847)
2026	1,552,058
2027	96,557
Total	$ 2,644,709

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.70%
Investment Rate of Return	6.70%

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of the actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018.

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

Asset Class	Annual Target Allocation [1]	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100%			
Assumed Inflation – Mean			2.4%	1.3%

(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, 2022, valuation.

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

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's Proportionate Share of the Net Pension Liability	$ 15,307,329	$ 8,851,077	$ 3,452,882

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.

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS-participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2022 and 2021, respectively the contribution rates were both 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled $123,486 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2022, the City reported a net pension liability of $2,161,543 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's contributions during the Plan's fiscal year relative to the contributions of all participating members in the same fiscal year. At June 30, 2022, the City's proportionate share increased 0.0005573883% from its proportionate share measured as of June 30, 2021.

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	$ 28,431	$ -
Difference Between Expected and Actual Experience	65,608	9,511
Changes of Assumptions	123,901	334,388
Changes in Proportion and Difference Between City's Contributions and Proportionate Share of Contributions	181,043	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,129	-
Total	$ 402,112	$ 343,899

The deferred outflows of resources related to pensions, totaling $28,431, 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2023	$ 14,324
2024	24,607
2025	27,985
2026	10,335
2027	(30,525)
Thereafter	(16,944)
Total	$ 29,782

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of the actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.54%. 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 3.54%, 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 (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
City's Proportionate Share of the Net Pension Liability	$ 2,472,983	$ 2,161,543	$ 1,903,833

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.

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 2021-22 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-Vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan expense totaled $133,449 for the fiscal year ended September 30, 2022.

Note 14 - Other Postemployment Benefits (OPEB)

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

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

Membership of the Plan consisted of the following:

Date of Actuarial Valuation	September 30, 2021
Retirees and Beneficiaries Receiving Benefits	2
Active Plan Members	126
Total	128

Changes in the Total OPEB Plan Liability

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

	Increase/ (Decrease) in Total OPEB Liability
Reporting Period Ending September 30, 2021	$ 302,756
Changes for the Year:	
Service Cost	36,658
Interest	7,214
Differences Between Expected and Actual Experience	8,458
Changes of Assumptions	16,558
Benefit Payments	(4,591)
Net Changes	64,297
Reporting Period Ending September 30, 2022	$ 367,053

As of September 30, 2022, the total OPEB Plan liability was $367,053, and assets held in trust were $0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $6,488,066, and the ratio of the total OPEB Plan liability to the covered payroll was 5.66%. Covered Employee Payroll was projected one year forward from the valuation date of September 30, 2021 for the reporting period ended September 30, 2022.

Actuarial Assumptions and Methods

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

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2021, actuarial valuation of the Florida Retirements System (FRS) Benefit Pension Plan.

The mortality rates are mandated by Chapter 2015-157, Florida Statutes for pension plans. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The rates are those outlined in Milliman's July 1, 2021, FRS valuation report.

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

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

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

On September 30, 2022, 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	$ 7,400	$ 25,449
Changes of Assumptions	72,955	9,195
Employer Contributions Subsequent to the Measurement Date	20,306	-
Total	$ 100,661	$ 34,644

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

Year Ended September 30,	Amount
2023	$ 6,858
2024	6,858
2025	6,858
2026	6,858
2027	6,858
Thereafter	11,421
Total	$ 45,711

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 percentages-point higher than the current discount rate:

	1% Decrease 1.43%	Current Discount Rate 2.43%	1% Increase 3.43%
Total OPEB Liability	$ 398,131	$ 367,053	$ 338,104

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

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

	1% Decrease 3.00%-6.50%	Healthcare Cost Trend 4.00%-7.50%	1% Increase 5.00%-8.50%
Total OPEB Liability	$ 316,470	$ 367,053	$ 428,733

Note 15 - Risk Management

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

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

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

Note 16 - Commitments and Contingencies

As of September 30, 2022, the City had the following commitments related to significant unfinished projects:

	Expended as of September 30, 2022	Remaining Commitment
Downtown Parking Lot	$ 474,030	$ 530,366
Water Quality and Resiliency Improvements	341,422	143,578
16" Force Main Project	44,350	14,567
City Hall HVAC Replacement	58,572	18,703
LS 27 Generator	-	53,691
AWRF Reuse Storage Tank Rehabilitation	-	62,000
Total	$ 918,374	$ 822,905

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 7,332,527	$ 7,332,527	$ 7,427,093	$ 94,566
Permits, Fees, and Special Assessments	743,989	743,989	981,830	237,841
Intergovernmental Revenues	1,062,899	1,066,773	1,228,830	162,057
Charges for Services	1,334,742	1,337,892	1,570,821	232,929
Fines and Forfeitures	30,000	39,687	47,266	7,579
Investment Income	-	-	9,530	9,530
Miscellaneous	33,600	33,600	60,410	26,810
Total Revenues	10,537,757	10,554,468	11,325,780	771,312
Expenditures				
Current:				
General Government:				
Legislative	142,546	142,546	142,936	(390)
Executive	925,356	925,356	644,896	280,460
Finance	1,950,408	1,950,408	1,674,938	275,470
Information Technology	400,002	400,002	374,739	25,263
Legal	186,831	186,831	146,341	40,490
Planning and Zoning	991,899	991,899	949,875	42,024
Other	171,873	171,873	161,018	10,855
Public Safety:				
Police	4,139,585	4,156,296	4,155,573	723
Protective Inspections	256,779	256,779	204,779	52,000
Physical Environment:				
Solid Waste	736,948	736,948	722,178	14,770
Transportation:				
Streets and Roads	1,453,156	1,674,770	723,973	950,797
Economic Environment	54,000	54,000	7,644	46,356
Parks and Recreation	1,285,473	1,285,473	1,233,801	51,672
Reserve for Contingency	200,000	200,000	-	200,000
(Total Expenditures)	(12,894,856)	(13,133,181)	(11,142,691)	1,990,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,357,099)	(2,578,713)	183,089	2,761,802
Other Financing Sources (Uses)				
Transfers in	1,930,000	2,151,614	2,000,000	(151,614)
Transfers (out)	(1,027,196)	(1,027,196)	(1,248,809)	(221,613)
Total Other Financing Sources (Uses)	902,804	1,124,418	751,191	(373,227)
Net Change in Fund Balance	(1,454,295)	(1,454,295)	934,280	2,388,575
Fund Balance, Beginning of Year	1,454,295	1,454,295	6,977,328	5,523,033
Fund Balance, End of Year	$ -	$ -	$ 7,911,608	$ 7,911,608

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**	**9/30/2022** **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	$ 36,658	$ 28,250	$ 19,067	$ 19,968	$ 21,024
Interest	7,214	9,390	9,118	7,584	6,074
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	8,458	-	(40,714)	-	-
Changes of Assumptions	16,558	33,226	53,674	(9,227)	(9,152)
Benefit Payments	(4,591)	(4,271)	(7,987)	(7,361)	(6,769)
Net Change in Total OPEB Liability	64,297	66,595	33,158	10,964	11,177
Total OPEB Liability - Beginning	302,756	236,161	203,003	192,039	180,862
Total OPEB Liability - Ending	$ 367,053	$ 302,756	$ 236,161	$ 203,003	$ 192,039
Covered-Employee Payroll*	$ 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	5.66%	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, 2021.

