

# 2019

City of Gainesville, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF GAINESVILLE, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2019**

Prepared by  
Department of Finance

## LISTING OF CITY OFFICIALS

As of 9/30/2019

### ELECTED OFFICIALS

<i>Lauren Poe</i>	<i>Mayor (At Large)</i>
<i>Gigi Simmons</i>	<i>Commissioner (District I)</i>
<i>Harvey Ward</i>	<i>Commissioner (District II)</i>
<i>David Arreola</i>	<i>Commissioner (District III)</i>
<i>Adrian Hayes-Santos</i>	<i>Commissioner (District IV)</i>
<i>Helen Warren</i>	<i>Commissioner (At Large)</i>
<i>Gail Johnson</i>	<i>Commissioner (At Large)</i>

### APPOINTED OFFICIALS

<i>Deborah Bowie</i>	<i>City Manager (Interim)</i>
<i>Edward Bielarski</i>	<i>General Manager for Utilities</i>
<i>Nicolle Shalley</i>	<i>City Attorney</i>
<i>Omichele Gainey</i>	<i>Clerk of the Commission</i>
<i>Vacant</i>	<i>City Auditor</i>
<i>Teneeshia Marshall</i>	<i>Equal Opportunity Director</i>

### BUDGET & FINANCE PROGRAM STAFF

<i>Diane Wilson</i>	<i>Finance Director (Interim)</i>
<i>Carla Benison</i>	<i>Accounting Manager</i>
<i>Vacant</i>	<i>Grants Fiscal Coordinator</i>
<i>Sandra Frankenberger</i>	<i>Accountant, Senior</i>
<i>Sylvia Gonzalez</i>	<i>Accountant II</i>
<i>Kristy Fowler</i>	<i>Accountant II</i>
<i>Karen Pinner</i>	<i>Accountant II</i>
<i>Christina Holmes</i>	<i>Account Clerk, Sr.</i>

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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# City of Gainesville

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## Office of Budget and Finance

June 29, 2020

**Honorable Mayor and Members of the City Commission  
of the City of Gainesville, Florida**

**Dear Mayor and Commissioners:**

### **Formal Transmittal of the Comprehensive Annual Financial Report**

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Gainesville, Florida for the fiscal year ended September 30, 2019. The report fulfills the requirements set forth in the *City Code of Ordinances*, Section 2-433; *Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the City Code of Ordinances, and the Government Finance Officers Association.

This report consists of management's representations concerning the finances of the City of Gainesville. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

*Florida Statutes* and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed jointly by Purvis Gray & Company and Baker Tilly. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the City**

The **City of Gainesville** is the most populous city in, and serves as the county seat of, Alachua County. The City also serves as the cultural, educational and commercial center for the North Central Florida region. Gainesville is located midway between the Gulf of Mexico and the Atlantic Ocean and halfway between Miami and Pensacola. There are approximately 60 square miles of land included within the corporate boundaries of the City. As of April 1, 2019, the official population estimate was 133,068.

The City was established in 1854, incorporated in 1869 and has operated under a Commission-Manager form of government since 1927. The City Commission consists of seven elected officials (the Mayor and six Commissioners) who are responsible for enacting the ordinances and resolutions which govern the City. In March of 1998, City voters elected a Mayor for the first time in more than 70 years. The elected Mayor serves a three-year term and presides over public meetings and ceremonial events. The Commission appoints the City Manager, General Manager for Utilities, City Auditor, City Attorney, Clerk of the Commission and Equal Opportunity Director. As chief executive officers, the City Manager and General Manager for Utilities are charged with the enforcement of all ordinances and resolutions passed by the Commission. They accomplish this task through the selection and supervision of two Assistant City Managers, an Executive Chief of Staff, Utilities Executive Management Team and Leadership Team, and numerous department heads.

The City of Gainesville provides its neighbors with a wide variety of public services as listed below:

- building inspections
- community development
- economic development
- code enforcement
- cultural affairs
- electric power generation/distribution

- golf course
- natural gas distribution
- homeless services
- refuse collection
- stormwater management
- telecommunications and data transfer
- mass transit
- parks and recreation
- police and fire protection
- small business development
- water and wastewater
- street maintenance, traffic engineering and parking

Internal support services at the City of Gainesville include the following:

- accounting and reporting
- billing and collections
- cash management
- computer systems support
- equal opportunity
- facilities maintenance
- information systems
- labor relations
- pension administration
- purchasing
- strategic initiatives
- accounts payable and payroll
- budgeting and budget monitoring
- City-wide management
- debt management
- fleet maintenance
- human resources
- investment management
- mail services
- property control
- risk management

All moneys required to support the above-stated services are reflected in this report. This report includes all funds that are controlled by or are dependent on the **City Commission**.

