

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1999**

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**1. REPORTING ENTITY**

Alachua County, a political subdivision of the State of Florida, is governed by an elected Board of County Commissioners ("Board") which derives its authority from County Charter, Florida Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers, except for the Supervisor of Elections, maintain separate accounting records and budgets.

The operations of the Sheriff and Supervisor of Elections are funded by the Board. The operations of the Property Appraiser are funded by the Board of County Commissioners, the Library District, the St. Johns River Water Management District and the Suwannee River Water Management District. The Tax Collector is a fee officer whose operations are funded by fees collected by the Officer and are not funded by the Board. The Clerk's duties as Clerk to the Board and Clerk of the County Court are budgeted functions, fully funded by the Board; the Clerk's duties as Clerk of the Circuit Court are funded by fees collected by that office.

As required by generally accepted accounting principles, the general purpose financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's general purpose financial statements to be misleading or incomplete.

These financial statements present all the fund types and account groups of the County and its component units. Discretely presented components are reported in two separate columns (major and non-major) in the combined financial statements to emphasize their legal separateness from the County. The County has no blended component units.

**Discretely Presented Component Units:**

The Alachua County Library District is an independent special taxing district created for the purpose of providing library system services and facilities for all citizens of Alachua County, Florida. The Library District was established, effective April 1, 1986, by Chapter 85-376, Laws of Florida. It is governed by a five member board, composed of three members of the

Alachua County Board of County Commissioners and two members of the Gainesville City Commission. The Library District maintains separate accounting records and budgets.

The Library District is a major discretely presented component unit. The Board of County Commissioners appoints a voting majority of its Governing Board and is able to impose its will on the Library District, however the two Boards are not substantively the same (there is not sufficient representation of the primary government's governing board to allow complete control of the District) and the District does not provide services entirely or almost entirely to the Board of County Commissioners.

All Library District operations are reported as governmental fund types except the Pension Trust fund which is reported as a fiduciary fund. Complete financial statements for the Library District may be obtained from its administrative offices, 401 East University Avenue, Gainesville, FL 32601.

The John A. H. Murphree Law Library (Chapter 57-1118, Laws of Florida) is a non-major discretely presented component unit that benefits the Courts, County Officials, and the public at large. The Board of Trustees for the Law Library consists of one County Commissioner and several other local law community individuals. The Board of Trustees has full power and authority to establish, operate and maintain the Law Library. The Board of County Commissioners is authorized to appropriate other available funds for the use of the Law Library.

The Alachua County Housing Finance Authority (Chapter 159, Florida Statutes) is a non-major discretely presented component unit that provides financing for low-income housing. The Authority is required to obtain Board approval for all its fiscal activities. The Authority is governed by a separate board and does not provide services exclusively or almost exclusively to the County.

The fiscal year end for all discretely presented component units is September 30.

**ALACHUA COUNTY, FLORIDA  
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**1. REPORTING ENTITY (concluded)**

**Related Organizations:**

Alachua County Health Facilities Authority (Chapter 154.200, Florida Statutes) assists in financing health care facilities. Alachua County Housing Authority (Section 421.27, Florida Statutes) assists in providing safe and sanitary dwelling accommodations to persons of low income. Alachua County (the Primary Government) is not able to impose its will on the Authorities and there is no financial benefit/burden relationship between the Authorities and the Primary Government, therefore the Authorities are not component units and are not included in the accompanying financial statements.

As of September 30, 1999, Alachua County had not participated in any joint ventures with any other government entities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments. The accounting policies for the Library District and the two non-major discretely presented component units are the same as those policies of the County. The following is a summary of the more significant policies:

**A. FUND ACCOUNTING:**

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the Government's various funds and account groups are as follows:

**Governmental Fund Types:**

*General Fund* - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be

accounted for in another fund.

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

*Capital Projects Funds* - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or improvements (other than those financed by the Proprietary Fund Types).

**Proprietary Fund Types:**

Pursuant to Governmental Accounting Standards Board Statement No. 20, the County has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to its proprietary activities.

*Enterprise Funds* - Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*Internal Service Funds* - Internal Service Funds are used to account for the financing of goods or services, including Risk Management services, provided by central service departments or agencies to other departments or agencies of the County, or to other unrelated governmental units on a cost reimbursement basis.

**Fiduciary Fund Types:**

*Trust and Agency Funds* - Trust and Agency Funds are used to account for assets held by the County in a

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Account Groups:**

*General Fixed Assets* - To account for all fixed assets of the County, except fixed assets of Proprietary Fund Types and similar Trust Funds.

*General Long-Term Obligations* - To account for all the outstanding principal balances of any general and special obligation bonds or notes, capitalized leases, installment purchases, and compensated absences of the County, except long-term obligations of Proprietary Fund Types.

**B. MEASUREMENT FOCUS:**

*Governmental Fund Types* - General, Special Revenue, Debt Service and Capital Projects are accounted for on a "current financial resources" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental Fund Type operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

*Proprietary Fund Types* - Enterprise and Internal Service Funds are accounted for on a "flow of economic resources" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets, and the reported fund equities (total reported assets less total reported liabilities) provide an indication of the economic net worth of the funds. Operating statements for Proprietary Fund Types (on an income determination measurement focus) report increases (revenue) and decreases (expenses) in total economic net worth.

*Fiduciary Fund Types* - Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Account Groups* - The General Fixed Assets Account Group and the General Long-Term Obligations Account Group are concerned only with the measurement of financial position. These are not involved with the measurement of results of operations. Long-term

obligations, which are not intended to be financed through Proprietary or Fiduciary Funds, are accounted for in the General Long-Term Obligations Account Group. Fixed assets, which are not used in Proprietary or Fiduciary Fund operations, are accounted for in the General Fixed Assets Account Group.

**C. BASIS OF ACCOUNTING:**

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Agency Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

The following revenues are treated as susceptible to accrual under the modified accrual basis:

- ▶ *Property taxes levied for and due within the fiscal year and collected within 60 days after the fiscal year end.*
- ▶ *Intergovernmental revenue*
- ▶ *Charges for services*
- ▶ *Rents*
- ▶ *Interest income*
- ▶ *Leases*
- ▶ *Special assessments*

Other revenue sources are not considered measurable and available, and are not treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for principal and interest on general long-term debt, which is recognized when due.

The Proprietary Fund Types are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. CASH AND EQUIVALENTS:**

Cash and equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. This includes cash in banks, repurchase agreements with financial institutions, petty cash, cash with claims administrators and balances in the State Board of Administration Investment Pool.

**E. BUDGETS AND BUDGETARY ACCOUNTING:**

The County and the Component Units use the following procedures in establishing the budgetary data reflected in the financial statements.

(1) The County and the Component Units adopts their budgets in accordance with Chapter 129 and 200, Florida Statutes, the County Charter and County Policy.

(a) The County and County Manager follow an internal hearing process to set the proposed tentative budget and millage.

(b) Public hearings are then held to adopt both a tentative budget and millage, and a final budget and millage, in accordance with Chapters 129 and 200, Florida Statutes.

(2) All funds of each governmental fund type with legally adopted annual budgets are included in the Combined Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual.

(3) The County, as a practice, adopts budgets for all of its funds except for the \$6.77m Road Refunding Bonds - 1992, which is managed by the State of Florida on behalf of the County

(4) Level of Control - Expenditures may not exceed appropriations and are controlled in the following manner:

(a) The budget is controlled according to Chapter 129, Florida Statutes, at the total fund level.

(b) The County and the Component Units have adopted more stringent policies that control expenditures on the major category (Personal Services, Operating, Capital Outlay, Debt Service, and Non-Operating) level within departments within funds.

(c) The County, additionally, has adopted a

Budget Amendment Policy that allows the County Manager to transfer budget amounts within departments within a fund. Therefore, the legal level of control is at the departmental level. However, for the majority of the County's funds there is only one department within the fund. As a result, when the County reports by fund it is reporting at the legal level of control for those funds. For the funds that have more than one department, supporting schedules are presented for a comparison of budget to actual expenditures at the departmental level. Those funds are as follows:

001 - General Fund

**Special Revenue Funds**

031 - Civil Traffic Fines

147 - Municipal Service Taxing Unit

149 - Gas Tax Uses

167 - Donations

172 - Local Criminal Justice Court Cost

174 - E-911 Recurring & Nonrecurring

**Debt Service Funds**

287 - 1992 Refunding Road Bonds, 1983

**Capital Projects Funds**

300 - Other Capital Projects

308 - Public Improvement Construction, 1992A

315 - Pooled Commercial Paper Construction

320 - Public Improvement Revenue Bond

(d) The Board of County Commissioners must authorize budget transfers between departments within a fund or between funds.

(5) All budgets are adopted in accordance with Generally Accepted Accounting Principles.

(6) Budgeted amounts are reported as amended.

(7) GASB does not require adoption of budgets for Proprietary Fund Types or Trust and Agency Funds.

(8) (a) In certain instances the County may supplement the appropriations in a fund. This action is taken when there is more revenue than anticipated. In fiscal year 1999 the following funds received supplemental appropriations in accordance with County policy:

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

001 - General Fund

**Special Revenue Funds**

008 - DCA Anti-Drug Abuse JAC 99

020 - EMS Trust FY99

021 - DCA Emergency Management Trust FY99

022 - DCA Emergency Management Assist FY99

024 - DCF Metamorphosis 7/99-6/00

026 - Retired & Seniors Volunteer Program FY 99

027 - Foster Grandparents FY 99

028 - DOR Hearing Officer 7/99- 6/00

048 - Teen Court

066 - SHIP-Special Need Housing

116 - FDEP Ambient Groundwater

147 - Municipal Service Taxing Unit

259 - 12 Lead EKG Matching Grant

**Capital Projects Funds**

094 - Metamorphosis Building Grant

300 - Capital Projects - General

315 - Pooled Commercial Paper Construction

316 - Metamorphosis Building

**Internal Service Funds**

501 - Self Insurance

504 - Telephone Service

(b) A budget for the following funds was established during the fiscal year due to a new funding source:

**Special Revenue Funds**

029 - DCF Juvenile Dependence 7/99-6/00

102 - Electronic Equipment Project FY99

108 - Environmental Protection City Review

109 - Innovative Grant Deconstruction

112 - Innovative Grant Composting

118 - Summer Food Service Program FY99

127 - Historical Structure Survey FYE 6/00

218 - OSCA Child Dependency

247 - Article V Trust Revenues

263 - USDOJ Local Law Enforcement FY99 & 2000

**Special Revenue Funds (continued)**

264 - Local Mitigation Grant

265 - Drug Court Enhancement 6/98-5/00

266 - Additional Court Costs F.S. 939.18

267 - Traffic Hearing Officer 6/99

294 - 1999 Public Improvement Revenue Bond

**Capital Projects Funds**

319 - Campus Development Agreement

320 - Public Improvement Revenue Bond

**Enterprise Fund**

411 - Non-Emergency Transport

(9) Appropriations lapse at the close of a fiscal year. Encumbered appropriations are re-appropriated in the ensuing year's budget.