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 2022	2.43%
Fiscal Year 2021	2.14%
Fiscal Year 2020	3.58%
Fiscal Year 2019	4.18%
Fiscal Year 2018	3.64%
Fiscal Year 2017	3.06%

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

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	September 30, 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	0.023788079%	0.023108466%	0.022337822%	0.020788355%	0.020641302%	0.020019883%	0.018830837%	0.018337949%
Proportionate Share of the FRS Net Pension Plan	$ 8,851,077	$ 1,745,582	$ 9,681,541	$ 7,159,220	$ 6,217,267	$ 5,921,747	$ 4,754,801	$ 2,368,592
Covered Payroll**	7,437,315	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	119.01%	24.61%	144.02%	114.70%	104.68%	104.95%	89.98%	47.14%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

	September 30, 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	0.020408098%	0.019850710%	0.019367462%	0.018662965%	0.018194623%	0.017692579%	0.017117360%	0.017073473%
Proportionate Share of the HIS Net Pension Plan	$ 2,161,543	$ 2,434,988	$ 2,364,736	$ 2,088,199	$ 1,925,739	$ 1,891,772	$ 1,994,957	$ 1,741,226
Covered Payroll**	7,437,315	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	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	4.81%	3.65%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 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	(1,015,081)	(880,333)	(742,187)	(644,589)	(588,261)	(521,167)	(459,220)	(447,095)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll (FYE 9/30)	$ 7,240,836	$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	14%	12%	11%	10%	10%	9%	9%	9%

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

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

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

Note 1 - Basis of Presentation

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

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

Note 2 - Legally Adopted Budgets

The City legally adopted budgets for all funds with activity during the year.

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, 2022 or 2021.

B. Changes in Assumption

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

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

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

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

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

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

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

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

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

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

CITY OF ALACHUA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022

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.

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 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.
- 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.
- *Mill Creek Sink Fund*—is used to account for grant revenues and capital expenditures from the Suwannee River Water Management District to ensure safe water recharge of the Florida aquifer.
- *CDBG Economic Development*—is used to account for grant revenues and capital expenditures for projects approved under the Community Development Block Grant – Economic Development category.
- *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, 2022

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and Cash Equivalents	$ 814,878	$ 950,343	$ 220,880	$ 1,986,101
Accounts Receivable	-	21,224	-	21,224
Due from Other Governments	-	89,192	-	89,192
Inventory	-	4,961	-	4,961
Prepaid Items	-	823	-	823
Total Assets	814,878	1,066,543	220,880	2,102,301
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	-	13,872	1	13,873
Accrued Liabilities	-	9,523	-	9,523
Advances from Other Funds	96,899	492,143	-	589,042
Total Liabilities	96,899	515,538	1	612,438
Fund Balances				
Non-Spendable:				
Prepaids	-	823	-	823
Inventory	-	4,961	-	4,961
Restricted for:				
Law Enforcement	-	22,033	-	22,033
Physical Environment	-	221,873	4,325	226,198
Economic Environment	-	582,737	214,894	797,631
Human Services	-	1,000	-	1,000
Parks and Recreation	-	19,171	1,660	20,831
Assigned	717,979	-	-	717,979
Unassigned	-	(301,593)	-	(301,593)
Total Fund Balances	717,979	551,005	220,879	1,489,863
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 814,878	$ 1,066,543	$ 220,880	$ 2,102,301

CITY OF ALACHUA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Taxes	$ -	$ 774,726	$ -	$ 774,726
Permits, Fees, and Special Assessments	-	24,013	-	24,013
Intergovernmental Revenues	-	341,670	924,580	1,266,250
Charges for Services	-	164,491	-	164,491
Fines and Forfeitures	-	8,987	-	8,987
Investment Income	123	868	3	994
Miscellaneous	-	26,271	-	26,271
Total Revenues	123	1,341,026	924,583	2,265,732
Expenditures				
Current:				
Physical Environment	-	29,367	-	29,367
Economic Environment	-	382,735	19,965	402,700
Human Services	-	86,665	-	86,665
Parks and Recreation	-	-	2,186	2,186
Debt Service:				
Principal	229,400	95,518	-	324,918
Interest	418,341	3,761	-	422,102
Capital Outlay	-	190,563	888,712	1,079,275
(Total Expenditures)	(647,741)	(788,609)	(910,863)	(2,347,213)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(647,618)	552,417	13,720	(81,481)
Other Financing Sources (Uses)				
Transfers in	827,957	199,238	221,614	1,248,809
Total Other Financing Sources (Uses)	827,957	199,238	221,614	1,248,809
Net Change in Fund Balance	180,339	751,655	235,334	1,167,328
Fund Balance, Beginning of Year	537,640	(200,650)	(14,455)	322,535
Fund Balance, End of Year	$ 717,979	$ 551,005	$ 220,879	$ 1,489,863

CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2022

	Community Redevelopment Fund	Wild Spaces Public Places	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Assets									
Cash and Cash Equivalents	$ 670,631	$ -	$ 16,903	$ 19,182	$ 5,139	$ 20,317	$ 16,486	$ 201,685	$ 950,343
Accounts Receivable	-	-	-	-	-	-	21,224	-	21,224
Due from Other Governments	-	89,192	-	-	-	-	-	-	89,192
Inventory	4,961	-	-	-	-	-	-	-	4,961
Prepaid Items	823	-	-	-	-	-	-	-	823
Total Assets	676,415	89,192	16,903	19,182	5,139	20,317	37,710	201,685	1,066,543
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	13,723	-	9	11	-	12	-	117	13,872
Accrued Liabilities	9,523	-	-	-	-	-	-	-	9,523
Advances from Other Funds	64,648	390,785	-	-	-	-	36,710	-	492,143
Total Liabilities	87,894	390,785	9	11	-	12	36,710	117	515,538
Fund Balances									
Non-Spendable:									
Prepaids	823	-	-	-	-	-	-	-	823
Inventory	4,961	-	-	-	-	-	-	-	4,961
Restricted for:									
Law Enforcement	-	-	16,894	-	5,139	-	-	-	22,033
Economic Environment	- 582,737	-	-	-	-	-	-	-	582,737
Physical Environment	-	-	-	-	-	20,305	-	201,568	221,873
Human Services	-	-	-	-	-	-	1,000	-	1,000
Parks and Recreation	-	-	-	19,171	-	-	-	-	19,171
Unassigned	-	(301,593)	-	-	-	-	-	-	(301,593)
Total Fund Balances	588,521	(301,593)	16,894	19,171	5,139	20,305	1,000	201,568	551,005
Total Liabilities and Fund Balances	$ 676,415	$ 89,192	$ 16,903	$ 19,182	$ 5,139	$ 20,317	$ 37,710	$ 201,685	$ 1,066,543

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, 2022

	Community Redevelopment Fund	Wild Spaces Public Places	Additional Court Costs	Donations	Police Explorers	TK Basin Special Assessment	Children's Trust Grant	Tree Bank	Total
Revenues									
Taxes	$ -	$ 774,726	$ -	$ -	$ -	$ -	$ -	$ -	$ 774,726
Permits, Fees, and Special Assessments	-	-	-	-	-	24,013	-	-	24,013
Intergovernmental Revenues	290,770	-	-	-	-	-	50,900	-	341,670
Charges for Service	-	-	-	-	-	-	36,765	127,726	164,491
Fines and Forfeitures	-	-	8,987	-	-	-	-	-	8,987
Investment Income	638	-	16	20	-	26	-	168	868
Miscellaneous	26,271	-	-	-	-	-	-	-	26,271
Total Revenues	317,679	774,726	9,003	20	-	24,039	87,665	127,894	1,341,026
Expenditures									
Current:									
Economic Environment	382,735	-	-	-	-	-	-	-	382,735
Physical Environment	-	-	-	-	-	17,467	-	11,900	29,367
Human Services	-	-	-	-	-	-	86,665	-	86,665
Debt Service:									
Principal	95,518	-	-	-	-	-	-	-	95,518
Interest	3,761	-	-	-	-	-	-	-	3,761
Capital Outlay	190,563	-	-	-	-	-	-	-	190,563
Total (Expenditures)	(672,577)	-	-	-	-	(17,467)	(86,665)	(11,900)	(788,609)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(354,898)	774,726	9,003	20	-	6,572	1,000	115,994	552,417
Other Financing Sources (Uses)									
Transfers in	199,238	-	-	-	-	-	-	-	199,238
Total Other Financing Sources (Uses)	199,238	-	-	-	-	-		-	199,238
Net Change in Fund Balances	(155,660)	774,726	9,003	20	-	6,572	1,000	115,994	751,655
Fund Balance, Beginning of Year	744,181	(1,076,319)	7,891	19,151	5,139	13,733	-	85,574	(200,650)
Fund Balance, End of Year	$ 588,521	$ (301,593)	$ 16,894	$ 19,171	$ 5,139	$ 20,305	$ 1,000	$201,568	$ 551,005