In addition to these activities, the City exercises oversight responsibility for the **Community Redevelopment Agency, Cornerstone Condominium Association and Heartwood Community Homeowners Association**. Accordingly, these activities are included in the reporting entity and are reflected in this report. **Note 1(A)** in the *Notes to the Financial Statements* lists the specific criteria used for establishing oversight responsibility.

The City also maintains budgetary controls. The objective of these is to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. Annual budgets are legally adopted for activities of the *general fund*, certain *special revenue funds* and *debt service funds*. *Capital projects funds* and certain *special revenue funds* (such as multi-year grant funds and tax increment funds) are appropriated on a project basis. Budgets are controlled at the departmental level and total expenditures may not legally exceed appropriations for each budgeted fund without Commission approval. Encumbrance accounting is utilized in governmental funds and encumbrances are re-appropriated as part of the following year's budget.

#### **Factors Affecting the City's Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

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**Local economy.** The economic landscape in Gainesville continues to be dominated by the government sector. Statistics compiled by the Bureau of Economic and Business Research at the University of Florida indicate that one of every three jobs in Gainesville is provided by the federal, state or local government. This reliance on jobs from other than the private sector tends to modify Gainesville’s reaction to external economic stimuli, such that the local economy grows less rapidly than others during boom periods but also suffers less during economic declines.

The City’s unemployment rate in September 2019 was 2.8%, which is significantly lower than the state and national averages. Enrollment at the University of Florida, the engine for the area’s economy, has remained steady with a 2019 fall enrollment of 52,218 students.

The General Fund’s main revenue sources include Property Tax, Utility Tax, State Revenue Sharing & Half-Cent Sales Tax, Fire Assessment and the transfer from the Utility Fund. These revenue sources have begun to experience moderate growth after the recession which is expected to continue.

A significant expenditure facing the City is long-term pension costs. During fiscal years 2012 and 2013, the City successfully negotiated modifications to its General and Consolidated Pension Plans which reduced the trajectory of the increases in the projected contributions for the City.

**Long-term financial planning.** Both General Government and the City-owned Utility develop multi-year financial forecasts, including capital improvement plans. In accordance with the City’s Capital Improvement Planning Policy, the Capital Improvement Plan Financing Committee is required to review the financial capacity of the City to fund Capital Improvement Plan (CIP) projects. This assessment should include a review of such issues as:

- Capital market conditions
- Current debt levels
- Unfunded liabilities
  - Pension costs
  - Other post-employment benefits
- Projected trends in revenues, expenditures and fund balance

Some of the key projects in these capital improvement plans are:

- Acquisition of Fire Ladder Truck for Station 9
- LED Smart Lighting
- GFR Equipment Replacement
- City-wide Radio Replacement
- City Hall Renovations

**Financial policies.** The City has adopted and complied with the following financial policies:

- **General Fund Reserve Policy** – The unassigned fund balance of the General Fund will be at least 10% of the proposed General Fund revenue budget.

- **General Insurance Fund Reserve Policy** – The General Insurance Fund will maintain fiscal year-end current assets equal to current liabilities.
- **Budget Administration Policy** – Systematic procedures that are used in the development, review, adoption, monitoring, and revision of the budget.
- **Debt Management Policy** – Outlines allowable debt issuance purposes, debt structure, limitations on debt levels, allowable types of debt, promotes sound financial management and enhances the City’s credit rating.
- **Capital Improvement Planning Policy** – Requires a fully funded five-year Capital Improvement Plan and Capital Budget.

**Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Gainesville has received a Certificate of Achievement since 1951. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to GFOA.

Additionally, the City received the Government Finance Officers Association’s Award for Distinguished Budget Presentation for its biennial budget for the period started October 1, 2018. The City of Gainesville has received this award consecutively since the fiscal year beginning October 1, 1984. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

This report represents countless hours of preparation. Many individuals are responsible for its completion. The utmost appreciation is extended to the many City employees throughout the organization who maintain the financial records upon which this report is based. Special recognition is given to the employees of the Budget and Finance Department who worked diligently to ensure the timeliness and accuracy of the report.