(10) Formal budgetary integration is used as a management control device for all funds of the County, except for a certain Debt Service Fund as explained in Note 2.E.(3) to the financial statements.

**F. ENCUMBRANCES:**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Any encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities. The commitments will be re-appropriated and honored during the subsequent year.

**G. DEFERRED REVENUE:**

Deferred revenues reported in applicable Governmental Fund Types represent revenues which are measurable but not available to finance current period expenditures.

In the case of certain grant programs, deferred revenue arises when resources are received before the County has legal claim to them, as when advances are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed

**ALACHUA COUNTY, FLORIDA  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

from the balance sheets and recognized as revenue.

**H. INVENTORIES AND PREPAID ITEMS:**

(1) Inventories, consisting primarily of expendable items (materials and supplies), are determined by physical count at fiscal year-end and valued at cost on the basis of the "first-in first-out" method of accounting.

Inventory shown in the Governmental Funds consists of fuel, medical supplies, vehicle parts and road materials. The inventory is recorded as an expenditure when consumed (consumption method) rather than when purchased.

(2) Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. FIXED ASSETS:**

(1) Governmental Fund Fixed Assets

Governmental fund fixed assets are recorded as capital outlay expenditures at the time of purchase. Such assets are capitalized at historical cost in the General Fixed Assets Account Group, except for "Public Domain" infrastructure fixed assets, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, which are not capitalized. Gifts and contributions are recorded in the General Fixed Asset Account Group at their fair market value at the time received. No depreciation has been provided on general fixed assets.

No interest on construction financed by debt has been capitalized in the General Fixed Assets Account Group for Fiscal Year 1999. In addition no interest was capitalized in the proprietary fund types.

The general fixed assets used in the operations of the Board of County Commissioners, Property Appraiser, Tax Collector, Clerk of the Circuit and County Courts and Supervisor of Elections are accounted for by the Board of County Commissioners, as the Board holds legal title and is accountable for them under Florida law.

The Sheriff, under Florida Law, is accountable for and thus maintains general fixed asset records pertaining to equipment used in his operations.

(2) Enterprise & Internal Service Funds Fixed Assets

Enterprise and Internal Service Funds fixed assets are recorded at cost. Donated fixed assets are capitalized at their fair market value at the date received.

Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

| ASSETS                     | YEARS   |
|----------------------------|---------|
| Buildings and improvements | 10 - 30 |
| Equipment                  | 2 - 10  |

**J. CONTRIBUTED CAPITAL:**

The contributed capital accounted for in the Proprietary Fund Types represents contributions from other funds and/or State and Federal Aid programs. Depreciation expense on contributed fixed assets is reflected in the Statement of Revenue, Expense and Changes in Retained Earnings. Depreciation on contributed fixed assets is transferred to the related contributed capital accounts (reducing contributions) instead of retained earnings.

**K. ADVANCES TO OTHER FUNDS:**

Non-current portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by a reservation of available fund balance to indicate that such amounts do not constitute available spendable financial resources.

**L. RESTRICTED ASSETS:**

Certain Solid Waste System Enterprise Fund assets are required to be segregated from other current assets. These assets are legally restricted for specific purposes, such as landfill closure and post closure care. See Note 3.C.

**M. ACCOUNTING FOR LONG-TERM OBLIGATIONS:**

Revenue bonds and other forms of long-term debt used to finance proprietary fund type operations and payable from revenue of the proprietary fund types are recorded in the applicable proprietary fund. General obligation bonds and other forms of long-term debt supported by general revenue are obligations of the County as a whole and not the individual constituent funds. Accordingly, such unmatured obligations of the

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**



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County are accounted for in the General Long-Term Obligations Account Group.

**N. RESERVES/DESIGNATIONS OF FUND BALANCES AND RETAINED EARNINGS:**

Reserves and designations recorded in the Governmental Fund Types represent portions of fund balance, which cannot be appropriated for expenditures or which have been segregated for specific future uses.

Retained earnings of the Risk Management Fund are reserved for anticipated future catastrophic losses pursuant to County ordinance and GASB Statement No.10.

**O. ACCOUNTING FOR LANDFILL POST CLOSURE CARE COSTS:**

The County has adopted a policy based on U.S. Environmental Protection Agency rules and in accordance with Florida Law to set aside funds for the post closure care costs of the County 's closed landfills.

The County has no landfills that are currently accepting waste. Within the Solid Waste System Enterprise Fund, deposits are made to the fund's other cash and equivalents account for the purpose of complying with the escrow requirements of Rule 17-701.630, Florida Administrative Code. This rule requires the County to annually deposit funds in an interest-bearing escrow account for the purpose of funding the estimated landfill post closure cost. This amount is represented as "Restricted Assets" on the Balance Sheets. Per the above rule, an audited report is filed each year with the Florida Department of Environmental Protection.

A liability is accrued for estimated post closure care costs. The estimates are provided by the County's consulting engineer and are reviewed each year for changes due to inflation, technology or applicable laws or regulations.

**P. OTHER SIGNIFICANT ACCOUNTING POLICIES:**

- (1) *Accounting For Investments* - Where applicable, investments are recorded at fair value in accordance with GASB Statement No. 31.
- (2) *Capitalization Of Interest* - Interest is not capitalized in governmental funds.
- (3) *Receivables/Charges For Services* - Receivables and the corresponding charges for services, are recorded at amount billed reduced by an allowance for doubtful accounts (when applicable). In addition,

ambulance accounts receivables and the corresponding charges for services are recorded at amount billed less Medicare/Medicaid contractual write-downs.

**Q. COMPARATIVE DATA:**

Comparative total data for the prior fiscal year have been presented in the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. Additionally, certain amounts presented for comparative purposes have been restated because the John A. H. Murphree Law Library has been reclassified and displayed as a discretely presented component unit.

**R. "MEMORANDUM ONLY" TOTAL COLUMNS ON COMBINED STATEMENTS-OVERVIEW:**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with Generally Accepted Accounting Principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

**3. CASH AND INVESTMENTS**

**A. CASH AND EQUIVALENTS**

The County and the Component Units, maintain pooled cash and equivalents accounts for all funds, except for monies which are legally restricted to separate administration. This gives the County and the Component Units the ability to invest large amounts of cash for short periods of time and maximize earning potential. "Equity in Pooled Cash and Equivalents"

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**3. CASH AND INVESTMENTS (continued)**

represents the amount owned by each fund. "Other Cash and Equivalents" consist of cash held in a separate bank account. Cash and cash equivalents are defined as those resources which can be liquidated without delay or penalty (see Note 2.D.). This includes cash in banks, petty cash, cash with claims administrator, and balances in State Board of Administration accounts. "Sinking Fund Cash and Equivalents" consist of debt service cash.

At September 30, 1999, the County's and the Component Units' deposits are entirely insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. Monies, which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts, and certificates of deposit, are defined as public deposits. All of the County's and Component Units' public deposits are held in qualified public depositories pursuant to Chapter 280 Florida Statute, "Florida Security for Public Deposits Act". 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 pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. Collateral must be deposited within an approved financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral, and if necessary, assessments against other qualified public depositories of the same type as the depository in default.

All of the cash deposits of the County and Component Units are placed with qualified financial institutions and are classified as category 1 credit risk, which means they are insured or collateralized.

The total interest earned and recorded on the Clerk of Circuit Courts books as a fee per Florida Statute 28.33 was \$2,178,578.

**B. INVESTMENTS**

The County's and the Component Unit's investment practices are governed by Section 218.415, Florida Statutes, County Ordinance 95-8 and various legal covenants related to outstanding bond issues.

Investments authorized by Florida Statute, Section 218.415 include the Local Government Surplus Funds Trust Fund Investment Pool or any governmental

investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Securities and Exchange Commission registered money market funds with the highest credit quality rating, savings accounts and certificates of deposit in qualified public depositories, direct obligations of the U.S. Treasury, and Federal agencies and instrumentalities.

Other investments authorized by County Ordinance 95-8 include:

1) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies, provided such obligations are backed by the full faith and credit of the United States government.

2) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government agencies (federal instrumentalities) that are non-full faith and credit agencies, limited to the following:

- ▲ Federal Farm Credit Bank (FFCB);
- ▲ Federal Home Local Bank (FHLB) or its district banks;
- ▲ Federal National Mortgage Association (FNMA);
- ▲ Federal Home Loan Mortgage Corporation (Freddie-Macs);
- ▲ Student Loan Marketing Association (Sallie-Maes).

3) Repurchase agreements comprised only of direct obligations of the United States Government or bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government agencies that are non-full faith and credit agencies, limited as above.

4) State and/or local government taxable and tax-exempt debt, general obligation and/or revenue bonds rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, and rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

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**3. CASH AND INVESTMENTS (continued)**

5) Fixed income mutual funds comprised only of those investment instruments otherwise authorized by the Ordinance.

6) Florida Local Government Investment Trust.

The County and the Component Units currently invest in Certificates of Deposit, the Florida State Board of Administration Investment Pool, Instruments of the U.S. Treasury, the Florida Local Government Investment Trust, and Public Funds Interest on Checking. Neither the County nor the Component Units use Reverse Repurchase Agreements in their portfolio. The County and the Component Units use only financial institutions qualified as public depositories.

For financial statement purposes, investments are defined as resources which cannot be easily or immediately liquidated. The County's and the non-major component unit's investments consist of the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool (SBA), Florida Local Government Investment Trust (FLGIT) and U.S. Treasury Notes. The Library District's investments consist of the SBA, Wachovia Bank Pension Fund, and Brady Trust invested by A.G. Edwards, Inc.

The State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool (SBA) is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 like fund and the fair value of the position in the pool is equal to the value of the pool shares.

The SBA Local Government Surplus Funds Trust Fund Investment Pool is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the rules

of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Fund. The powers and duties of the SBA are also defined in Florida Statute 215.44. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

The Florida Local Government Investment Trust (FLGIT) was created and established under the laws of the State of Florida and is operated and administered by a six-member Board of Trustees appointed by the Florida Association of Counties, Inc. and uses an independent investment advisor, custodian bank, administrator, legal counsel, and external auditor. The Trust's investments are stated at fair value and the fair value of the position in the pool is equal to the value of the pool shares.

The following chart lists the County's and the Component Units' deposits and investments at year-end and breaks the total down into the accounts which are listed in the Combined Balance Sheet. When applicable, investments are categorized in this chart to give an indication of the level of risk assumed by the County and Component Units at year-end.

*Category 1* credit risk investments include investments that are insured or registered or for which the securities are held by the government or its agent in the government's name.

*Category 2* includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the government's name.

*Category 3* includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the government's name.