CITY OF ALACHUA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2022

	San Felasco Conservation Corridor	Heritage Oaks Improvement	Mill Creek Sink Fund	CDBG Economic Development	CDBG Neighborhood Revitalization	Total
Assets						
Cash and Cash Equivalents	$ 1,661	$ 4,325	$ -	$ -	$ 214,894	$ 220,880
Total Assets	1,661	4,325	-	-	214,894	220,880
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	1	-	-	-	-	1
Total Liabilities	1	-	-	-	-	1
Fund Balances						
Restricted for:						
Physical Environment	-	4,325	-	-	-	4,325
Economic Environment	-	-	-	-	214,894	214,894
Parks and Recreation	1,660	-	-	-	-	1,660
Total Fund Balances	1,660	4,325	-	-	214,894	220,879
Total Liabilities and Fund Balances	$ 1,661	$ 4,325	$ -	$ -	$ 214,894	$ 220,880

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, 2022

	San Felasco Conservation Corridor	Heritage Oaks Improvement	Mill Creek Sink Fund	CDBG Economic Development	CDBG Neighborhood Revitalization	Total
Revenues						
Intergovernmental Revenues	$ -	$ -	$ 907,735	$ 3,600	$ 13,245	$ 924,580
Investment Income	3	-	-	-	-	3
Total Revenues	3	-	907,735	3,600	13,245	924,583
Expenditures						
Economic Environment	-	-	-	-	19,965	19,965
Parks and Recreation	2,186	-	-	-	-	2,186
Capital Outlay	-	-	888,712	-	-	888,712
(Total Expenditures)	(2,186)	-	(888,712)	-	(19,965)	(910,863)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,183)	-	19,023	3,600	(6,720)	13,720
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	221,614	221,614
Total Other Financing Sources (Uses)	-	-	-	-	221,614	221,614
Net Change in Fund Balances	(2,183)	-	19,023	3,600	214,894	235,334
Fund Balance, Beginning of Year	3,843	4,325	(19,023)	(3,600)	-	(14,455)
Fund Balance, End of Year	$ 1,660	$ 4,325	$ -	$ -	$ 214,894	$ 220,879

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, 2022

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Investment Income	$ -	$ 123	$ 123
Total Revenues	-	123	123
Expenditures			
Debt Service:			
Principal	229,400	229,400	-
Interest and Fiscal Charges	418,342	418,341	1
(Total Expenditures)	(647,742)	(647,741)	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(647,742)	(647,618)	124
Other Financing Sources (Uses)			
Transfers in	827,957	827,957	-
Total Other Financing Sources (Uses)	827,957	827,957	-
Net Change in Fund Balance	180,215	180,339	124
Fund Balance, Beginning of Year	(180,215)	537,640	717,855
Fund Balance, End of Year	$ -	$ 717,979	$ 717,979

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, 2022

	Wild Spaces Public Places			Additional Court Costs		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ 626,842	$ 774,726	$ 147,884	$ -	$ -	$ -
Fines and Forfeitures	-	-	-	3,500	8,987	5,487
Investment Income	-	-	-	-	16	16
Total Revenues	626,842	774,726	147,884	3,500	9,003	5,503
Expenditures						
Current:						
Public Safety	-	-	-	6,050	-	6,050
Parks and Recreation	716,842	-	716,842	-	-	-
(Total Expenditures)	(716,842)	-	716,842	(6,050)	-	6,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,000)	774,726	864,726	(2,550)	9,003	11,553
Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(90,000)	774,726	864,726	(2,550)	9,003	11,553
Fund Balance, Beginning of Year	90,000	(1,076,319)	(1,166,319)	2,550	7,891	5,341
Fund Balance, End of Year	$ -	$ (301,593)	$ (301,593)	$ -	$ 16,894	$ 16,894

Donations			Police Explorers		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	20	20	-	-	-
-	20	20	-	-	-
-	-	-	5,000	-	5,000
20,108	-	20,108	-	-	-
(20,108)	-	20,108	(5,000)	-	5,000
(20,108)	20	20,128	(5,000)	-	5,000
-	-	-	-	-	-
(20,108)	20	20,128	(5,000)	-	5,000
20,108	19,151	(957)	5,000	5,139	139
$ -	$ 19,171	$ 19,171	$ -	$ 5,139	$ 5,139

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	TK Basin Special Assessment			Children's Trust Grant		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Permits, Fees, and Special Assessments	$ 24,500	$ 24,013	$ (487)	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	66,665	50,900	(15,765)
Charges for Service	-	-	-	20,000	36,765	16,765
Miscellaneous Income	20	-	-	-	-	-
Investment Income	-	26	26	-	-	-
Total Revenues	24,520	24,039	(481)	86,665	87,665	1,000
Expenditures						
Current:						
Economic Environment	-	-	-	-	-	-
Physical Environment	34,300	17,467	16,833	-	-	-
Human Services	-	-	-	86,665	86,665	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Reserve for Contingency	-	-	-	-	-	-
(Total Expenditures)	(34,300)	(17,467)	16,833	(86,665)	(86,665)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,780)	6,572	16,352	-	1,000	1,000
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	(9,780)	6,572	16,352	-	1,000	1,000
Fund Balance, Beginning of Year	9,780	13,733	3,953	-	-	-
Fund Balance, End of Year	$ -	$ 20,305	$ 20,305	$ -	$ 1,000	$ 1,000

Tree Bank			Community Redevelopment Fund		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
-	$ -	$ -	$ -	$ -	$ -
-	127,726	127,726	290,770	290,770	-
-	-	-	-	-	-
-	-	-	10,000	638	(9,362)
-	168	168	-	26,271	26,271
-	127,894	127,894	300,770	317,679	16,909
-	-	-	455,016	382,735	72,281
85,570	11,900	73,670	-	-	-
-	-	-	-	-	-
-	-	-	95,518	95,518	-
-	-	-	3,762	3,761	1
-	-	-	405,734	190,563	215,171
-	-	-	10,000	-	10,000
(85,570)	(11,900)	73,670	(970,030)	(672,577)	297,453
(85,570)	115,994	201,564	(669,260)	(354,898)	314,362
-	-	-	199,239	199,238	(1)
-	-	-	199,239	199,238	(1)
(85,570)	115,994	201,564	(470,021)	(155,660)	314,361
85,570	85,574	4	470,021	744,181	274,160
$ -	$ 201,568	$ 201,568	$ -	$ 588,521	$ 588,521

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, 2022

	San Felasco Conservation Corridor		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Investment Income	$ -	$ 3	$ 3
Total Revenues	-	3	3
Expenditures			
Current:			
Physical Environment	-	-	-
Parks and Recreation	3,843	2,186	1,657
Capital Outlay	-	-	-
(Total Expenditures)	(3,843)	(2,186)	1,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,843)	(2,183)	1,660
Net Change in Fund Balance	(3,843)	(2,183)	1,660
Fund Balance, Beginning of Year	3,843	3,843	-
Fund Balance, End of Year	$ -	$ 1,660	$ 1,660

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, 2022
(Continued)

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

CITY OF ALACHUA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - NON-MAJOR
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	Mill Creek Sink Fund			CDBG Economic Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Intergovernmental Revenues	$ 888,713	$ 907,735	$ 19,022	$ 6,300	$ 3,600	$ (2,700)
Total Revenues	888,713	907,735	19,022	6,300	3,600	(2,700)
Expenditures						
Current:						
Economic Environment	-	-	-	6,300	-	6,300
Capital Outlay	888,713	888,712	1	-	-	-
(Total Expenditures)	(888,713)	(888,712)	1	(6,300)	-	6,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	19,023	19,023	-	3,600	3,600
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	-	19,023	19,023	-	3,600	3,600
Fund Balance, Beginning of Year	-	(19,023)	(19,023)	-	(3,600)	(3,600)
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -	$ -