Respectfully submitted,



**Lee R. Feldman**  
City Manager



**Diane Wilson**  
Interim Finance Director

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Government Finance Officers Association

**Certificate of  
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in Financial  
Reporting**

Presented to

**City of Gainesville  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

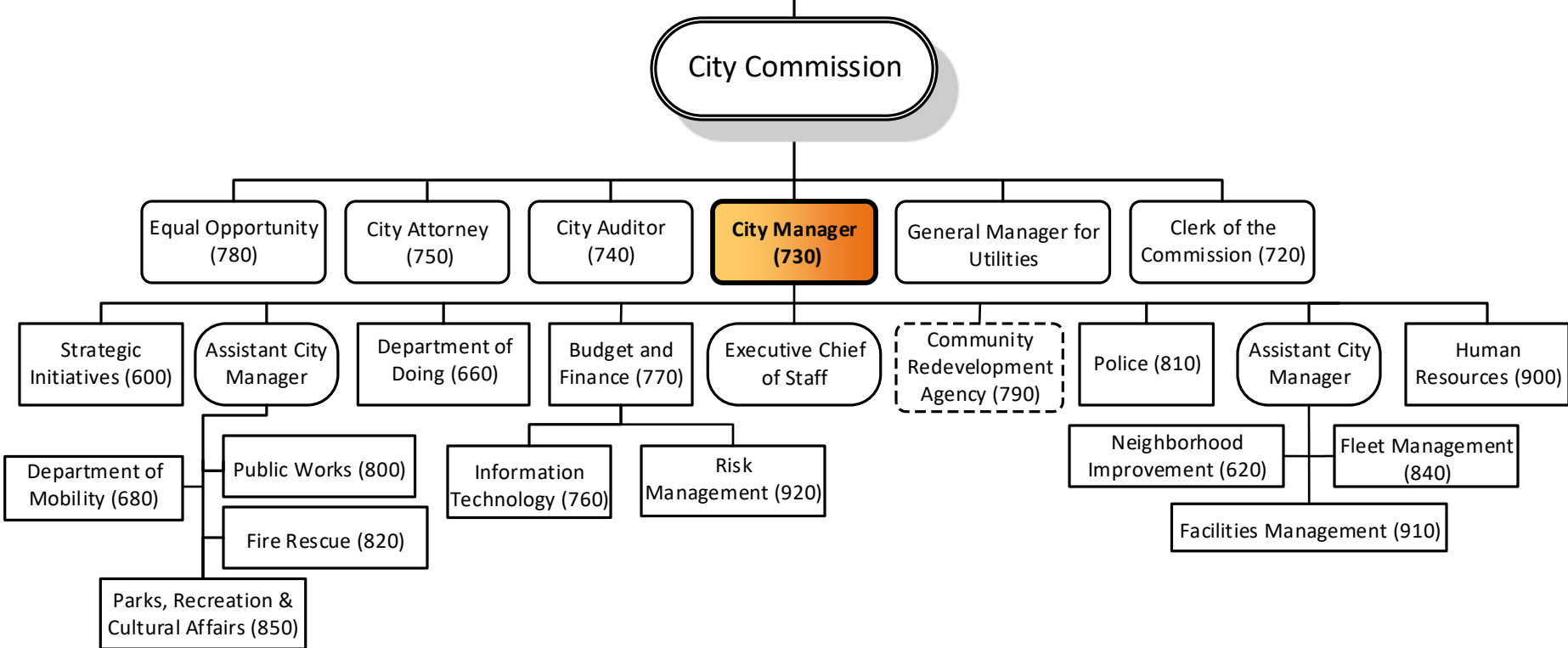
**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# City of Gainesville ORGANIZATION CHART

**Citizens of Gainesville**



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of the City of Gainesville, Florida, (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Utility Fund, which is both a major fund and comprises 95 percent, 82 percent, and 91 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Utility Fund and the business-type activities, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

CERTIFIED PUBLIC ACCOUNTANTS

*Gainesville | Ocala | Tallahassee | Sarasota | Orlando*

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An Independent Member of the BDO Alliance USA.*

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

#### *Restatements*

As described in Note 19 to the financial statements, the City restated beginning net position to account for a change in reporting entity, adopt the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and correct errors related to accounts receivable, accumulated depreciation, net pension liability and accreted interest on capital appreciation bonds. Our opinion is not modified with respect to these matters.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; budgetary comparison information for the general fund; schedules of changes in net liability and related ratios, schedules of contributions, schedules of annual money-weighted return of the Employees' Pension Plan, Police Officers' and Firefighters Consolidated Retirement Plan and Other Postemployment Benefit Plans; the schedules of proportionate share of net pension liability and schedules of employer contributions of the Florida Retirement System Plan. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