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1999**

**3. CASH AND INVESTMENTS (concluded)**

|                                                                                       | CATEGORY    |      |           | FAIR VALUE                 |
|---------------------------------------------------------------------------------------|-------------|------|-----------|----------------------------|
|                                                                                       | 1           | 2    | 3         |                            |
| <b>INVESTMENTS SUBJECT TO CATEGORIZATION</b>                                          |             |      |           |                            |
| Investment in U.S. Treasury Notes                                                     | \$2,993,000 | \$ - | \$ -      | \$2,993,000                |
| Investments with A.G. Edwards – Brady Trust – Library District                        |             |      | 1,039,251 | 1,039,251                  |
| Pension Investments –Wachovia Bank-Trustee – Library District                         | 5,580,226   |      |           | 5,580,266                  |
| <b>TOTAL INVESTMENTS SUBJECT TO CATEGORIZATION</b>                                    |             |      |           | <u>9,612,517</u>           |
| <b>INVESTMENTS NOT SUBJECT TO CATEGORIZATION</b>                                      |             |      |           |                            |
| Investment in State Board of Administration Investment Pool                           |             |      |           | 67,276,344                 |
| Investment in State Board of Administration Investment Pool - Library District        |             |      |           | 4,011,179                  |
| Investment in Florida Local Government Investment Trust                               |             |      |           | 2,088,488                  |
| <b>TOTAL INVESTMENTS</b>                                                              |             |      |           | <u>73,376,011</u>          |
| Cash in Banks (including CD and Public Funds Interest on Checking)                    |             |      |           | 15,167,161                 |
| Cash in Banks (including CD and Public Funds Interest on Checking) – Library District |             |      |           | 1,193,337                  |
| <b>TOTAL CASH AND INVESTMENTS</b>                                                     |             |      |           | <u><u>\$99,349,026</u></u> |

| <b>SUMMARY:</b>                       | Primary             | Major                    | Non-Major        | Total               |
|---------------------------------------|---------------------|--------------------------|------------------|---------------------|
|                                       | Government          | Component Unit - Library | Component Units  |                     |
| Equity in pooled cash and equivalents | \$55,295,641        | \$ -                     | \$117,774        | \$55,413,415        |
| Cash with claims administrator        | 150,000             |                          |                  | 150,000             |
| Other cash and equivalents            | 9,575,398           | 5,006,534                |                  | 14,581,932          |
| Sinking fund cash and equivalents     | 1,722,075           |                          |                  | 1,722,075           |
| Investments                           | 13,966,278          | 6,817,499                |                  | 20,783,777          |
| Restricted cash and investments       | 6,697,827           |                          |                  | 6,697,827           |
| <b>TOTAL CASH AND INVESTMENTS</b>     | <u>\$87,407,219</u> | <u>\$11,824,033</u>      | <u>\$117,774</u> | <u>\$99,349,026</u> |

**C. RESTRICTED CASH AND INVESTMENTS**

The following chart illustrates cash and investments whose use is restricted by bond covenants or to fund post-closure of the landfill.

|                           | 287                             | 290                           | 294                                  | 400                |
|---------------------------|---------------------------------|-------------------------------|--------------------------------------|--------------------|
|                           | 1992 Refunding - Road Bond 1983 | 1995 Public Improvement Bonds | Public Improvement Revenue Bond 1999 | Solid Waste System |
| Sinking Fund Post-Closure | \$96,918                        | \$465,176                     | \$181,639                            | \$6,697,827        |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

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**4. PROPERTY TAX**

**A. REAL PROPERTY TAXES** were certified on October 16, 1998. Property taxes receivable were reported in the General and Municipal Services Taxing Unit funds as Due From Constitutional Officer (Tax Collector).

**B. THE PROPERTY TAX CALENDAR** and pertinent assessment/lien information is as follows:

- (1) *July 1* - Property Appraiser completes assessment and certifies the taxable value to the County.
- (2) *August 4* - The County certifies the amount of taxes they intend to levy for both operations and debt service to the Property Appraiser.
- (3) *September (1-30)* - The County holds its final budget hearings and adopts the tax levy for the ensuing fiscal year.
- (4) *November 1* - Taxes become due and payable before March 31.
- (5) *April 1* - All unpaid taxes become delinquent and constitute a lien effective June 1.
- (6) *June 1* - Tax Collector sells tax certificates on all delinquent real estate parcels.
- (7) *June (1st-30th)* - The Tax Collector disburses proceeds of tax certificate sale to the taxing authorities.
- (8) *July 1* - Warrants are ratified on unpaid Tangible Personal Property taxes.

**C. REAL PROPERTY DELINQUENT TAX PROCESS**

- (1) *April 1* - Unpaid taxes become delinquent.
- (2) *April 1 - May 31* - A list of delinquent parcels is advertised in a local newspaper. Owner can pay tax due plus an interest charge of 3%.
- (3) *June 1* - If the owner has not paid, the Tax Collector sells a tax certificate on the parcel(s). Tax Certificates are sold for the amount of tax due on the property plus the advertising costs, plus the interest due, plus a 5% commission to the Tax Collector (= the "Face Amount"). When the certificate is redeemed, the Tax Certificate holder then receives the face amount

plus additional interest. Proceeds of the tax certificate sales are distributed to taxing authorities by the end of June.

**D. OTHER INFORMATION REGARDING SALE OF TAX CERTIFICATES:**

- (1) Alachua County will hold any unsold certificates (for later sale if possible).
- (2) Property owners redeem certificates by paying to the Tax Collector the tax certificate amount plus interest and fees; the Tax Collector then pays the certificate holder.
- (3) After two years, holders of unredeemed certificates may apply for a tax deed. In order to obtain a tax deed the property is offered at public auction with the minimum bid being the amount of the outstanding taxes and certificates on the property, plus additional fees. Any excess over this amount is applied against any other liens and then given to the property owner upon application for it.
- (4) The tax certificate becomes null and void on any unsold land after 7 years.

**E. TANGIBLE PERSONAL PROPERTY DELINQUENT TAX PROCESS:**

- (1) On or about June 1 of the tax year following delinquency the Tax Collector will file a lawsuit. The Clerk of the Court will notify taxpayers by certified mail.
- (2) If the property owner does not pay, a Circuit Judge will ratify tax warrants allowing property to be seized and sold for taxes.

**F. PROPERTY TAX PAYMENT AND DISTRIBUTION:**

- (1) Discounts for early payment of property tax are allowed in the following manner:
  - 4% for November Payments
  - 3% for December Payments
  - 2% for January Payments
  - 1% for February Payments

**ALACHUA COUNTY, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1999**

**4. PROPERTY TAX (concluded)**

(2) The Tax Collector is required to distribute tax proceeds to taxing authorities quickly in order to provide cash for operations. Fiscal Year 97-98 distributions were made as follows:

November - 4 distributions  
 December - 4 distributions  
 All other months - 1 distribution each month

**5. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

|                                                       | LAND               | BUILDINGS AND IMPROVEMENTS | EQUIPMENT           | TOTAL                |
|-------------------------------------------------------|--------------------|----------------------------|---------------------|----------------------|
| <b><u>PRIMARY GOVERNMENT</u></b>                      |                    |                            |                     |                      |
| Balance at October 1, 1998                            | \$5,544,927        | \$65,934,729               | \$25,559,260        | \$97,038,916         |
| Additions                                             | 77,521             | 3,358,539                  | 4,540,826           | 7,976,886            |
| Deletions                                             | (2,428)            | (3,997)                    | (1,536,538)         | (1,542,963)          |
| Balance at September 30, 1999                         | <u>\$5,620,020</u> | <u>\$69,289,271</u>        | <u>\$28,563,548</u> | <u>\$103,472,839</u> |
| <b><u>MAJOR COMPONENT UNIT - LIBRARY DISTRICT</u></b> |                    |                            |                     |                      |
| Balance at October 1, 1998                            | \$970,844          | \$15,749,145               | \$2,748,346         | \$19,468,335         |
| Additions                                             | -                  | 19,030                     | 627,614             | 646,644              |
| Deletions                                             | -                  | -                          | (123,071)           | (123,071)            |
| Balance at September 30, 1999                         | <u>\$970,844</u>   | <u>\$15,768,175</u>        | <u>\$3,252,889</u>  | <u>\$19,991,908</u>  |

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

A summary of interfund transactions follows:

| DUE TO OTHER FUNDS                              | AMOUNT       | DUE FROM OTHER FUNDS                        |
|-------------------------------------------------|--------------|---------------------------------------------|
| <b><u>GENERAL FUND</u></b>                      |              |                                             |
| 001 - General Fund                              | \$120,218    | Constitutional Officer - Sheriff            |
| 001 - General Fund                              | 310,756      | Constitutional Officer - Tax Collector      |
| 001 - General Fund                              | 151,235      | Constitutional Officer - Clerk of the Court |
| 001 - General Fund                              | <u>6,806</u> | Jury and Witness                            |
| SUBTOTAL                                        | \$589,015    |                                             |
| <b><u>SPECIAL REVENUE FUNDS</u></b>             |              |                                             |
| 008 - DCA Anti Drug Abuse - JAC 99              | \$80,976     | Juvenile Assessment Center                  |
| 009 - DCA Anti Drug Abuse - Teen Court 99       | 4,776        | Teen Court Grant                            |
| 011 - DCA Anti Drug Abuse - Project Admin. FY99 | 3,086        | Project Administration Grant                |
| 012 - Recycling & Education Grant FY99          | 42,325       | 400 - Solid Waste Fund                      |
| 013 - Waste Tire Grant FY99                     | 34,669       | 400 - Solid Waste Fund                      |
| 014 - Litter Prevention FY99                    | 3,438        | 400 - Solid Waste Fund                      |
| 015 - Juvenile Assessment Center Ordinance      | 1,269        | Juvenile Assessment Center Fines & Ord.     |
| 021 - DCA Emergency Mgmt Trust FY99             | 41,881       | 001 - General Fund                          |
| 022 - DCA Emergency Mgmt Assistance FY99        | 6,617        | 001 - General Fund                          |
| 023 - VOCA Guardian 10/98 - 9/99                | 13,530       | 001 - General Fund                          |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