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, 2022
(Concluded)

	CDBG Neighborhood Revitalization		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental Revenues	$ 700,000	$ 13,245	$ (686,755)
Total Revenues	700,000	13,245	(686,755)
Expenditures			
Current:			
Economic Environment	56,000	19,965	36,035
Capital Outlay	865,614	-	865,614
(Total Expenditures)	(921,614)	(19,965)	901,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	(221,614)	(6,720)	214,894
Other Financing Sources (Uses)			
Transfers in	221,614	221,614	-
Total Other Financing Sources (Uses)	221,614	221,614	-
Net Change in Fund Balance	-	214,894	214,894
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	$ -	$ 214,894	$ 214,894

STATISTICAL SECTION
(unaudited)

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

Contents **Page**

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.*

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Governmental Activities				
Net Investment in Capital Assets	$ 15,054,392	15,864,924	17,393,955	19,616,277
Restricted	2,104,955	1,328,668	1,933,806	697,533
Unrestricted	3,250,642	3,752,120	810,604	1,596,788
Total governmental activities net position	$ 20,409,989	20,945,712	20,138,365	21,910,598
Business-type Activities				
Net Investment in Capital Assets	$ 25,448,736	26,121,070	27,034,352	26,925,962
Restricted	1,067,119	688,818	737,724	803,328
Unrestricted	3,139,610	4,979,974	5,141,346	7,524,704
Total business-type activities net position	$ 29,655,465	31,789,862	32,913,422	35,253,994
Primary Government				
Net Investment in Capital Assets	$ 40,503,128	41,985,994	44,428,307	46,542,239
Restricted	3,172,074	2,017,486	2,671,530	1,500,861
Unrestricted	6,390,252	8,732,094	5,951,950	9,121,492
Total primary government net position	$ 50,065,454	52,735,574	53,051,787	57,164,592

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					
2017	2018	2019	2020	2021	2022
22,463,590	23,893,386	31,404,781	38,811,346	39,709,937	39,845,824
965,855	1,118,805	720,643	824,515	877,524	1,067,693
34,697	1,170,134	(228,560)	(1,331,158)	(292,015)	1,365,613
23,464,142	26,182,325	31,896,864	38,304,703	40,295,446	42,279,130
27,105,739	27,305,901	30,545,539	32,375,147	36,157,170	36,263,333
829,815	845,867	766,948	497,822	0	0
8,213,058	10,039,192	8,850,939	8,714,790	7,501,011	9,599,477
36,148,612	38,190,960	40,163,426	41,587,759	43,658,181	45,862,810
49,569,329	51,199,287	61,950,320	71,186,493	75,867,107	76,109,157
1,795,670	1,964,672	1,487,591	1,322,337	877,524	1,067,693
8,247,755	11,209,326	8,622,379	7,383,632	7,208,996	10,965,090
59,612,754	64,373,285	72,060,290	79,892,462	83,953,627	88,141,940

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

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Expenses				
Governmental activities:				
General government	$ 2,813,888	2,719,659	2,690,754	3,028,258
Public safety	3,085,939	3,164,017	3,215,211	3,610,483
Physical environment	795,886	789,404	840,642	828,282
Transportation	694,479	758,198	813,619	918,754
Economic environment	176,463	212,978	192,386	239,226
Parks and recreation	758,883	1,318,191	892,715	741,416
Human Services	0	0	0	0
Interest on long-term debt	435,587	418,674	413,851	567,472
Total governmental activities expenses	8,761,125	9,381,121	9,059,178	9,933,891
Business-type Activities				
Electric	10,083,138	11,863,813	12,377,194	11,250,351
Water and sewer	3,634,733	3,621,216	3,365,172	3,403,639
Mosquito control	49,446	53,461	41,815	43,026
Total business-type activities	13,767,317	15,538,490	15,784,181	14,697,016
Total primary government expenses	22,528,442	24,919,611	24,843,359	24,630,907
Program Revenues				
Governmental activities:				
Charges for services:				
General government	495,774	317,475	371,184	398,171
Public safety	54,418	297,144	237,108	294,121
Physical environment	809,118	823,782	842,168	864,936
Transportation	12,565	13,370	14,656	23,104
Economic environment	0	0	0	0
Parks and recreation	32,615	27,243	31,901	30,654
Human Services	0	0	0	0
Operating grants and contributions	270,027	251,953	485,404	266,003
Capital grants and contributions	756,335	577,993	1,029,007	1,032,140
Total governmental activities program revenues	$ 2,430,852	2,308,960	3,011,428	2,909,129
Business-type activities:				
Charges for services:				
Electric	$ 13,073,827	15,171,323	15,693,189	15,129,466
Water and sewer	3,144,427	3,350,473	3,429,227	3,969,605
Mosquito control	54,585	56,291	57,115	57,991
Operating grants and contributions	551,284	24,527	24,527	0
Capital grants and contributions	1,321,644	662,887	0	0
Total business-type activities program revenues	18,145,767	19,265,501	19,204,058	19,157,062
Total primary government program revenues	20,576,619	21,574,461	22,215,486	22,066,191
Net (Expense) Revenue				
Governmental activities	(6,330,273)	(7,072,161)	(6,047,750)	(7,024,762)
Business-type activities	4,378,450	3,727,011	3,419,877	4,460,046
Total primary government net expense	$ (1,951,823)	(3,345,150)	(2,627,873)	(2,564,716)

Fiscal Year					
2017	2018	2019	2020	2021	2022
3,486,727	3,599,652	3,929,844	4,312,382	4,279,253	4,390,990
4,085,731	3,654,092	4,005,543	4,448,401	3,808,353	4,596,139
724,084	728,897	697,179	709,120	739,350	751,599
982,780	1,009,907	1,146,987	1,132,041	1,319,813	1,374,633
237,578	347,468	361,475	348,111	366,847	466,375
730,895	1,113,466	1,240,993	1,354,105	1,545,586	1,632,577
0	0	0	51,787	129,547	86,665
472,693	458,943	441,643	425,762	409,116	391,626
10,720,488	10,912,425	11,823,664	12,781,709	12,597,865	13,690,604
10,487,281	10,421,132	10,993,671	10,973,016	11,363,594	15,257,771
3,974,417	3,861,470	4,376,020	4,496,164	4,716,240	4,906,437
33,859	43,389	64,968	41,531	46,369	47,856
14,495,557	14,325,991	15,434,659	15,510,711	16,126,203	20,212,064
25,216,045	25,238,416	27,258,323	28,292,420	28,724,068	33,902,668
356,558	424,864	465,209	499,375	528,747	691,202
334,904	320,734	460,845	557,469	760,854	853,988
805,619	796,313	811,177	819,832	831,301	844,814
33,871	34,790	40,108	41,157	45,230	46,463
0	0	0	0	0	0
34,865	73,653	113,726	48,268	172,483	336,928
0	0	0	0	0	0
300,985	243,010	399,811	277,541	508,954	258,650
763,611	1,864,531	5,292,668	7,004,740	1,207,760	1,455,383
2,630,413	3,757,895	7,583,544	9,248,382	4,055,329	4,487,428
13,736,261	14,066,610	14,098,831	14,454,678	14,899,859	18,612,142
3,852,329	4,089,464	4,158,288	4,366,496	5,146,692	5,384,942
58,909	59,831	60,487	60,786	61,889	62,142
0	0	75,407	6,266	15,000	0
0	350,000	768,000	0	138,665	341,422
17,647,499	18,565,905	19,161,013	18,888,226	20,262,105	24,400,648
20,277,912	22,323,800	26,744,557	28,136,608	24,317,434	28,888,076
(8,090,075)	(7,154,530)	(4,240,120)	(3,533,327)	(8,542,536)	(9,203,176)
3,151,942	4,239,914	3,726,354	3,377,515	4,135,902	4,188,584
(4,938,133)	(2,914,616)	(513,766)	(155,812)	(4,406,634)	(5,014,592)