## INDEPENDENT AUDITOR'S REPORT

### *Other Information*

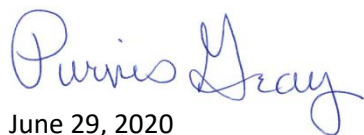
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the schedule of state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the requirements Chapter 10.550, *Rules of the Auditor General, respectively*. The schedule of expenditures of federal awards and the schedule of state financial assistance are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedules of expenditures of federal awards, and the schedules of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedules, the schedule of expenditures of federal awards, and the schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 29, 2020  
Gainesville, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gainesville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-ix of this report, and the City's financial statements which begin on page 15.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$665,434,859 (*net position*). This is an increase of \$3,525,117, or .53% from fiscal year 2018.
- The City's total net position decreased \$13,563 as a result of fiscal year 2019 operations. This decrease was offset by a \$3,538,680 restatement of net position as of the beginning of the year.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$87,427,916, an increase of \$3,157,644 over the prior year. Of the total ending fund balances, \$41,233,192 is available for spending at the City's discretion (*committed, assigned and unassigned fund balances*).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$24,926,872.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the City's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, human services and culture and recreation. The business-type activities include electric generation, transmission and distribution, natural gas, water and wastewater, telecommunications, refuse collection, stormwater management, golf course, building code enforcement, and mass transit.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements include not only the City itself, but also a legally separate redevelopment agency (blended component unit) for which the City is financially accountable. The *blended component unit* is reported in five non-major special revenue funds of the primary government and is included in the Governmental Activities section of the government-wide financial statements. The government-wide financial statements can be found on pages 15-17 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eighty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other eighty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains six enterprise funds to account for the following operations: utilities (including electric power generation, transmission and distribution, natural gas distribution, water and wastewater treatment, and telecommunications), refuse collection, golf course, stormwater management, building code enforcement, and mass transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains three internal service funds to account for fleet management operations, general insurance, and employee health insurance programs. Since these services benefit governmental more than business-type functions, they have been included within *governmental activities* in the government-wide financial statements; however, in the government-wide financial statements, a certain portion of the net income of the internal service funds each year is reported in the business-type activities. This amount is allocated based on percentage of service charges.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund, which is considered to be a major fund of the City. Data from the other five proprietary funds are combined into a single, aggregated presentation. The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds as well as for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 22-28 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-110 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with its General Fund budget and the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 111-122 of this report.

The combining statements referred to earlier in connection with non-major governmental and proprietary funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 123-159 and 195-206 of this report.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, net position was \$665,434,859 at the close of the most recent fiscal year.

City of Gainesville's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	FY19	FY18	FY19	FY18	FY19	FY18
Current and other assets	\$ 111,479,595	\$ 108,137,648	\$ 561,083,347	\$ 428,594,592	\$ 672,562,942	\$ 536,732,240
Capital assets	<u>263,158,957</u>	<u>259,691,890</u>	<u>1,985,544,871</u>	<u>2,029,962,092</u>	<u>2,248,703,828</u>	<u>2,289,653,982</u>
Total assets	<u>374,638,552</u>	<u>367,829,538</u>	<u>2,546,628,218</u>	<u>2,458,556,684</u>	<u>2,921,266,770</u>	<u>2,826,386,222</u>
Deferred outflows	<u>25,208,157</u>	<u>20,609,067</u>	<u>122,685,792</u>	<u>77,404,641</u>	<u>147,893,949</u>	<u>98,013,708</u>
Long-term liabilities	226,865,947	199,812,272	2,025,229,825	1,814,736,794	2,252,095,772	2,014,549,066
Other liabilities	<u>20,226,797</u>	<u>21,476,233</u>	<u>70,202,510</u>	<u>115,546,567</u>	<u>90,429,307</u>	<u>137,022,800</u>
Total liabilities	<u>247,092,744</u>	<u>221,288,505</u>	<u>2,095,432,335</u>	<u>1,930,283,361</u>	<u>2,342,525,079</u>	<u>2,151,571,866</u>
Deferred inflows	<u>5,384,293</u>	<u>26,442,823</u>	<u>55,816,488</u>	<u>84,475,499</u>	<u>61,200,781</u>	<u>110,918,322</u>
Net position:						
Net investment in						
capital assets	231,629,237	215,537,449	336,512,272	369,448,747	568,141,509	584,986,196
Restricted	39,962,136	37,526,544	57,389,249	44,988,255	97,351,385	82,514,799
Unrestricted (Deficit)	<u>(124,221,701)</u>	<u>(112,356,716)</u>	<u>124,163,666</u>	<u>106,765,463</u>	<u>(58,035)</u>	<u>(5,591,253)</u>
Total net position	<u>\$ 147,369,672</u>	<u>\$ 140,707,277</u>	<u>\$ 518,065,187</u>	<u>\$ 521,202,465</u>	<u>\$ 665,434,859</u>	<u>\$ 661,909,742</u>