| <b>DUE TO OTHER FUNDS</b>                        | <b>AMOUNT</b> | <b>DUE FROM OTHER FUNDS</b>                |
|--------------------------------------------------|---------------|--------------------------------------------|
| 025 - FDLE VOCA 10/98 - 9/99                     | 13,489        | 001 - General Fund                         |
| 029 - DCF Juvenile Dependency 7/99 - 6/2000      | 10,000        | 001 - General Fund                         |
| 051 - DCF Juvenile Dependency 7/98 - 6/99        | 4,180         | 001 - General Fund                         |
| 109 - Innovative Grant Deconstruction            | 98,527        | 400 - Solid Waste Fund                     |
| 112 - Innovative Grant Composting                | 190,000       | 400 - Solid Waste Fund                     |
| 147 - Municipal Service Taxing Unit              | 736           | Constitutional Officer - Tax Collector     |
| 148 - MSBU Refuse Collection                     | 463           | Constitutional Officer - Tax Collector     |
| 163 - School Crossing Guard                      | 12,276        | School Crossing Guard                      |
| 176 - Criminal Justice Information Systems       | 18,000        | 001 - General Fund                         |
| 204 - Community Development Block Grant          | 148,208       | 001 - General Fund                         |
| 236 - FDEP Cooperative Hazardous Waste           | 58,158        | 400 - Solid Waste Fund                     |
| Constitutional Officer - Supervisor of Elections | 186           | 001 - General Fund                         |
| Constitutional Officer - Tax Collector           | 1,358,632     | 001 - General Fund                         |
| Constitutional Officer - Tax Collector           | 77,375        | 147 - Municipal Service Taxing Unit        |
| Constitutional Officer - Tax Collector           | 22,925        | 148 - MSBU Refuse Collection               |
| Constitutional Officer - Tax Collector           | 175           | 305 - Special Assessments                  |
| Constitutional Officer - Tax Collector           | 17,571        | 400 - Solid Waste                          |
| Constitutional Officer - Tax Collector           | 1,100         | 504 - Telephone Service                    |
| Constitutional Officer - Clerk of Court          | 60            | Domestic Relations                         |
| Constitutional Officer - Clerk of Court          | 397,162       | 001 - General Fund                         |
| Constitutional Officer - Clerk of Court          | 5,156         | 504 - Telephone Service                    |
| Constitutional Officer - Sheriff                 | 113,298       | CDC Grant                                  |
| Constitutional Officer - Sheriff                 | 735,019       | 001 - General Fund                         |
| Municipal Service Taxing Unit - Sheriff          | 489,912       | 147 - Municipal Service Taxing Unit        |
| Municipal Service Taxing Unit - Sheriff          | 68,148        | Field Service Technician Grant             |
| Narcotics and Organized Crime Unit - Restitution | 16,046        | 160 - Restitution                          |
| Law Enforcement Training                         | 72,397        | 159 - Law Enforcement Training             |
| School Crossing Guard                            | 11,009        | Constitutional Officer - Sheriff           |
| Project Administration Grant                     | 22,248        | Constitutional Officer - Sheriff           |
| Field Service Technician Grant                   | 247,199       | Constitutional Officer - Sheriff           |
| Victim Assistance Grant                          | 45,248        | Constitutional Officer - Sheriff           |
| Anti-Auto Theft Grant                            | 56,279        | Constitutional Officer - Sheriff           |
| Off Duty                                         | 291           | 001 - General Fund                         |
| Off Duty                                         | 715           | Constitutional Officer - Sheriff           |
| Federal Block Grant                              | 79,547        | Constitutional Officer - Sheriff           |
| Juvenile Assessment Grant                        | 35,657        | Federal Block Grant                        |
| Juvenile Assessment Center Fines & Ord           | 198           | 015 - Juvenile Assessment Center Ordinance |
| Juvenile Assessment Center Fines & Ord           | 55,922        | 031 - Civil Traffic Fines                  |
| Juvenile Assessment Center Fines & Ord.          | 26,284        | Juvenile Assessment Grant                  |
| Teen Court Grant                                 | 28,923        | Constitutional Officer - Sheriff           |
| CDC Grant                                        | 609,901       | 001 - General Fund                         |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

| <b>DUE TO OTHER FUNDS</b>                          | <b>AMOUNT</b> | <b>DUE FROM OTHER FUNDS</b>               |
|----------------------------------------------------|---------------|-------------------------------------------|
| Constitutional Officer – Property Appraiser        | 103,090       | 001 – General Fund                        |
| Constitutional Officer – Property Appraiser        | 7,395         | 147 – Municipal Service Taxing Unit       |
| Constitutional Officer – Property Appraiser        | 1,927         | 504 – Telephone Service                   |
| SUBTOTAL                                           | \$5,493,599   |                                           |
| <b>DEBT SERVICE FUNDS</b>                          |               |                                           |
| 287 – 92 Refunding Road Bond 83                    | \$94,899      | 149 – Gas Tax Uses                        |
| 290 – 1995 Public Improvement Refunding Bond       | 650,453       | 001 - General Fund                        |
| SUBTOTAL                                           | \$745,352     |                                           |
| <b>CAPITAL PROJECTS FUNDS</b>                      |               |                                           |
| 313 - Florida Rec Development Assist Program FY 98 | \$70,816      | 001 - General Fund                        |
| SUBTOTAL                                           | \$70,816      |                                           |
| <b>ENTERPRISE FUNDS</b>                            |               |                                           |
| 400 – Solid Waste                                  | \$419         | Constitutional Officer – Tax Collector    |
| SUBTOTAL                                           | \$419         |                                           |
| <b>TRUST AND AGENCY FUNDS</b>                      |               |                                           |
| Correctional Facility Commissary                   | \$747         | Inmate Trust                              |
| Taxes                                              | 17,237        | 001 – General Fund                        |
| Taxes                                              | 3,369         | 147 – Municipal Service Taxing Unit       |
| Taxes                                              | 4,553         | 148 – MSBU Refuse Collection              |
| Taxes                                              | 43            | 280 – Jail Bonds, 1972                    |
| Taxes                                              | 4,437         | 400 – Solid Waste                         |
| Taxes                                              | 5,698         | Constitutional Officer – Tax Collector    |
| Sports Licenses                                    | 2,641         | Constitutional Officer – Tax Collector    |
| Tag Agency                                         | 73,541        | Constitutional Officer – Tax Collector    |
| General Trust                                      | 53,496        | 001 – General Fund                        |
| General Trust                                      | 65,330        | 031 – Civil Traffic Fines                 |
| General Trust                                      | 832           | 062 – Civil Mediation Arb. FS 44.108(2)   |
| General Trust                                      | 22,755        | 072 – Intergovernmental Radio Comm. Prog. |
| General Trust                                      | 4,156         | 107 – Family Mediation Panel              |
| General Trust                                      | 5,824         | 158 – Court Facility Charge               |
| General Trust                                      | 1,925         | 159 – Law Enforcement Training            |
| General Trust                                      | 3,658         | 163 – School Crossing Guard               |
| General Trust                                      | 182           | 169 - Handicap Parking Fine               |
| General Trust                                      | 7,998         | 172 - Local Criminal Justice Court Costs  |
| General Trust                                      | 152           | 221 – Alcohol and Other Drug Abuse        |
| General Trust                                      | 1,525         | 266 – Additional Court Costs FS939.18     |
| General Trust                                      | 58,823        | Constitutional Officer – Clerk of Court   |
| General Trust                                      | 74,453        | Domestic Relations                        |
| General Trust                                      | 209           | Teen Court Grant                          |



**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

| <b>DUE TO OTHER FUNDS</b> | <b>AMOUNT</b>      | <b>DUE FROM OTHER FUNDS</b>         |
|---------------------------|--------------------|-------------------------------------|
| General Trust             | 3,092              | Official Records Modernization      |
| General Trust             | 42,863             | Registry of Court                   |
| General Trust             | 29,995             | Cash Bonds                          |
| Individual Depository     | 35,635             | 001 – General Fund                  |
| Suspense                  | 70,259             | 001 – General Fund                  |
| False Alarm               | 1,000              | 147 – Municipal Service Taxing Unit |
| Inmate Trust              | 622                | 001 – General Fund                  |
| Inmate Trust              | 721                | Inmate Commissary                   |
| SUBTOTAL                  | <u>\$597,771</u>   |                                     |
| TOTAL                     | <u>\$7,496,972</u> |                                     |

| <b>TRANSFER OUT</b>                           | <b>AMOUNT</b>       | <b>FUND RECEIVING TRANSFER</b>                   |
|-----------------------------------------------|---------------------|--------------------------------------------------|
| <b>GENERAL FUND</b>                           |                     |                                                  |
| 001 - General Fund                            | \$25,747            | 022 – DCA Emergency Mgmt Assistance FY99         |
| 001 - General Fund                            | 104,163             | 024 – DCF META 7/99= 6/2000                      |
| 001 - General Fund                            | 3,250               | 025 – FDLE VOCA 10/98 – 9/99                     |
| 001 - General Fund                            | 45,981              | 026 – RSVP FY99                                  |
| 001 - General Fund                            | 36,639              | 027 – Foster Grandparents FY99                   |
| 001 - General Fund                            | 86,156              | 028 – DOR Hearing Officer 7/99 – 6/2000          |
| 001 - General Fund                            | 1,667               | 030 – USDOJ Local Law Enforcement FY98 & 99      |
| 001 - General Fund                            | 15,450              | 053 – HRS META 7/98 – 6/99                       |
| 001 - General Fund                            | 2,204,873           | 091 – Fire Rescue Services                       |
| 001 - General Fund                            | 937,939             | 149 – Gas Tax Uses                               |
| 001 - General Fund                            | 11,506              | 163 – School Crossing Guard                      |
| 001 - General Fund                            | 10,000              | 258 – Kanapaha Summer House                      |
| 001 - General Fund                            | 5,151               | 259 - 12 Lead EKG Matching Grant                 |
| 001 - General Fund                            | 40,000              | 265 – Drug Court Enhancement 6/98 – 5/2000       |
| 001 - General Fund                            | 88,570              | 300 – Capital Projects – General                 |
| 001 - General Fund                            | 260,000             | 301 – Capital Projects – Public Works            |
| 001 - General Fund                            | 280,000             | 315 – Pooled Commercial Paper Construction       |
| 001 - General Fund                            | 36,398              | 316 – Metamorphosis Building                     |
| 001 - General Fund                            | 170,000             | 318 – SE 35 <sup>th</sup> Street Park            |
| 001 - General Fund                            | 40,000              | 411 – Non-Emergency Transport                    |
| 001 - General Fund                            | 37,009              | 500 – Computer Replacement                       |
| 001 - General Fund                            | 3,466,852           | Constitutional Officer – Clerk of the Court      |
| 001 – General Fund                            | 2,632,206           | Constitutional Officer – Property Appraiser      |
| 001 – General Fund                            | 29,017,341          | Constitutional Officer - Sheriff                 |
| 001 – General Fund                            | 810,048             | Constitutional Officer – Supervisor of Elections |
| SUBTOTAL                                      | <u>\$40,366,946</u> |                                                  |
| <b>SPECIAL REVENUE FUNDS</b>                  |                     |                                                  |
| 008 – DCA Anti-Drug Abuse – JAC FY99          | \$80,985            | Teen Court Grant                                 |
| 009 – DCA Anti-Drug Abuse – Teen Court FY99   | 26,943              | Teen Court Grant                                 |
| 010 – DCA Anti-Drug Abuse – SIU FY99          | 6,940               | Drug Control Grant                               |
| 011 – DCA Anti-Drug Abuse – Proj. Admin. FY99 | 22,248              | Project Administration Grant                     |
| 015 – Juvenile Assessment Center              | 7,900               | Juvenile Assessment Center Fines and Ord.        |
| 031 – Civil Traffic Fines                     | 74,504              | Juvenile Assessment Center Fines and Ord.        |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