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

	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 3,650,565	3,650,563	3,638,572	3,982,499
Utility taxes	1,120,707	1,118,050	1,165,926	1,387,113
Discretionary Sales Surtax	0	0	0	0
Communications services taxes	333,439	313,826	346,275	338,750
Local option gas tax	0	0	0	0
Business license tax	49,723	46,691	49,645	48,398
Franchise fees	0	0	0	0
Intergovernmental revenue	626,460	657,312	703,123	743,242
Unrestricted investment earnings	13,401	8,321	6,617	25,692
Miscellaneous	150,228	114,923	902,230	194,070
Capital asset transfers	0	0	0	0
Gain on disposal of capital assets	0	0	0	0
Special item	0	0	(3,186,541)	(123,628)
Transfers	1,698,102	1,698,198	1,614,556	2,200,859
Total governmental activities	7,642,625	7,607,884	5,240,403	8,796,995
Business-type activities:				
Unrestricted investment earnings	11,665	7,330	4,280	7,166
Miscellaneous	80,881	98,254	117,079	74,219
Capital asset transfers	0	0	0	0
Gain on disposal of capital assets	0	0	0	0
Special item	0	0	(803,120)	0
Transfers	(1,698,102)	(1,698,198)	(1,614,556)	(2,200,859)
Total business-type activities	(1,605,556)	(1,592,614)	(2,296,317)	(2,119,474)
Total primary government	$ 6,037,069	6,015,270	2,944,086	6,677,521
Change in Net Position				
Governmental activities	$ 1,312,352	535,723	(807,347)	1,772,233
Business-type activities	2,772,894	2,134,397	1,123,560	2,340,572
Total primary government	$ 4,085,246	2,670,120	316,213	4,112,805

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					
2017	2018	2019	2020	2021	2022
4,171,075	4,090,645	4,280,381	4,489,384	4,726,998	5,079,266
1,423,860	1,450,979	1,506,043	1,481,057	1,608,171	1,670,498
368,655	605,530	609,820	571,527	684,556	774,727
311,859	323,331	332,749	361,901	321,121	313,796
0	0	0	0	0	0
48,649	49,970	51,497	47,733	39,549	48,153
0	0	0	0	0	0
801,244	823,041	853,502	790,075	1,019,001	1,189,151
32,812	58,385	114,730	30,281	5,407	10,524
103,364	97,195	140,609	101,531	57,535	100,045
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,382,101	2,362,597	2,065,328	2,067,677	2,071,641	2,000,000
9,643,619	9,861,673	9,954,659	9,941,166	10,533,979	11,186,160
23,498	99,537	187,324	58,977	6,161	12,051
101,279	58,336	124,115	55,518	0	3,994
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(2,382,101)	(2,362,597)	(2,065,328)	(2,067,677)	(2,071,641)	(2,000,000)
(2,257,324)	(2,204,724)	(1,753,889)	(1,953,182)	(2,065,480)	(1,983,955)
7,386,295	7,656,949	8,200,770	7,987,984	8,468,499	9,202,205
1,553,544	2,707,143	5,714,539	6,407,839	1,991,443	1,982,984
894,618	2,035,190	1,972,465	1,424,333	2,070,422	2,204,629
2,448,162	4,742,333	7,687,004	7,832,172	4,061,865	4,187,613

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

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
General Fund				
Nonspendable	$ 1,819,012	1,411,513	1,726,625	1,128,744
Restricted	12,626	15,462	26,154	26,167
Assigned	653,673	727,248	549,035	2,050,825
Unassigned	2,689,621	3,434,709	3,324,514	2,931,335
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total general fund	$ 5,174,932	5,588,932	5,626,328	6,137,071
All Other Governmental Funds				
Nonspendable	$ 13,621	23,607	10,999	12,226
Restricted	2,072,294	1,459,511	2,065,728	4,635,975
Assigned	0	0	0	697,959
Unassigned	(1,216,869)	(1,282,361)	(1,194,361)	(667,489)
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	$ 869,046	200,757	882,366	4,678,671

Fiscal Year

2017	2018	2019	2020	2021	2022
627,675	750,470	3,104,103	3,022,285	1,634,204	918,680
10,448	3,693	12,824	12,427	0	0
306,543	2,354,747	1,228,534	1,597,253	1,454,295	2,087,212
3,813,331	2,774,649	2,705,928	2,516,089	3,888,829	4,905,716
0	0	0	0	0	0
0	0	0	0	0	0
4,757,997	5,883,559	7,051,389	7,148,054	6,977,328	7,911,608
21,826	5,693	597	589	5,613	5,784
955,407	1,115,112	707,819	812,088	878,224	1,067,693
559,861	494,228	491,462	502,343	537,640	717,979
(300,000)	(95,699)	(2,802,715)	(2,539,356)	(1,098,942)	(301,593)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,237,094	1,519,334	(1,602,837)	(1,224,336)	322,535	1,489,863

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	$ 5,364,716	5,344,809	5,430,545	6,004,417
Permits, fees, and special assessments	448,531	507,102	495,716	491,381
Intergovernmental revenues	1,038,824	1,149,737	1,887,631	1,796,689
Charges for services	906,021	902,045	947,960	1,067,509
Fines and forfeitures	48,181	63,393	43,769	34,312
Interest	13,401	8,321	6,617	25,692
Miscellaneous	174,019	171,720	998,455	192,843
Total revenues	7,993,693	8,147,127	9,810,693	9,612,843
Expenditures				
General government	2,534,198	2,511,783	2,560,365	2,741,395
Public safety	2,916,255	3,004,179	3,128,641	3,283,396
Physical environment	795,832	789,349	840,588	828,228
Transportation	473,721	474,618	488,529	566,945
Economic environment	161,923	197,491	172,559	197,743
Human Services	0	0	0	0
Parks and recreation	657,592	710,454	789,635	640,079
Debt service:				
Principal	215,000	304,621	321,840	418,711
Interest and fiscal charges	430,470	421,513	424,885	474,815
Capital outlay	1,746,650	1,685,606	1,979,202	4,339,117
Total expenditures	9,931,641	10,099,614	10,706,244	13,490,429
Excess (deficiency) of revenues over (under) expenditures	(1,937,948)	(1,952,487)	(895,551)	(3,877,586)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	11,270	0	0	0
Proceeds from borrowing	885,500	0	1,150,000	13,207,453
Payments to refunding bond escrow agent	0	0	(1,150,000)	(7,100,000)
Insurance proceeds	0	0	0	0
Transfers in	2,454,088	2,557,976	2,979,434	3,437,126
Transfers out	(755,986)	(859,778)	(1,364,878)	(1,236,267)
Total other financing sources (uses)	2,594,872	1,698,198	1,614,556	8,308,312
Net change in fund balances	$ 656,924	(254,289)	719,005	4,430,726
Debt service as a percentage of noncapital expenditures	7.9%	8.6%	8.6%	9.8%