Approximately 85.4% of the City's net position reflects its investment in capital assets (e.g., land, utility plant and equipment, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

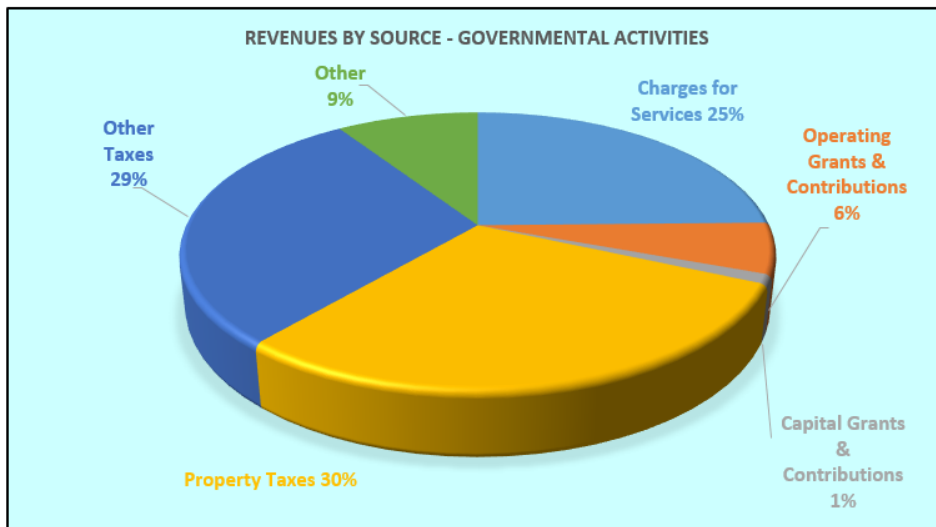
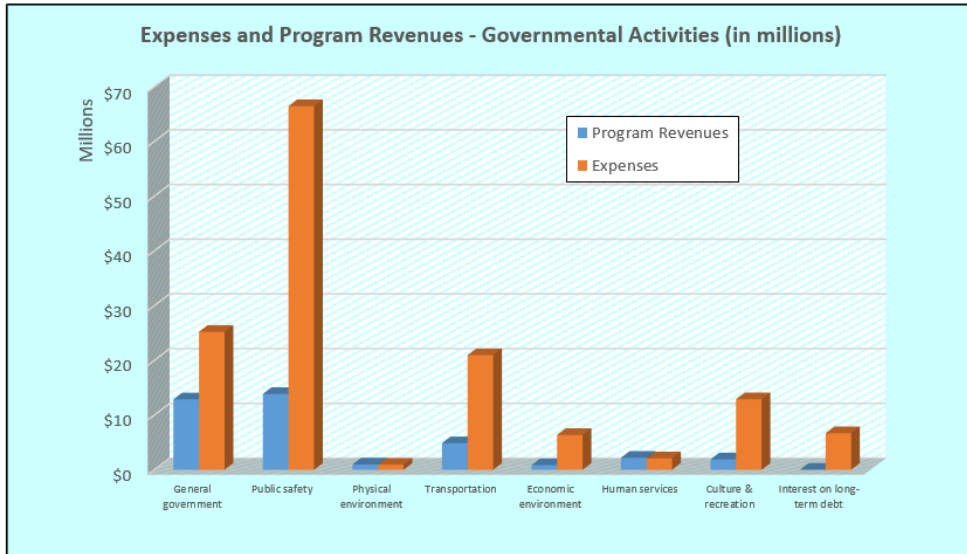
An additional portion of the City’s net position, \$97,351,385 or 14.6% represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$(58,035) may be used to meet the government’s ongoing obligations to citizens and creditors.