| TRANSFER OUT                                     | AMOUNT       | FUND RECEIVING TRANSFER                          |
|--------------------------------------------------|--------------|--------------------------------------------------|
| 031 - Civil Traffic Fines                        | 589,000      | 001 - General Fund                               |
| 031 - Civil Traffic Fines                        | 24,080       | 267 - Traffic Hearing Officer 6/99               |
| 048 - Teen Court                                 | 8,888        | Teen Court Grant                                 |
| 053 - HRS META 7/98 - 6/99                       | 18,631       | 001 - General Fund                               |
| 091 - Fire Rescue Services                       | 1,151,014    | 001 - General Fund                               |
| 091 - Fire Rescue Services                       | 147,964      | 147 - Municipal Service Taxing Unit              |
| 107 - Family Mediation Panel                     | 11,344       | 029 - HCF Juvenile Dependency 7/98 - 6/99        |
| 147 - Municipal Service Taxing Unit              | 822,600      | 001 - General Fund                               |
| 147 - Municipal Service Taxing Unit              | 6,241,557    | 091 - Fire Rescue Services                       |
| 147 - Municipal Service Taxing Unit              | 20,000       | 127 - Historical Structure Survey FYE 6/2000     |
| 147 - Municipal Service Taxing Unit              | 141,430      | 300 - Capital Projects - General                 |
| 147 - Municipal Service Taxing Unit              | 8,719,699    | Municipal Service Taxing Unit                    |
| 147 - Municipal Service Taxing Unit              | 190,998      | Constitutional Officer - Property Appraiser      |
| 159 - Law Enforcement Training                   | 72,397       | Law Enforcement Training                         |
| 160 - Restitution                                | 16,046       | Narcotics and Organized Crime Unit - Restitution |
| 163 - School Crossing Guard                      | 85,047       | School Crossing Guards                           |
| 167 - Donations                                  | 64,893       | 316 - Metamorphosis Building                     |
| 168 - Tourist Development                        | 200,000      | 258 - Kanapaha Summer House                      |
| 174 - E-911 Recurring and Non Recurring          | 150,000      | E911 Funds                                       |
| 180 - Pollution Recovery Fund                    | 13,400       | 260 - Water Quality Protection                   |
| 205 - Local Housing Assistance                   | 65,888       | 066 - SHIP - Special Needs Housing               |
| 263 - USDOJ Local Law Enforcement FY99-2000      | 331,873      | Federal Block Grant                              |
| 266 - Additional Court Costs F.S. 939.18         | 42,742       | 315 - Pooled Commercial Paper Construction       |
| Constitutional Officer - Supervisor of Elections | 186          | 001 - General Fund                               |
| Constitutional Officer - Tax Collector           | 1,358,632    | 001 - General Fund                               |
| Constitutional Officer - Tax Collector           | 77,375       | 147 - Municipal Services Taxing Unit             |
| Constitutional Officer - Tax Collector           | 22,925       | 148 - MSBU Refuse Collection                     |
| Constitutional Officer - Tax Collector           | 175          | 305 - Special Assessments                        |
| Constitutional Officer - Tax Collector           | 17,571       | 400 - Solid Waste                                |
| Constitutional Officer - Clerk of the Court      | 397,162      | 001 - General Fund                               |
| Constitutional Officer - Sheriff                 | 37,103       | Project Administration Grant                     |
| Constitutional Officer - Sheriff                 | 3,266        | Drug Control Grant                               |
| Constitutional Officer - Sheriff                 | 6,121        | SHOCAP Grant                                     |
| Constitutional Officer - Sheriff                 | 113,298      | CDC Grant                                        |
| Constitutional Officer - Sheriff                 | 4,669        | School Crossing Guards                           |
| Constitutional Officer - Sheriff                 | 606,936      | 001 - General Fund                               |
| Municipal Service Taxing Unit - Sheriff          | 68,148       | Field Service Technician Grant                   |
| Municipal Service Taxing Unit - Sheriff          | 36,875       | Federal Block Grant                              |
| Municipal Services Taxing Unit - Sheriff         | 489,782      | 147 - Municipal Services Taxing Unit             |
| Narcotics and Organized Crime Unit - Restitution | 16,046       | 160 - Restitution                                |
| Law Enforcement Training                         | 72,397       | 159 - Law Enforcement Training                   |
| Off Duty                                         | 291          | 001 - General Fund                               |
| Juvenile Assessment Center Fines and Ord.        | 26,284       | Juvenile Assessment Grant                        |
| Juvenile Assessment Center Fines and Ord.        | 48,220       | 031 - Civil Traffic Fines                        |
| Juvenile Assessment Center Fines and Ord.        | 7,900        | 015 - Juvenile Assessment Center                 |
| Constitutional Officer - Property Appraiser      | 103,090      | 001 - General Fund                               |
| Constitutional Officer - Property Appraiser      | 7,395        | 147 - Municipal Service Taxing Unit              |
| SUBTOTAL                                         | \$22,870,858 |                                                  |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

| TRANSFER OUT                          | AMOUNT                     | FUND RECEIVING TRANSFER                          |
|---------------------------------------|----------------------------|--------------------------------------------------|
| <i>DEBT SERVICE FUNDS</i>             |                            |                                                  |
| 287 - 1992 Refunding Road Bond, 1983  | \$1,748,706                | 149 - Gas Tax Uses                               |
| 287 - 1992 Refunding Road Bond, 1983  | 187,902                    | 294 - 1999 Public Improvement Revenue Bond       |
| 290 - 1995 Pub Improve Refunding Bond | <u>5,608,657</u>           | 001 - General Fund                               |
| SUBTOTAL                              | \$7,545,265                |                                                  |
| <i>CAPITAL PROJECTS FUNDS</i>         |                            |                                                  |
| 094 - Metamorphosis Building Grant    | \$5,018                    | 316 - Metamorphosis Building                     |
| 300 - Other Capital Projects          | 39,500                     | 001 - General Fund                               |
| 300 - Other Capital Projects          | 155,000                    | Constitutional Officer - Supervisor of Elections |
| 315 - Pooled Commercial Paper Program | <u>150,000</u>             | 504 - Telephone Service                          |
| SUBTOTAL                              | \$349,518                  |                                                  |
| <i>ENTERPRISE FUNDS</i>               |                            |                                                  |
| 400 - Solid Waste                     | <u>\$30,000</u>            | 102 - Electronic Equipment Project FY99          |
| SUBTOTAL                              | \$30,000                   |                                                  |
|                                       | <u><u>\$71,162,587</u></u> |                                                  |
| TOTAL                                 |                            |                                                  |

**7. LONG-TERM OBLIGATIONS**

**A. LONG-TERM OBLIGATIONS (EXCLUDING ACCRUED COMPENSATED ABSENCES) AT SEPTEMBER 30, 1999** are comprised of the following:

**PRIMARY GOVERNMENT**

**General Obligation Bond:**

\$1,800,000 1972 Jail Serial Bonds, due in annual installments of \$70,000 to \$115,000 through 2002, interest at 5.2% until 1997, 5.25% until 2001 and 3.5% in 2002.

Revenue Source - Property Tax Levy.

\$330,000

**Revenue Bonds:**

\$4,695,000 1992 Road Improvement Revenue Refunding Bonds, due in annual installments of \$340,000 to \$545,000 through 2002, interest from 3.1% to 6.0%.

Revenue Source - The County's Ninth Cent Gas Tax and its allocation of the Seventh Cent Gas Tax.

\$1,550,000

\$6,770,000 State of Florida, 1992 Full Faith and Credit Alachua County Road Refunding Bonds, due in annual installments of \$415,000 to \$750,000 through 2003, interest from 4.25% to 6%.

Revenue Source - The full faith and credit of the State and a pledge of the County's allocation of 80% Constitutional Gas Tax.

2,740,000

\$39,740,000 1995 Public Improvement Revenue Refunding Bonds, due in annual installments of \$555,000 to \$2,710,000 through 2021, interest from 3.6% to 5.125%.

Revenue Source - a pledge of the County's portion of the Half Cent Sales Tax.

36,570,000

\$16,295,000 1999 Public Improvement Revenue bonds, due in annual installments of \$130,000 to 1,035,000 through 2029, interest from 3.5% to 5.0%.

Revenue Source - a pledge of the County's portion of the 1/8 Cent Sales Tax.

16,295,000

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**7. LONG-TERM OBLIGATIONS (continued)**

|                                    |              |
|------------------------------------|--------------|
| <b>Total Revenue Bonds Payable</b> | 57,155,000   |
| <b>TOTAL BONDS PAYABLE</b>         | \$57,485,000 |

**MAJOR COMPONENT UNIT – LIBRARY DISTRICT**

\$15,120,000 1991 Library District Refunding bonds, due in annual installments of \$47,000 to \$1,210,000 through 2017, interest at 4.1% to 6.6%.

|                                    |              |
|------------------------------------|--------------|
| Revenue Source – Property Tax Levy | \$13,590,000 |
|------------------------------------|--------------|

**B. DEBT SERVICE REQUIREMENTS TO MATURITY** on the County's and Library District's bonds payable at September 30, 1999, are as follows:

| FISCAL YEAR | PRIMARY GOVERNMENT            |              |                             | MAJOR COMPONENT UNIT – LIBRARY DISTRICT |             |                             |
|-------------|-------------------------------|--------------|-----------------------------|-----------------------------------------|-------------|-----------------------------|
|             | GENERAL LONG-TERM OBLIGATIONS |              | TOTAL LONG-TERM OBLIGATIONS | GENERAL LONG-TERM OBLIGATIONS           |             | TOTAL LONG-TERM OBLIGATIONS |
|             | PRINCIPAL                     | INTEREST     |                             | PRINCIPAL                               | INTEREST    |                             |
| 2000        | \$2,295,000                   | \$3,068,541  | \$5,363,541                 | \$430,000                               | \$856,410   | \$1,286,410                 |
| 2001        | 2,545,000                     | 2,817,798    | 5,362,798                   | 455,000                                 | 831,470     | 1,286,470                   |
| 2002        | 2,675,000                     | 2,692,815    | 5,367,815                   | 480,000                                 | 804,625     | 1,284,625                   |
| 2003        | 2,125,000                     | 2,556,943    | 4,681,943                   | 510,000                                 | 775,585     | 1,285,585                   |
| 2004        | 1,440,000                     | 2,449,798    | 3,889,798                   | 540,000                                 | 743,965     | 1,283,965                   |
| 2005 – 2029 | 46,405,000                    | 27,952,409   | 74,357,409                  | 11,175,000                              | 5,534,985   | 16,709,985                  |
|             | \$57,485,000                  | \$41,538,304 | \$99,023,304                | \$13,590,000                            | \$9,547,040 | \$23,137,040                |