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					
2017	2018	2019	2020	2021	2022
6,574,325	6,771,785	7,039,344	7,197,160	7,661,926	8,201,819
491,187	536,096	564,860	581,834	797,763	1,005,843
1,594,494	1,241,335	3,723,450	8,201,739	2,908,312	2,495,080
982,949	1,060,719	1,217,916	1,312,746	1,459,927	1,735,312
64,531	29,230	78,810	40,987	46,308	56,253
32,812	58,385	114,730	30,283	5,407	10,524
107,699	89,425	137,858	47,637	47,324	86,681
9,847,997	9,786,975	12,876,968	17,412,386	12,926,967	13,591,512
3,064,460	3,156,600	3,332,416	3,604,814	4,131,805	3,951,708
3,555,867	3,133,453	3,261,173	3,513,424	3,771,476	4,216,129
724,030	728,843	697,125	709,066	739,296	751,545
563,055	562,857	667,209	592,393	684,572	699,970
186,235	294,475	300,062	233,817	315,730	410,344
0	0	0	51,787	129,547	86,665
592,608	793,078	876,510	954,871	1,136,982	1,176,277
482,911	534,888	464,197	479,892	515,433	324,918
486,444	489,477	471,882	456,514	440,173	422,102
7,395,139	1,048,099	6,826,063	8,408,319	1,757,449	1,450,246
17,050,749	10,741,770	16,896,637	19,004,897	13,622,463	13,489,904
(7,202,752)	(954,795)	(4,019,669)	(1,592,511)	(695,496)	101,608
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,478,044	3,398,431	3,015,805	3,033,621	3,048,523	3,248,809
(3,095,943)	(1,035,834)	(950,476)	(965,944)	(976,882)	(1,248,809)
2,382,101	2,362,597	2,065,329	2,067,677	2,071,641	2,000,000
(4,820,651)	1,407,802	(1,954,340)	475,166	1,376,145	2,101,608
10.0%	10.6%	9.3%	8.8%	8.1%	6.2%

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
2013	279,161,950	106,282,970	57,665,520	130,863,550
2014	281,698,170	106,926,610	56,734,615	128,789,230
2015	287,733,692	106,342,560	57,151,050	122,327,400
2016	298,701,155	107,851,700	57,903,000	120,895,840
2017	309,304,486	113,985,346	53,879,730	121,952,410
2018	335,714,108	103,460,140	54,743,787	176,570,660
2019	357,724,814	106,719,620	60,071,970	179,366,290
2020	375,232,012	117,826,179	58,052,873	176,592,913
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

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
286,179,813	103,588,381	281,978,533	681,763,651	5.5000
285,937,360	108,914,101	281,927,200	687,072,886	5.5000
290,459,714	103,433,849	284,232,894	683,215,371	5.5000
287,466,114	100,745,527	285,472,955	688,090,381	5.9900
291,778,105	107,092,736	286,363,129	711,629,684	5.9900
306,847,540	107,354,328	302,079,280	782,611,283	5.3900
323,835,410	110,932,918	318,382,990	820,268,032	5.3900
329,621,158	124,683,997	325,488,330	856,520,802	5.3900
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

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

	Direct			Overlapping							
Fiscal Year Ended Sept. 30,	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
2013	5.5000	0.0000	5.5000	8.5956	0.2500	1.3638	0.1130	0.0000	8.5490	0.4143	0.3313
2014	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0950	0.0000	8.4020	0.4143	0.3283
2015	5.5000	0.0000	5.5000	8.7990	0.2500	1.3638	0.0950	0.0000	8.4100	0.0420	0.3164
2016	5.9900	0.0000	5.9900	8.7950	0.1595	1.4538	0.0900	0.0000	8.3420	0.4104	0.3023
2017	5.9900	0.0000	5.9900	8.9290	0.0000	1.3371	0.0750	0.0000	7.9360	0.4093	0.2885
2018	5.3900	0.0000	5.3900	8.4648	0.0000	1.2655	0.0000	0.0000	7.6250	0.4027	0.2724
2019	5.3900	0.0000	5.3900	8.2829	0.0000	1.2303	0.0000	0.0000	7.2640	0.3948	0.2562
2020	5.3900	0.0000	5.3900	8.2729	0.0000	1.1825	0.0000	0.5000	7.1440	0.3840	0.2414
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

Source: Alachua County Property Appraiser

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

	Fiscal Year 2022			Fiscal Year 2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Wal-Mart Stores East LP	$ 66,584,147	1	6.83%	$ 72,814,750	1	10.68%
National Resilience (Ology Bioservices)	65,606,150	2	6.72%	0		
Dolgencorp, Inc.	56,025,296	3	5.74%	51,690,390	2	7.58%
Regeneration Technologies, Inc.	35,074,505	4	3.60%	20,391,730	4	2.99%
Baugh Southeast Cooperative, Inc.	33,563,068	5	3.44%	31,300,900	3	4.59%
Alachua Development, LLC	19,776,868	6	2.03%	9,894,520	8	1.45%
Waco Properties, Inc.	9,958,911	7	1.02%	10,591,000	7	1.55%
HF Holdings Colorado LLC	9,735,206	8	1.00%	0		
Alachua FL 0716 LLC	7,813,946	9	0.80%	0		0.00%
Lowes Home Centers, Inc.	7,532,171	10	0.77%	9,029,320	9	1.32%
South Redistribution Center Inc.	0			11,218,120	5	1.65%
SNH Medical Office Properties	0			11,217,500	6	1.65%
MAS Holding Company, Inc.	0			5,173,000	10	0.76%
	$ 311,670,268		31.95%	$ 233,321,230		34.22%

Source: Alachua County Tax Collector

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

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

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
2013	7,379,974	1,275,000	0	0
2014	7,281,279	1,150,000	0	500,000
2015	7,177,584	1,015,000	0	500,000
2016	12,937,326	875,000	0	680,085
2017	12,839,292	725,000	0	506,710
2018	12,622,858	560,000	0	0
2019	12,399,024	385,000	0	0
2020	12,171,488	200,000	0	0
2021	11,925,453	0	0	0
2022	11,672,019	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	Loans/ Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
530,000	4,695,000	0	8,362,907	23,128,381	7.00%	2,532
455,000	4,060,000	0	8,411,413	22,663,571	6.41%	2,437
375,000	3,410,000	0	8,345,992	21,547,614	5.86%	2,254
290,000	2,750,000	4,611,853	8,229,683	31,014,317	7.91%	3,135
200,000	2,085,000	4,576,964	8,086,990	29,574,790	7.36%	2,977
105,000	1,405,000	4,500,471	7,917,275	27,577,993	6.51%	2,716
0	710,000	4,421,382	12,220,079	30,513,479	6.95%	2,963
0	0	4,340,996	11,995,158	28,994,243	5.57%	2,769
0	0	4,262,996	11,327,436	27,709,054	5.45%	2,576
0	0	4,173,507	10,637,957	26,483,483	4.82%	2,442

Schedule 10
CITY OF ALACHUA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Capital Improvement Revenue and Revenue Refunding Bonds, 2016	$ 11,083,175	100.00%	$ 11,083,175
Plus Premium	588,844	100.00%	588,844
Redevelopment Revenue Note, 2013	97,650	100.00%	97,650
Total direct debt	11,769,669		11,769,669
Overlapping:			
Alachua County Board of County Commissioners:			
Public Improvement Revenue Note, 2014	3,188,000	5.66%	180,518
Capital Improvement Revenue Note, 2015A	1,622,000	5.66%	91,844
Public Improvement Revenue Refunding Note, 2015B	7,178,000	5.66%	406,448
Public Improvement Revenue Refunding Note, 2016	6,245,000	5.66%	353,618
Public Improvement Revenue Note, 2017	1,074,000	5.66%	60,814
Capital Improvement Revenue Refunding Note, 2017	665,000	5.66%	37,655
Local Option Gas Tax Revenue Note, 2018	8,610,000	5.66%	487,534
Capital Improvement Revenue Note, 2020A	3,060,000	5.66%	173,270
Capital Improvement Revenue Note, 2020B	3,940,000	5.66%	223,099
Capital Improvement Revenue Note, 2020C	11,190,000	5.66%	633,624
Capital Lease Payable-ACSO Equipment 2020	499,130	5.66%	28,263
Tourist Development Tax Revenue Note, 2021AB	29,885,000	5.66%	1,692,211
School Board of Alachua County:			
Bus Purchase 2020	4,542,887	5.05%	229,603
Certificates of Participation	95,490,000	5.05%	4,826,179
Qualified School Construction Bonds	11,211,997	5.05%	566,668
Build America Bonds	2,941,868	5.05%	148,686
Total overlapping debt	191,342,882		10,140,033
Total direct and overlapping debt	$ 203,112,551		$ 21,909,702