	City of Gainesville Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	FY19	FY18	FY19	FY18	FY19	FY18
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 29,231,594	\$ 27,504,527	\$ 447,959,701	\$ 422,124,752	\$ 477,191,295	\$ 449,629,279
Operating grants and contrib.	6,993,144	4,818,258	8,687,312	13,120,255	15,680,456	17,938,513
Capital grants and contrib.	1,258,828	712,441	3,970,981	1,484,306	5,229,809	2,196,747
General revenues:						
Property taxes	35,133,195	34,925,769	-	-	35,133,195	34,925,769
Other taxes	34,820,642	31,468,891	-	-	34,820,642	31,468,891
State revenue sharing	5,055,719	4,841,716	-	-	5,055,719	4,841,716
Investment gain (loss)	2,963,042	1,797,724	4,875,231	8,324,132	7,838,273	10,121,856
Other revenues	2,983,670	4,584,282	11,262,279	21,858,387	14,245,949	26,442,669
<b>Total revenues</b>	<b>118,439,834</b>	<b>110,653,608</b>	<b>476,755,504</b>	<b>466,911,832</b>	<b>595,195,338</b>	<b>577,565,440</b>
<b>Expenses:</b>						
General government	25,208,259	22,040,757	-	-	25,208,259	22,040,757
Public safety	66,448,738	63,936,193	-	-	66,448,738	63,936,193
Physical environment	924,738	412,777	-	-	924,738	412,777
Transportation	20,935,955	19,259,842	-	-	20,935,955	19,259,842
Economic environment	6,355,726	5,756,671	-	-	6,355,726	5,756,671
Human services	2,085,523	1,758,977	-	-	2,085,523	1,758,977
Culture & recreation	12,885,544	12,182,553	-	-	12,885,544	12,182,553
Interest on long-term debt	6,677,648	7,309,426	-	-	6,677,648	7,309,426
Electric	-	-	285,520,258	288,723,340	285,520,258	288,723,340
Gas	-	-	21,562,120	21,383,577	21,562,120	21,383,577
Water	-	-	34,949,820	31,267,572	34,949,820	31,267,572
Wastewater	-	-	39,832,387	38,712,044	39,832,387	38,712,044
GRUCom	-	-	12,953,026	12,119,479	12,953,026	12,119,479
Regional transit system	-	-	35,586,285	31,230,329	35,586,285	31,230,329
Stormwater management	-	-	10,209,606	8,902,706	10,209,606	8,902,706
Ironwood golf course	-	-	1,740,464	1,731,357	1,740,464	1,731,357
Florida building code enf.	-	-	3,350,486	3,105,149	3,350,486	3,105,149
Solid waste	-	-	7,982,318	7,579,142	7,982,318	7,579,142
<b>Total expenses</b>	<b>141,522,131</b>	<b>132,657,196</b>	<b>453,686,770</b>	<b>444,754,695</b>	<b>595,208,901</b>	<b>577,411,891</b>
<b>Change in net position before transfers</b>	<b>(23,082,297)</b>	<b>(22,003,588)</b>	<b>23,068,734</b>	<b>22,157,137</b>	<b>(13,563)</b>	<b>153,549</b>
<b>Transfers</b>	<b>38,915,594</b>	<b>37,245,685</b>	<b>(38,915,594)</b>	<b>(37,245,685)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>15,833,297</b>	<b>15,242,097</b>	<b>(15,846,860)</b>	<b>(15,088,548)</b>	<b>(13,563)</b>	<b>153,549</b>
<b>Net position - beginning, as previously reported</b>	<b>140,707,277</b>	<b>150,691,771</b>	<b>521,202,465</b>	<b>536,843,037</b>	<b>661,909,742</b>	<b>687,534,808</b>
Restatement	(9,170,902)	(25,226,591)	12,709,582	(552,024)	3,538,680	(25,778,615)
<b>Net position - beginning, restated</b>	<b>131,536,375</b>	<b>125,465,180</b>	<b>533,912,047</b>	<b>536,291,013</b>	<b>665,448,422</b>	<b>661,756,193</b>
<b>Net position - ending</b>	<b>\$ 147,369,672</b>	<b>\$ 140,707,277</b>	<b>\$ 518,065,187</b>	<b>\$ 521,202,465</b>	<b>\$ 665,434,859</b>	<b>\$ 661,909,742</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### Governmental activities.

- Other taxes revenue increased by \$3,351,751, or 10.65% because of utility taxes, fire assessment fees and various other tax revenue.
- Other revenues decreased by \$1,600,612, a 34.92% decrease over the prior year, which includes fines and forfeitures, interest income, and other miscellaneous revenue sources.
- General government expenses increased from prior year by \$3,167,502 or 14.37%. One of the reasons for the increase is new positions as well as the filling of vacant positions.
- Public safety expenses increased from prior year by \$2,512,545 or 3.93%.
- Physical environment expenses increased from prior fiscal year by \$511,961 or 124.03% primarily due to the ConnectFree water and wastewater initiatives whereby extension lines and connection services for several properties throughout the City were completed.
- Transportation expenses increased by \$1,676,113 or 8.70%. Our transportation projects saw less in number but higher expenses in the current year over the prior year.
- Cultural and recreation expenses increased by \$702,991 or 5.77%. One of the reasons for this increase is a decrease in vacant positions.
- As in prior years, fiscal year 2019 expenses were dominated by public safety expenses – 47% of Governmental expenses.