**C. CHANGES IN LONG-TERM OBLIGATIONS** for the year ended September 30, 1999 are summarized as follows:

|                                                | BALANCE<br>October 1, 1998 | ADDITIONS    | REDUCTIONS  | BALANCE<br>Sept 30, 1999 |
|------------------------------------------------|----------------------------|--------------|-------------|--------------------------|
| <b>PRIMARY GOVERNMENT</b>                      |                            |              |             |                          |
| General Obligation Bonds                       | \$430,000                  | \$0          | \$100,000   | \$330,000                |
| Revenue Bonds Payable                          | 42,825,000                 | 16,295,000   | 1,965,000   | 57,155,000               |
| Note Payable                                   | 1,532,000                  | 1,000,000    | 2,532,000   | 0                        |
| Capital Leases                                 | 71,731                     | 0            | 71,731      | 0                        |
| Accrued Compensated Absences                   | 6,093,237                  | 321,573      | 0           | 6,414,810                |
| TOTAL GENERAL LONG-TERM OBLIGATIONS:           | \$50,951,968               | \$17,616,573 | \$4,668,731 | \$63,899,810             |
| <b>MAJOR COMPONENT UNIT – LIBRARY DISTRICT</b> |                            |              |             |                          |
| General Obligation Bonds                       | \$13,995,000               | \$0          | \$405,000   | 13,590,000               |
| Accrued Compensated Absences                   | 233,535                    | 32,300       | 0           | 265,835                  |
| TOTAL GENERAL LONG-TERM OBLIGATIONS:           | \$14,228,535               | \$32,300     | \$405,000   | \$13,855,835             |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**7. LONG-TERM OBLIGATIONS (continued)**

**D. DEFEASED DEBT**

The County presently has outstanding the following serial bonds, which are defeased:

| I S S U E                                                                            | REFUNDED BY                  | PRINCIPAL<br>BALANCE AS<br>OF 9/30/99 | CASH AND<br>INVESTMENT<br>BALANCE WITH<br>ESCROW AGENT<br>AS OF 9/30/99 <sup>(A)</sup> |
|--------------------------------------------------------------------------------------|------------------------------|---------------------------------------|----------------------------------------------------------------------------------------|
| 1976 Special Obligation<br>Revenue Bonds                                             | 1984 Sales Tax Revenue Bonds | \$1,210,000                           |                                                                                        |
| 1976 Capital Improvement<br>Serial Bonds                                             | 1984 Sales Tax Revenue Bonds | 1,035,000                             |                                                                                        |
| 1976 Public Improvement<br>Revenue Bonds                                             | 1984 Sales Tax Revenue Bonds | 770,000                               |                                                                                        |
|                                                                                      | SUBTOTAL                     | <u>\$3,015,000</u>                    | <u>\$2,582,509</u>                                                                     |
| 1976 Courthouse Complex<br>Completion Revenue Bonds<br>(Public Facilities Authority) | 1984 Sales Tax Revenue Bonds | 560,000                               |                                                                                        |
| 1977 Courthouse Complex<br>Refunding Bonds<br>(Public Facilities Authority)          | 1984 Sales Tax Revenue Bonds | 1,410,000                             |                                                                                        |
|                                                                                      | SUBTOTAL                     | <u>\$1,970,000</u>                    | <u>\$1,750,374</u>                                                                     |
|                                                                                      | TOTAL                        | <u>\$4,985,000</u>                    | <u>\$4,332,883</u>                                                                     |

(A) Source: Escrow Agents' Records

The amounts in escrow are sufficient to retire all outstanding bonds and interest. Since these bonds are defeased, in substance, they are not included in the financial statements.

**E. LINE OF CREDIT** - The \$12,000,000 Pooled Commercial Paper Note line of credit was approved to fund capital projects within the County, including (but not limited to) the acquisition and renovation of the East Gate Shopping Center for the Sheriff's Department, improvements to the Records Retention Center, acquisition and improvements to the Communications Center, and acquisition and improvements for space needs of the Public Agency as outlined in the Space Needs Study. In July 1999, the Pooled Commercial Paper Program was repaid in full from the 1999 Public Improvement Revenue Bond Proceeds.

**F. SPECIAL ASSESSMENT DEBT** - The County and the Component Units have no special assessment debt.

**G. DEMAND BONDS** The County and the Component Units have no demand bonds.

**H CONDUIT DEBT OBLIGATIONS** - From time to time, the County has issued Health Facility Revenue

Bonds and Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of health care and industrial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 1999, there were three series of Health Facility Revenue Bonds outstanding, with an aggregate principal amount payable of \$153,305,000 and one series of Industrial Development Bonds outstanding, with an aggregate principal amount payable of \$15,500,000.

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**8. EMPLOYEE BENEFITS**

**A. PENSION PLAN**

**County Employees**

*Plan Description* - The County contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions.

Changes to the law can only occur through an act of the Florida Legislature. The System issues financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida 32399, or by calling (850) 488-5706.

*Funding Policy* - The System is employee noncontributory. The County is required to contribute at an actuarially determined rate. The rates for the 98/99 fiscal year, were as follows:

| Rates From<br>10/1/98 -<br>6/30/99 | Rates From<br>7/1/99 -<br>9/30/99 | Class of Membership            |
|------------------------------------|-----------------------------------|--------------------------------|
| 16.45%                             | 10.15%                            | Regular                        |
| 25.32%                             | 21.16%                            | Special Risk                   |
| 15.58%                             | 12.47%                            | Special Risk<br>Administrative |
| 16.45%                             | 10.15%                            | Rehired Retirees               |
| 27.93%                             | 17.99%                            | Elected Officials              |
| 24.04%                             | 12.13%                            | Senior Management<br>Service   |
| 16.45%                             | 10.15%                            | IFAS/Optional Retirement       |
| 12.50%                             | 12.50%                            | Deferred Retirement<br>Option  |

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ending September 30, 1999, 1998, and 1997 were \$9,123,342, \$9,376,197, and \$9,112,542 respectively, and were equal to the required contributions for each year.

**Major Component Unit - Library District Employees**

*Plan Description* - The Alachua County Library District Pension Board of Trustees is the administrator for the

Alachua County Library Pension Plan. This is a contributory defined benefit single-employer pension plan with an effective date of October 1, 1986. The plan covers substantially all employees; some managerial employees (9) belong to the ICMA Deferred Compensation plan. For managers who elected to move from the deferred compensation plan (3) as of October 1, 1996, credited service shall begin as of that date for benefit accrual purposes. The Alachua County Library District accounts for the plan as a Pension Trust Fund. The plan is also governed by certain provisions of Chapter 112, Florida Statutes.

At October 1, 1998, the plan membership consisted of:

|                                                         |     |
|---------------------------------------------------------|-----|
| Retirees and beneficiaries currently receiving benefits | 4   |
| Vested terminated employees                             | 6   |
| Active Employees:                                       |     |
| Vested                                                  | 63  |
| Nonvested                                               | 95  |
| Total                                                   | 168 |

The pension plan provides retirement benefits as well as death benefits. All benefits vest after five years of credited service (by plan amendment effective October 1, 1996).

Employees who retire with either twenty years of credited service or reach age 65 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of their final average earnings times credited service. Employees with fifteen years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For managers who elected to move from the deferred compensation plan as of October 1, 1996, no more than 10 years of past service with the Library will be considered as credited service for vesting purposes. For purposes of calculation of the accrued benefit, the transferring employee shall accrue credited service under this plan only after October 1, 1996.

*Summary of Significant Accounting Policies -*

- ▶ **Basis of Accounting** - The Pension Trust Fund is presented using the accrual basis of accounting. Employer and employee contributions are recognized as revenue in the period in which employee services are performed and expenses are recorded when the

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**8. EMPLOYEE BENEFITS (continued)**

- ▶ corresponding liabilities are incurred, regardless of when payment is made.
- ▶ **Method Used to Value Investments** - Investments are initially recorded on the trade date and are valued at fair value. Investment policies are determined by the Pension Board of Trustees. Net appreciation or (depreciation) in the fair value of investments represents both realized and unrealized gains and losses.
- ▶ **Refunds** - If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions without interest are refunded to the employee or designated beneficiary.
- ▶ **Administrative Expenses** - Costs paid from investment earnings of the pension plan include trustee fees, actuarial services and bank charges. Other administrative costs such as accounting, office space and audit costs are provided by the Library District at no cost to the pension plan.

*Contributions Required and Contributions Made* -The Alachua County Library District Board of Governors established the pension plan and has authority for amending any plan/benefit provisions.

The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designated to accumulate sufficient assets to pay benefits when due. The normal cost and actuarially accrued liability are determined using the entry age normal actuarial funding method.

All actuarial assumptions used in determining contribution requirements for the fiscal year ended September 30, 1999, remained the same as the prior plan year. The required contribution rate for the District for the current fiscal year is 7.6% of the covered payroll.

Covered employees were required to contribute 4% of their salary to the pension plan. The Library District is required to contribute the remaining amounts necessary to finance the coverage of its own employees.

The actual contribution for the plan year ended September 30, 1999, of \$406,930 (employer \$278,224; employee \$128,706) was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 1998. The contribution consisted of: (1) \$392,604 normal cost, and (2) \$14,326, amortization of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is funded as a level percent of projected payroll over a 30 year period.

*Investment Concentrations* - As of September 30, 1999, all (100%) investments were held by Wachovia Bank, N.A., Custodian for the Library District.

*Determination of Net Pension Obligation (Asset)* - The methods and assumptions that apply for the calculation of the net pension obligation (NPO) are those used for amortizing actuarial experience gains and losses in determining the District's contribution rates for the years indicated. The amortization factors incorporate those methods and assumptions.

In accordance with GASB 27, the calculation of NPO assumes a zero liability at the beginning of the calculation period. The District's first contribution deficiency (excess) occurred in FY 1988 and therefore, the first NPO balance occurred at the end of that year. The District applied the required adjustment procedures beginning in FY 1989 and works forward year by year.

*Three-year Trend Information* -

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|--------------------|---------------------------|-------------------------------|--------------------------------|
| 9/30/99            | \$266,291                 | 104.5%                        | (\$92,714)                     |
| 9/30/98            | \$209,292                 | 114.1%                        | (\$80,781)                     |
| 9/30/97            | \$202,776                 | 104.4%                        | (\$51,278)                     |

**B. ACCRUED COMPENSATED ABSENCES**

County and Library District employees are entitled to accrue sick and vacation time in accordance with the employer's personnel regulations or a collective bargaining agreement.

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**8. EMPLOYEE BENEFITS (concluded)**

Maximum accruals are shown on the chart below.

| Employer                                       | Vacation<br>Accrual<br>Maximum | Vacation<br>Termination<br>Pay Maximum | Sick Leave<br>Accrual<br>Maximum |
|------------------------------------------------|--------------------------------|----------------------------------------|----------------------------------|
| <b>Board of County Commissioners</b>           |                                |                                        |                                  |
| 40 hr/wk<br>Employees                          | 280 Hours                      | 240 Hours                              | No<br>Maximum                    |
| 56 hr/wk<br>Employees                          | 392 Hours                      | 336 Hours                              | No<br>Maximum                    |
| <b>Clerk of Circuit Court</b>                  |                                |                                        |                                  |
|                                                | 280 Hours                      | 240 Hours                              | No<br>Maximum                    |
| <b>Property Appraiser</b>                      |                                |                                        |                                  |
|                                                | 280 Hours                      | 240 Hours                              | No<br>Maximum                    |
| <b>Tax Collector</b>                           |                                |                                        |                                  |
|                                                | 240 Hours                      | 240 Hours                              | No<br>Maximum                    |
| <b>Supervisor of Elections</b>                 |                                |                                        |                                  |
|                                                | 240 Hours                      | 240 Hours                              | No<br>Maximum                    |
| <b>Sheriff</b>                                 |                                |                                        |                                  |
|                                                | 240 Hours                      | 240 Hours                              | No<br>Maximum                    |
| <b>Major Component Unit – Library District</b> |                                |                                        |                                  |
|                                                | 240 Hours                      | 240 Hours                              | No<br>Maximum                    |

Terminating employees with 10 years of service will be paid for half of unused sick time.