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	Section 108 Loan Debt Service Interest
2013	966,702	115,000	89,530
2014	1,006,475	125,000	82,538
2015	1,057,098	135,000	77,762
2016	1,133,662	140,000	16,405
2017	1,190,516	150,000	15,242
2018	1,235,434	165,000	13,848
2019	1,310,196	175,000	11,654
2020	1,272,267	185,000	8,363
2021	1,428,992	200,000	3,917
2022	0	0	0

Fiscal Year	Pledged Revenue	Series 2006 Capital Improvement Debt Service Principal	Series 2006 Capital Improvement Debt Service Interest
2013	6,255,215	100,000	320,695
2014	6,123,156	100,000	316,883
2015	6,024,910	105,000	312,783
2016	6,402,248	110,000	304,448
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0

Notes:

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

(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

		Sales Tax Rev Note-1995 Debt Service		Sales Tax Rev Note-1999A Debt Service		
Fiscal Year	Sales Tax Revenue	Principal	Interest	Principal	Interest	Coverage
2013	0	0	0	0	0	0.00
2014	0	0	0	0	0	0.00
2015	0	0	0	0	0	0.00
2016	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2021	0	0	0	0	0	0.00
2022	0	0	0	0	0	0.00

		Sales Tax Rev Note-1999B Debt Service		Sales Tax Rev Note-2000 Debt Service		
Fiscal Year	Sales Tax Revenue	Principal	Interest	Principal	Interest	Coverage
2013	0	0	0	0	0	0.00
2014	0	0	0	0	0	0.00
2015	0	0	0	0	0	0.00
2016	0	0	0	0	0	0.00
2017	0	0	0	0	0	0.00
2018	0	0	0	0	0	0.00
2019	0	0	0	0	0	0.00
2020	0	0	0	0	0	0.00
2021	0	0	0	0	0	0.00
2022	0	0	0	0	0	0.00

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

		Debt Service Requirements			
Fiscal Year	Tax Increment Revenue	Principal	Interest	Total	Coverage
2013	440,175	0	0	0	N/A
2014	445,355	79,622	19,658	99,280	4.49
2015	430,915	81,841	17,439	99,280	4.34
2016	446,504	83,668	15,612	99,280	4.50
2017	461,807	85,535	13,744	99,279	4.65
2018	442,610	87,445	11,835	99,280	4.46
2019	459,275	89,397	9,882	99,279	4.63
2020	466,184	91,392	7,887	99,279	4.70
2021	470,975	93,433	5,847	99,280	4.74
2022	490,008	95,518	3,761	99,279	4.94

Notes:

(1) The Tax Increment Revenue Notes are backed by the property tax revenue produced by the property tax rate of the City of Alachua and Alachua County applied to the increase in taxable assessed values above the base year taxable assessed valued multiplied by 95%.

(2) 2000 Tax Increment Note paid off during FY 2010-2011.

(3) 2013 Redevelopment Note Debt Service payment began in FY 2013-2014.

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

Net Debt Service Requirements

Fiscal Year	Net Utility Revenue Available	Excise Taxes	Revenue Available for Debt Service	Total Debt	Coverage
2013	4,555,312	1,454,146	6,009,458	1,162,198	5.17
2014	3,840,677	1,431,876	5,272,553	1,000,935	5.27
2015	3,295,525	1,512,201	4,807,726	1,120,818	4.29
2016	3,949,967	1,725,863	5,675,830	1,142,493	4.97
2017	3,042,563	1,735,719	4,778,282	1,158,811	4.12
2018	3,587,827	1,774,310	5,362,137	1,184,685	4.53
2019	3,137,138	1,838,792	4,975,930	1,214,577	4.10
2020	3,711,173	1,842,958	5,554,131	1,132,122	4.91
2021	4,003,398	1,929,292	5,932,690	1,059,513	5.60
2022	3,958,469	1,984,411	5,942,880	990,900	6.00

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
2013	9,134	268,232	36,179	330,458,986	4.80%
2014	9,300	270,382	38,045	353,818,500	5.50%
2015	9,561	273,377	38,462	367,735,182	4.20%
2016	9,892	277,163	39,650	392,217,800	4.40%
2017	9,936	280,708	40,444	401,851,584	4.50%
2018	10,155	280,715	41,718	423,646,290	3.40%
2019	10,298	285,072	42,663	439,343,574	2.50%
2020	10,470	289,857	49,689	520,243,830	4.30%
2021	10,756	328,517	47,302	508,780,312	5.20%
2022	10,844	351,001	50,623	548,955,812	2.40%

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

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

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

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

	Fiscal Year 2022			
Employer	**Type of Business**	**Number of Employees**	**Rank**	**% of Total**
Dollar General Distribution Center	Retail	800	1	21.67%
Walmart Distribution Center	Retail	769	2	20.83%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	357	3	9.67%
Thermo Fisher Scientific	Pharma Services	350	4	9.48%
School Board of Alachua County	Public Education	223	5	6.04%
National Resilience (Ology Bioservices)	Biologic Technologies	376	6	10.18%
Sandvik Mining & Construction USA, LLC	Manufacturing	250	7	6.26%
Publix Supermarkets	Retail	231	8	6.77%
Lowe's	Retail	169	9	4.58%
Baugh Southeast Cooperative, Inc. (Sysco)	Retail	167	10	4.52%
	Total City Employment	3,692		

Source: Individual Employers

Employer	Type of Business	Fiscal Year 2013 Number of Employees	Rank	% of Total
Walmart Distribution Center	Retail	736	1	23.90%
Dollar General Distribution Center	Retail	624	2	20.27%
Regeneration Technologies, Inc.	Orthopedic/Cardio Implants	365	3	11.85%
Hunter Marine Corporation	Manufacturing	325	4	10.55%
School Board of Alachua County	Public Education	254	5	8.25%
Sage Software	Healthcare Management	220	6	7.15%
Sandvik Mining & Construction USA, LLC	Manufacturing	150	7	4.87%
State of Florida	State Government	144	8	4.68%
Baugh Southeast Cooperative, Inc.	Retail	132	9	4.29%
Hitchcock & Sons, Inc.	Grocery	129	10	4.19%
	Total City Employment	3,079		

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Administration	18.00	18.00	19.00	13.00	12.00	13.00	13.00	13.00	13.00	15.00
Culture and Recreation	7.00	7.00	7.00	7.00	5.00	6.00	7.00	8.00	8.00	8.00
Finance/Administrative Servic	14.00	14.00	14.00	20.00	25.00	26.00	26.00	27.00	28.00	29.00
Police	29.50	29.50	30.00	31.50	32.50	34.50	34.50	36.50	36.50	38.50
Community Development and Planning	10.00	10.00	10.00	10.50	11.00	13.00	13.00	13.00	13.00	12.00
Public Services	38.00	38.00	37.00	38.00	38.00	40.00	40.00	41.00	43.00	48.00
Total	116.50	116.50	117.00	120.00	123.50	132.50	133.50	138.50	141.50	150.50

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.
E) Safety Specialist transferred to Human Resources from Compliance and Risk Management in FY22.