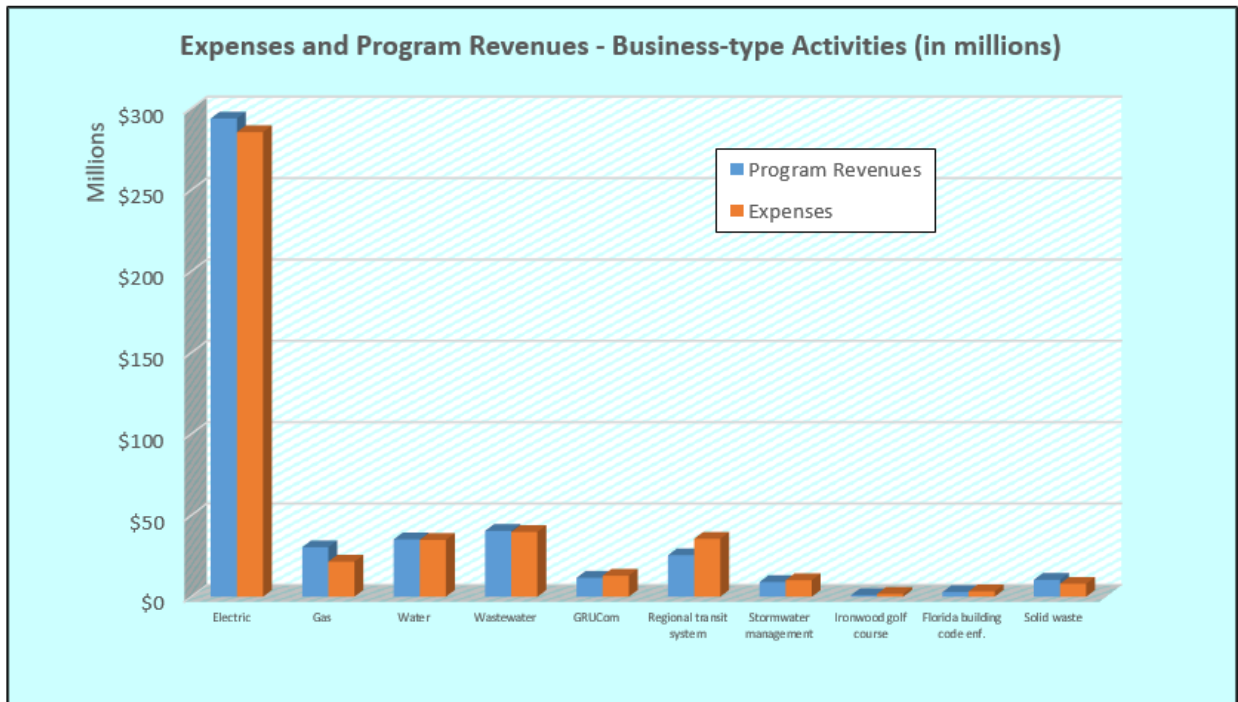




## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Business-type activities.** Business-type activities' key elements for fiscal year 2019 are as follows:

- Gross utility plant in service increased \$60.6 million, or 2.2%, in fiscal year 2019 due primarily to the completion of water and wastewater capital projects.
- Long-term utility debt increased \$59.9 million, or 3.7%, in fiscal year 2019, due to the issuance of \$247.8 million of utility system revenue bonds, a portion of which were used to refund \$94 million in outstanding revenue bonds, and all outstanding commercial paper notes of \$93 million.
- GRU is completing remediation efforts at a former manufactured gas plant site. The costs incurred to date total \$28.2 million, and GRU estimates that total project costs will be approximately \$29.2 million. GRU accrued a regulatory asset and liability to account for the cost and cost recovery of the expense, which is being recognized as customer revenues are received.
- Sales and service charges increased \$1.6 million or 0.4% in fiscal year 2019. The increase in sales and service charges is primarily the result of an increase in electric base rates, offset by a decrease in fuel adjustment revenue.
- Operating expenses increased \$963,000 or 0.3% in fiscal year 2019. This increase is due to higher maintenance costs than the prior year on aging plants as well as increased overheads. The increases were offset by a decrease in fuel adjustment expense.
- Transfers from rate stabilization were \$5 million in fiscal year 2019.
- The number of customers for electric services and water services remained flat, wastewater services increased 0.2%, and gas services increased 0.7% in fiscal year 2019.
- On October 1, 2019, GRU implemented increases in the revenue requirement of 6.4% for the electric system, 0.4% for the water and wastewater systems, and 0.6% for the gas system.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$87,427,916, an increase of \$3,157,644 in comparison with the prior year balance. Approximately 2.7% or \$2,332,833 of this total amount constitutes *non-spendable fund balance*, which are amounts that are not in spendable form, primarily constituted of long-term receivables. An additional 50.1% or \$43,861,891 is *restricted*, indicating that funds can only be spent for specific purposes stipulated by external entities.