Library District employees who participate in the District's pension plan and have at least five years credited service must convert unused sick time to credited service time for determining pension benefits. Non-participants of the pension plan with at least 5 years of service are paid for one half of unused sick leave upon termination.

The County records the liability for compensated absences (\$6,414,810 for the County, \$265,835 for the Library District) of the Governmental Fund Types in the General Long-Term Obligations Account Group. Proprietary Fund Types accrue compensated absences in the period they are earned; for the adjusted liabilities at the end of the year, no determination was made for current or non current amounts, because a classified balance sheet is not presented. Accrued compensated absences are not recorded for any accruals over the maximum.

**C. Deferred Compensation Plan**

The County and Library District offers their employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The County and Library District complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed the lesser of \$8,000 or 25% of gross annual compensation (33 1/3% of the participant's includable compensation).

**D. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

It has been the County's practice to provide post employment life insurance benefits to its retired employees. The following information on post employment benefits is as required by GASB Statement 12:

- (1) Benefits Provided:
  - Life Insurance for Retirees
  - Under Age 65 \$15,000
  - Over Age 65 \$ 5,000
- (2) Funding is on a pay as you go basis.
- (3) Cost for 1998/99 was \$28,298.
- (4) There were 161 retirees receiving Life Insurance Benefits.

The Library District does not have any post- retirement health and insurance benefits.

**E. NON-MAJOR COMPONENT UNITS EMPLOYMENT**

The non-major component units have no employees or employee benefits.



**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The County maintains three Enterprise Funds. Segment information for the year ended September 30, 1999 is as follows:

|                                 | SOLID WASTE SYSTEM | CODES ENFORCEMENT | NON-EMERGENCY TRANSPORT |
|---------------------------------|--------------------|-------------------|-------------------------|
| Operating Revenue               | \$7,681,900        | \$1,380,047       | \$0                     |
| Depreciation Expense            | 452,093            | 0                 | 0                       |
| Operating Income                | 288,297            | 231,322           | 0                       |
| Non Operating Revenue (Expense) | 1,001,594          | 14,294            | 0                       |
| Net Income                      | 1,259,891          | 245,616           | 40,000                  |
| Fixed Assets:                   |                    |                   |                         |
| Additions                       | 5,914,109          | 21,560            | 0                       |
| Deletions (Book Value)          | 2,468,784          | 0                 | 0                       |
| Total Assets                    | 28,226,299         | 673,334           | 40,000                  |
| Net Working Capital             | 9,355,665          | 622,266           | 40,000                  |
| Long-Term Liabilities           | 10,513,357         | 90,676            | 0                       |
| Total Equity                    | 16,502,344         | 532,255           | 40,000                  |

**10. CONTRIBUTED CAPITAL**

Changes in contributed capital of the Proprietary Fund Types are summarized as follows:

|                                                   | Enterprise Funds | Internal Service Funds |
|---------------------------------------------------|------------------|------------------------|
| Balance at October 1, 1998 as previously reported | \$0              | \$276,900              |
| Restatement                                       | 0                | (276,900)              |
| Contributions                                     | 377,512          | 758,490                |
| Decrease in Cash Contributions                    | (86,623)         | 0                      |
| Balance at September 30, 1999                     | <u>\$290,889</u> | <u>\$758,490</u>       |

In FY98, Vehicle Replacement (506), contributed capital was overstated by \$276,900, representing the book value of an asset that should not have been contributed to this fund.

**11. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES**

**A. RISK MANAGEMENT CLAIMS AND LOSSES**

The County has established a risk management program to cover claims against the Board and Constitutional Officers for the following types of risk:

- General Liability
- Workers Compensation (self insured up to limit of \$300,000)
- Public Liability
- EMS Professional Liability
- Lawyers Professional Liability

The risk management program is accounted for as an Internal Service Fund, in accordance with the requirements of GASB 10. There have been no significant reductions in insurance coverage from coverage in prior years. In instances where insurance has been purchased, no settlements have exceeded coverage for each of the past three fiscal years.

The estimated liability for self insured losses is based on reported claims, historical loss data, and industry statistics for incurred but not reported claims, and a valuation performed by an independent actuary as of July 31, 1999 projecting to September 30, 1999 and the prior year as of July 31, 1998 projecting to September 30, 1998:

|                                                               | FY 98/99           | FY 97/98           |
|---------------------------------------------------------------|--------------------|--------------------|
| Reported & Known Claims                                       | \$1,263,246        | \$935,606          |
| Incurred but not reported Claims and Case Development Reserve | <u>3,729,088</u>   | <u>3,820,050</u>   |
| Total Estimated Liability for Self-Insured Losses             | <u>\$4,992,334</u> | <u>\$4,755,656</u> |

The changes in the funds estimated liability for self-insured losses at current dollar value are as follows:

|                                              | FY 98/99           | FY 97/98           |
|----------------------------------------------|--------------------|--------------------|
| Beginning of Fiscal Year Liability           | \$4,755,656        | \$4,862,965        |
| Current Year Claims and Changes in Estimates | 838,578            | 1,087,137          |
| Claim Payments                               | <u>(601,900)</u>   | <u>(1,194,446)</u> |
| Balance at Fiscal Year End                   | <u>\$4,992,334</u> | <u>\$4,755,656</u> |

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**11. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES (continued)**

For fiscal year 1998-99 and 1997-98 the margin for the risk of adverse deviation was accrued at a 75% confidence level. For fiscal year 1998-99 ending retained earnings is \$878,769 all of which is reserved for possible future losses. Florida Statutes provide for local government tort immunity and a claims bill process. Our actuarial estimates do not include a provision for liabilities arising from claims bills except to the extent such claims are included in the loss history of Alachua County.

**B. CONVENTIONALLY INSURED CLAIMS AND LOSSES**  
The County retains conventional insurance coverage on all other types of insurable risks. These costs are also accounted for in the Self Insurance Fund.

**C. SHERIFF'S RISK MANAGEMENT**  
For tangible personal property, the Alachua County Sheriff participates in the risk management program established by the Board. For other than tangible personal property, the Sheriff carries insurance through the Florida Sheriff's Association. There were no significant reductions in insurance coverages from prior years. For the past three years, there have been no insurance settlements significantly in excess of insurance coverages.

**12. INDIRECT COST**  
The County's indirect costs consist of allowable administrative costs allocated to the Enterprise Fund, an Internal Service Fund, various Federal and State Grants, and Special Revenue Funds. The County's indirect cost plan is developed annually based on the prior year's actual expenditures; some adjustments are required due to specific Federal grant allowances or other legal limitations. For the fiscal year ended September 30, 1999, the following amounts were charged:

| <b>INDIRECT COST CHARGED</b> | <b>FUND / PROJECT NAME</b>                 |
|------------------------------|--------------------------------------------|
| \$6,000                      | 021 - DCA Emergency Management Trust       |
| 3,300                        | 026 - Retired and Senior Volunteer Program |
| 4,700                        | 027 - Foster Grandparents                  |
| 35,200                       | 053,024 - DCF Metamorphosis                |
| 10,593                       | 052,028 DOR Hearing Officer                |
| 14,826                       | 123 - FL DEP Superact Mgmt FY 99           |
| 14,336                       | 125 - FL DEP 17-61 Compliance              |
| 257,976                      | 147 - MSTU                                 |

|                    |                                   |
|--------------------|-----------------------------------|
| 36,645             | 148 - MSBU Refuse Collection      |
| 58,853             | 168 - Tourist Development         |
| 20,852             | 178 - Hazardous Materials Code    |
| 19,622             | 400 - Waste Management Assessment |
| 206,640            | 400 - Landfill                    |
| 62,118             | 400 - Collection Centers          |
| 68,558             | 410 - Codes Enforcement           |
| 143,795            | 501 - Self-Insurance Fund         |
| 65,507             | 503 - Fleet Management            |
| 28,395             | 504 - Telephone Services          |
| <u>\$1,057,917</u> |                                   |

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES**

**A. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**  
There were no funds with an excess of expenditures over appropriations.

**B. BUDGETED USE OF FUND BALANCE/RETAINED EARNINGS IN EXCESS OF ACTUAL FUND BALANCE/RETAINED EARNINGS**  
In the adoption of the fiscal year 2000 budget the County estimated beginning fund balance/retained earnings in excess of actual fund balances/retained earnings for the following funds:

| <b>SPECIAL REVENUE FUNDS</b>                 |
|----------------------------------------------|
| 019 - Hazardous Materials FY99               |
| 024 - DCF Metamorphosis 7/99 - 6/2000        |
| 032 - FDEP Petro Cleanup FY98                |
| 043 - Boating Improvement Program            |
| 059 - Hazardous Materials FY97               |
| 062 - Civil Mediation Arbitration            |
| 107 - Family Mediation Panel                 |
| 127 - Historical Structure Survey FYE 6/2000 |
| 148 - MSBU Refuse Collection                 |
| 154 - Transportation Impact Fee Supplement   |
| 155 - Northwest District Impact Fee          |
| 156 - Southwest District Impact Fee          |
| 157 - East District Impact Fee               |
| 167 - Donations                              |
| 169 - Handicap Parking Fine                  |
| 174 - E-911 Recurring and Nonrecurring       |
| 205 - Local Housing Assistance               |
| 260 - Water Quality Protection               |
| 266 - Additional Court Cost F.S. 939.18      |

| <b>DEBT SERVICE FUNDS</b>             |
|---------------------------------------|
| 290 - Sales Tax Refunding Bond 1995   |
| 292 - Pooled Commercial Paper Program |

| <b>CAPITAL FUNDS</b>         |
|------------------------------|
| 300 - Other Capital Projects |
| 301 - Recreation Improvement |

**13. OTHER REQUIRED INDIVIDUAL**

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**FUND AND COMPLIANCE DISCLOSURES  
(continued)**

| <b>CAPITAL FUNDS (CONTINUED)</b>            |
|---------------------------------------------|
| 308 – Public Improvement Construction 1992A |
| 313 – FRDAP FY98                            |
| 314 – FRDAP FY99                            |
| 316 – Metamorphosis Building                |
| 317 – Powers Park                           |
| 320 – Public Improvement Revenue Bond       |

| <b>ENTERPRISE FUNDS</b>  |
|--------------------------|
| 400 - Solid Waste System |
| 410 – Codes Enforcement  |

| <b>INTERNAL SERVICE FUNDS</b>                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 501 – Computer Replacement                                                                                                                                                                                                            |
| 506 – Vehicle Replacement                                                                                                                                                                                                             |
| The County, upon recognizing the condition, may adjust the budget to reflect actual fund balance. This is accomplished by reducing the operating budget and increasing excess appropriation reserve during the 1999/2000 fiscal year. |

**C. EXCESS OF EXPENDITURES OVER REVENUE IN THE BUDGET COLUMN**

Certain funds show an excess of expenditures over revenue in the budget column of the Statement of Revenue, Expenditures and Changes in Fund Balances, Budget and Actual. This excess is due to the use of fund balance (which is not reported in the budget or variance column) during the fiscal year.