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

Function/Program	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Public Safety:										
Arrests	228	161	206	217	247	320	304	228	183	343
Traffic citations issued	3,149	3,491	1,941	2,196	1,889	1,144	1,813	1,567	1,861	1,682
Planning and Development:										
New local business tax receipts issued	73	46	76	58	42	49	54	35	41	47
Building permits issued	489	539	642	605	531	948	668	716	641	952
Culture and Recreation:										
Participants in Summer Recreation Program	0	0	0	0	0	42	165	62	194	190
Electric Utility:										
Number of residential customers	3,645	3,721	3,790	3,866	3,855	3,828	3,881	3,901	3,988	4,034
Kilowatts per hour sold-residential	39,441,390	41,192,449	42,873,312	44,908,136	49,536,179	43,899,437	45,432,789	44,486,790	46,932,453	47,876,451
Number of commercial customers	855	868	845	850	833	939	1,086	1,102	1,134	1,157
Kilowatts per hour sold-commercial	73,371,218	75,053,504	76,684,358	76,684,358	88,739,370	85,042,289	86,828,532	77,724,048	86,999,274	96,251,278
Water Utility:										
Number of residential customers	3,244	3,296	3,377	3,455	3,435	3,481	3,532	3,569	3,676	3,756
Gallons sold	184,798,177	205,179,769	181,027,654	195,392,511	239,218,578	190,649,990	203,401,990	210,642,294	201,998,290	215,566,410
Number of commercial customers	505	530	534	544	524	526	534	547	570	573
Gallons sold	146,422,961	150,610,000	160,707,699	183,371,258	151,993,571	185,630,701	192,225,666	184,659,250	196,476,140	212,258,580
Wastewater Utility:										
Number of customers	2,755	2,820	2,886	2,977	2,953	2,984	3,035	3,073	3,133	3,211
Gallons of wastewater billed to customers	240,707,541	240,160,431	238,979,271	239,973,349	271,199,248	266,929,170	281,685,710	271,043,085	285,272,510	305,450,040
Reclaimed Water:										
Number of customers	0	1	1	1	1	1	1	1	1	1
Gallons of wastewater billed to customers	0	103,205,640	138,011,490	220,200	58,655,900	177,262,500	173,520,740	25,575	31,930	6,102,000
Solid Waste:										
Number of customers	3,343	3,411	3,490	3,532	3,554	3,604	3,685	3,695	3,774	3,834

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	2013	2014	2016	2017	2018	2019	2020	2021	2022
Public Safety:									
Police:									
Police stations	1	1	1	1	1	1	1	1	1
Police sub-stations	1	1	1	1	1	1	1	1	1
Fire:									
Fire stations	1	1	1	1	1	1	1	1	1
Public Services:									
Streets (miles)	48.00	48.00	48.00	49.10	49.97	52.00	52.00	56.00	56.00
Culture and Recreation:									
Parks	6	6	6	7	7	7	7	7	7
Tennis courts	2	2	2	2	2	2	2	2	2
Ball fields	11	11	11	11	11	11	11	11	11
Community centers	3	3	3	3	3	3	3	3	3
Skate park	1	1	1	1	1	1	1	1	1
Spray pool	1	1	1	1	1	1	1	1	1
Electric Utility:									
Substations	1	1	1	1	1	1	1	1	2
Water Utility:									
Wells	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

Source: Various City Departments

OTHER INDEPENDENT AUDITOR'S REPORTS AND SCHEDULES

CITY OF ALACHUA, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal and State Grantor/Pass-Through Grantor/Program Title	State CSFA Number	Grant/Contract Number	Expenditures
State Financial Assistance Projects			
Department of Environmental Protection			
Florida Springs Initiative Grant Program - Mill Creek Sink	37.052	16/17-182	$ 888,712
Statewide Water Quality Restoration Projects - Alachua Water and Resiliency Improvement Project	37.039	LPA0139	266,395
Total Expenditures of State Awards			$ 1,155,107

NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE PROJECTS
CITY OF ALACHUA, FLORIDA

Note 1 - General

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

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2022. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
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.

State Awards

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

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

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

Unmodified Opinion

VI. Audit Findings Relative to Major State Projects

The audit disclosed no findings required to be reported.

VII. Projects Tested as Major State Projects Included

■ **State Projects**	**CSFA No.**
Florida Springs Initiative Grant Program	37.052

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

- **State Projects**
  $334,532

IX. Financial Statement Findings

No matters are reported.

X. State Awards Findings and Questioned Costs

No matters are reported.

PURVIS GRAY

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

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

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the City of Alachua, Florida's, (the City) compliance with the types of compliance requirements described in the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on the City's major state projects for the year ended September 30, 2022. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

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 Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.550, *Rules of the Auditor General* 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 to 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 state project. 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 state projects.

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance 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 Chapter 10.550, *Rules of the Auditor General* 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 state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and Chapter 10.550, *Rules of the Auditor General*, 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.

- Obtaining 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 the compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, 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 state project on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state project will not be

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

prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 have not been 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 Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

March 29, 2023
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, 2022, 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 29, 2023.

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.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

March 29, 2023
Gainesville, Florida

PURVIS GRAY

**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, 2022. 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, 2022.

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 29, 2023
Gainesville, Florida

MANAGEMENT LETTER

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

Report on the Financial Statements
We have audited the financial statements of the City of Alachua, Florida (the City) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 29, 2023.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with 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 29, 2023, should be considered in conjunction with this management letter.

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

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

Financial Condition and Management

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

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

MANAGEMENT LETTER

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

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

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

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

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

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

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

Purvis Gray

March 29, 2023
Gainesville, Florida

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Mayor and City Council
City of Alachua, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alachua, Florida, (the City), for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 12, 2021, and in our required auditor's communication letter to you dated July 13, 2022. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices

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

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

Upcoming Governmental Accounting Standards Board (GASB) Pronouncements
GASB has issued new accounting and financial reporting pronouncements which will become effective for the City's 2023 fiscal year reporting period:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, changes the accounting and financial reporting related to Subscription-Based Information Technology Arrangements (SBITAs) for government end-users. Upon adoption, a SBITA will result in a right-to-use subscription asset, which will be an intangible asset, and a corresponding subscription liability. The new guidance also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA.

Honorable Mayor and City Council
City of Alachua, Florida

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

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

- **Unbilled Revenue Receivable and Revenues**
  Management's estimate of the unbilled revenue receivable on the statement of net position consists of actual cycle billings that are billed subsequent to year-end for consumption prior to September 30, 2022, multiplied by the average percentage of the cycle bills applicable to fiscal year 2022.

- **Cost of Roads and Right-of-Ways**
  Management's estimate of the cost of roads and related right-of-way's is based on historical costs and an analysis of peer group cost estimates.

- **Other Postemployment Benefit (OPEB) Obligations**
  The OPEB liability represents the estimated cost to fund the health insurance costs of employees of the City after they retire. This estimate is based on an actuarial study performed by a qualified actuary. The OPEB liability, deferred inflows, and deferred outflows are allocated between the governmental and business-type activities. There are underlying assumptions in the actuarial study, which if changed, could significantly affect the amount reported.

- **Net Pension Liability, Pension Related Deferred Outflows and Inflows of Resources, and Pension Expense**
  The City's share of the net pension liability, deferred outflows, deferred inflows, and pension expense of the Florida Retirement System's Pension and Health Insurance Subsidy plans are estimates based on actuarial studies performed by a qualified actuary retained by the Florida Division of Retirement.

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

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

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

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

Honorable Mayor and City Council
City of Alachua, Florida

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

Management Representations
We have requested certain representations from management that are included in the management representation letter dated March 29, 2023.

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

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

Other Matters
We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, schedule of change in OPEB benefit and related ratios, schedule of proportionate share of the net pension liability, and schedule of contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Honorable Mayor and City Council
City of Alachua, Florida

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

Purvis Gray

March 29, 2023
Gainesville, Florida

City of ALACHUA
THE GOOD LIFE COMMUNITY

City Commission Meeting
Sign In April 10, 2023

Name *(Please Print)*	**Name** *(Please Print)*
(Please Print) Mairin Rodriguez	*(Please Print)* Harry Dillard Jr.
(Please Print) Jaime Smith	*(Please Print)* Kristine Julia
(Please Print) Travis Wood	*(Please Print)* Noe Caballero Jr.
(Please Print) Andrea Wood	*(Please Print)* Mayleen Caballero
(Please Print) Gabriel Wood	*(Please Print)* Isabel Carter
(Please Print) Reagan Wood	*(Please Print)* Mel Campos
(Please Print) Elijah Wood	*(Please Print)* Carlos Campos
(Please Print) Erica Harrington	*(Please Print)* Sophia Campos
(Please Print) Guy Harrington	*(Please Print)* Sagan Campos
(Please Print) Jamie Dillard	*(Please Print)* Vince Dixon Jr