**D. RECONCILIATION** between debt service funds budgetary and non-budgetary operating statements follows [see Note 2.E. (3)]:

|                                                                       | <b>REVENUE</b>      | <b>EXPENDITURES</b> | <b>FUND BALANCE</b> |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>DEBT SERVICE FUNDS:</b>                                            |                     |                     |                     |
| Actual amounts reported per combined budgetary operating statement    | \$10,750,571        | \$6,344,969         | \$1,073,379         |
| 6.77m Road Refund Bonds, 1992 (289)                                   |                     |                     |                     |
| Intergovernmental                                                     | 756,281             | 0                   | 0                   |
| Investment Income                                                     | 27,534              | 0                   | 0                   |
| Debt Service                                                          | 0                   | 785,981             | 0                   |
| Fund Balance                                                          | 0                   | 0                   | 784,024             |
| <b>ACTUAL AMOUNTS REPORTED PER COMBINED GAAP OPERATING STATEMENTS</b> | <u>\$11,534,386</u> | <u>\$7,130,950</u>  | <u>\$1,857,403</u>  |

**E. RESTATEMENTS OF FUND BALANCES/RETAINED EARNINGS**

A component unit, John A. H. Murphree Law Library (222), which was previously displayed as a blended component unit, has been reclassified and displayed as a discretely presented component unit. The beginning fund balance of the Special Revenue Funds has been restated by \$75,734 to reflect the reclassification.

Additionally, the following prior period adjustments were made to correct errors not involving accounting principles:

*Special Revenue Funds*

|                                                                                                                                                            |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Local Housing Assistance (205) – In FY98, deferred revenue was overstated by \$1,076,697 causing actual fund balance to be understated by the same amount. | <u>\$1,076,697</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|

*Enterprise Funds*

Solid Waste (400) -

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1. Fixed Assets that were either used exclusively for closure of the southwest landfill or were purchased for use at the potential landfill site Echo, should have been expensed in FY98. Closure of the southwest landfill occurred in FY98; in accordance with GASB Statement No. 18, assets should have been expensed at that time. Also, in FY98, the Echo site was eliminated by the County, when the decision was made to open a solid waste transfer station rather than another landfill. Assets associated with Echo should have been expensed at that time. | (1,155,886)          |
| 2. In prior years a liability for the long-term care costs of the Pre-1985 landfills should have been accrued. The liability was understated.                                                                                                                                                                                                                                                                                                                                                                                                                         | (3,042,480)          |
| Total Enterprise Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>(\$4,198,366)</u> |

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES (concluded)**

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

**F. INTERFUND ADVANCES**

Fund balance is reserved for advances to other funds. However, in Clerk of Court's special revenue fund, advances are not reserved since the advance is offset by a liability and there is no fund balance to reserve.

**14. RESIDUAL EQUITY TRANSFERS**

The following residual equity transfers were done to transfer equity between funds:

| TRANSFER FROM                                 | AMOUNT             | TRANSFER INTO                        | AMOUNT           |
|-----------------------------------------------|--------------------|--------------------------------------|------------------|
| <b>General Fund</b>                           |                    |                                      |                  |
| 001 - General Fund                            | \$17,515           | 266 - Additional Court Costs         | \$17,515         |
| 001 - General Fund                            | 97,900             | 500 - Computer Replacement           | *                |
| 001 - General Fund                            | 341,000            | 506 - Vehicle Replacement            | *                |
|                                               | <u>456,415</u>     |                                      | <u>17,515</u>    |
| <b>Special Revenue Funds</b>                  |                    |                                      |                  |
| 012 - Recycling & Education FY99              | 2,395              | 400 - Solid Waste                    | *                |
| 013 - Waste Tire FY99                         | 1,855              | 400 - Solid Waste                    | *                |
| 018 - OTTED/SW 47 <sup>th</sup> Ave Extension | 531                | 149 - Gas Tax Uses                   | 531              |
| 036 - Recycling & Education FY98              | 6,525              | 012 - Recycling & Education FY99     | 6,525            |
| 050 - Project Payback FY98                    | 106                | 107 - Family Mediation               | 106              |
| 052 - DOR Hearing Officer 7/98-6/99           | 11,848             | 001 - General Fund                   | 11,848           |
| 059 - Hazardous Materials FY97                | 2,563              | 019 - Hazardous Materials FY99       | 2,563            |
| 107 - Family Mediation                        | 1,348              | 062 - Civil Mediation Arbitration    | 1,348            |
| 147 - Municipal Service Taxing Unit           | 373,262            | 410 - Codes Enforcement              | *                |
| 147 - Municipal Service Taxing Unit           | 1,900              | 500 - Computer Replacement           | *                |
| 147 - Municipal Service Taxing Unit           | 317,690            | 506 - Vehicle Replacement            | *                |
| 163 - School Crossing Guard                   | 5,256              | 001 - General Fund                   | 5,256            |
| 268 - Hazardous Material FY95                 | 682                | 019 - Hazardous Materials FY99       | 682              |
| 270 - DCA Drug Court Program Fee              | 1,914              | 221 - Alcohol & Other Drug Abuse     | 1,914            |
|                                               | <u>727,875</u>     |                                      | <u>30,773</u>    |
| <b>Debt Service Funds</b>                     |                    |                                      |                  |
| 292 - Pooled Commercial Paper Prog.           | 173,377            | 147 - Municipal Service Taxing Unit  | 173,377          |
| <b>Capital Project Funds</b>                  |                    |                                      |                  |
| 320 - Public Improvement Revenue Bond         | 179,547            | 315 - Pooled Commercial Paper Const. | 179,547          |
| <b>Total</b>                                  | <u>\$1,537,214</u> |                                      | <u>\$401,212</u> |

\* The difference between transfers in and out shown above represent transfers into Proprietary Funds, which are reported as Contributed Capital (See Note 10) as follows:

|                          |                  |                               |                  |
|--------------------------|------------------|-------------------------------|------------------|
| <i>Enterprise Funds:</i> |                  | <i>Internal Service Funds</i> |                  |
| 400 - Solid Waste        | \$4,250          | 500 - Computer Replacement    | \$99,800         |
| 410 - Codes Enforcement  | 373,262          | 506 - Vehicle Replacement     | 658,690          |
| Total                    | <u>\$377,512</u> | Total                         | <u>\$758,490</u> |

**15. COMMITMENTS AND CONTINGENCIES**

**A. COMMITMENTS**

**ALACHUA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1999**

(1) Noncapitalized leases –

(a.) The County is leasing equipment, office space and electronic data processing equipment under leases, which are cancelable under certain circumstances. These leases are accounted for as operating leases.

Rental costs for the year ended September 30, 1999, under cancelable leases are summarized as follows:

|                        |           |                  |
|------------------------|-----------|------------------|
| General Fund           | \$        | 794,014          |
| Special Revenue Funds  |           | 530,634          |
| Enterprise Fund        |           | 74,530           |
| Internal Service Funds |           | 4,001            |
| <b>TOTAL</b>           | <b>\$</b> | <b>1,403,179</b> |

(b.) The Alachua County Tax Collector is leasing various equipment under renewable annual operating leases. During the year ended September 30, 1999, the lease payments on all operating leases were \$8,615. The Alachua County Tax Collector also has a renewable lease agreement for a Tag Office on Archer Road. The term of this lease is for five years with the monthly lease amount being \$3,782.

The future minimum lease payments are as follows:

| Fiscal Year  | Payment         |
|--------------|-----------------|
| 2000         | 47,208          |
| 2001         | 47,208          |
| <b>Total</b> | <b>\$94,416</b> |

(2) The Alachua County Sheriff is leasing equipment under leases which are cancelable under certain circumstances. During the fiscal year ended September 30, 1999, the lease payments on all operating leases amounted to approximately \$131,312.

(3) The landfill commitments are discussed in Note 2.O.

(4) Other significant outstanding contracts at September 30, 1999, are as follows:

1) \$151,148 Jones Edmunds & Associates, Environmental consulting services for landfill compliance monitoring

2) \$388,406 CH2MHill Southeast Inc., general consulting services for solid waste system and landfill closure design and permitting

3) \$200,000 Alachua County Housing Authority, administer SHIP housing rehabilitation program

4) \$106,515 Kreines & Kreines Inc., consulting services for development of wireless master plan

5) \$905,501 Harlis R. Ellington Construction, Construction of project #6372 – SW 75<sup>th</sup> from West University Avenue to SW 8<sup>th</sup> Avenue

6) \$495,150 Milestone Company of Jacksonville Inc., closure construction at the Southwest Landfill

7) \$171,743 Robert Luke Construction Company, addition of 5036 sf. Building at Public Works Hague facility

8) \$106, 852 Harlis R. Ellington Construction, pavement of area adjacent to Farmers Market

9) \$278,010 Harlis R. Ellington Construction, construction of shoulder on County Road 235-A

10) \$217,094 John C. Hipp Construction, asphaltic concrete and liquid asphalt tack for County Road 235-A widening and resurfacing

11) \$180,000 City of Gainesville, Interlocal agreement for the technology incubator facility matching grant

12) \$1211,513 Buckholz Traffic, signalization improvement of NW 83<sup>rd</sup> Street and South Road

**B. CONTINGENCIES**

(1) Risk Management contingencies are discussed in Note 11.

(2) Grant Funding

The County participates in a number of federally

**15. COMMITMENTS AND CONTINGENCIES (concluded)**

**ALACHUA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1999**

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assisted programs which are subject to program compliance audits. For the year ended September 30, 1999, the County's financial statements are subject to a single audit as required by OMB Circular A-133.

It is the opinion of management that no material liabilities will result from such audit.

(3) Pending Litigation

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of County management, based on the advice of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

(4) Post employment benefits are discussed in Note 8.D.

**16. RELATED PARTY TRANSACTIONS**

The County had no related party transactions during the year.

**17. SUBSEQUENT EVENTS**

On 11/9/99 the County entered into an interlocal agreement with the City of Gainesville to expand the urban area 800 MHz trunked radio system to a countywide 800 MHz trunked radio system. The estimated cost for Fiscal Year 2000 is \$2,750,000, of which \$800,000 will be financed through the County's line of credit.