Approximately 20.5% (\$4,943,264 and \$12,983,116 respectively) are *committed and assigned* for spending at the government's discretion. The remaining 26.7% or \$23,306,812 of fund balance is *unassigned* to indicate that it has no internal or external restrictions or commitments.

The general fund is the chief operating fund of the City. At the end of the current fiscal year there was \$24,926,872 in unassigned fund balance of the general fund, while total fund balance was \$26,718,350. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance is 20.8% of total expenditures and transfers out, while total fund balance represents 22.3% of that same amount.

The fund balance of the City's general fund increased \$8,047,044 during the current fiscal year. The original budget anticipated a break even with no use of fund balance in fiscal year 2019. The general fund experienced a positive revenue variance of just over \$305,000 and departmental budgetary savings of \$6,836,190 compared to the final budget. Every expenditure area but one ended with a positive variance in expenditures for the year of at least 5%. The Economic Environment line had a negative budget variance of \$19,335 or 5.63%.

The special revenue funds have a total fund balance of \$27,485,957, which represents an increase of \$660,513 from last year's balance. The debt service funds have a total fund balance of \$1,182,775. The net increase in fund balance for the current year for these funds was \$113,979. Fund balance in the capital projects funds decreased by \$6,630,254 to end the fiscal year at \$32,040,835.

**Proprietary funds.** The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

The difference between the original and final revenue budget was an increase of \$252,992. The difference between the original and final general fund budget for expenditures was a decrease of \$5,803,309. There were no significant budget amendments.

The overall revenue variance between the final budget and actual results for the general fund was .34%. Tax revenue had the largest positive variance of \$1,241,564 or 2.4%, the Intergovernmental line had the largest negative variance to budget of \$863,100 or 5.9%.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The most significant variances between final budget and actual expenditures, on a percentage basis, were transportation and culture and recreation with a positive variance of 14.8% and 6.3% respectively. Due to regular budget monitoring, most departments ended the fiscal year with expenditures below budgeted amounts.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of September 30, 2019 totals \$2,248,703,828 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, utility plant and equipment, infrastructure, roads, bike paths and sidewalks. Major capital asset events during the fiscal year include:

- GRU initially recorded a capital lease asset during fiscal year 2014 when GREC began commercial operations in December 2013. In November 2017, GRU purchased DHR and concurrently terminated the PPA with GREC which provided a number of benefits to the utility, including operating efficiencies, decreasing fuel costs, and having a generating portfolio comprised of approximately 30% renewable energy. As a result, the capital lease asset was recorded at \$0 at September 30, 2019.
- Electric generation capital expenditures were \$7.9 million for fiscal year 2019. These expenditures included \$1.2 million for DHR, \$4.6 million for the Deerhaven Generating Station (DH) and \$2.2 million for the John R Kelly Generating Station (JRK).
- Electric transmission and distribution expansion and capital replacements were \$14.4 million in fiscal year 2019 of which approximately \$1.7 million was spent on underground system improvements.
- Water capital expenditures were \$11.4 million in fiscal year 2019 with \$6.2 million for supply, pumping, and treatment facilities and \$5.2 million for transmission and distribution.
- Wastewater capital expenditures were \$17.4 million in 2019. This included \$7.2 million spent on treatment plant improvements and \$10.3 million in collection improvements.
- Gas distribution expansion expenditures were \$3.5 million in fiscal year 2019. This expansion included expenditures of \$736,000 in gas distribution mains and \$2.7 million in residential gas services.
- Telecommunication fiber and electronics expansion expenditures were \$2.2 million in fiscal year 2019 which included fiber and related infrastructure installation and electronics upgrades.
- Transition to the new Enterprise Resource Planning (ERP) software called WorkDay, began during the fiscal year, with the go-live date expected by early 2021. Almost all of the departments of the City will be impacted by this major software change.

	Governmental Activities		Business-Type Activities		Total	
	FY19	FY18	FY19	FY18	FY19	FY18
Land	\$ 35,815,934	\$ 35,785,146	\$ 9,384,876	\$ 9,384,876	\$ 45,200,810	\$ 45,170,022
Utility Plant & Equipment	-	-	1,814,931,709	1,826,355,254	1,814,931,709	1,826,355,254
Buildings	54,821,725	56,948,069	37,189,659	38,244,826	92,011,384	95,192,895
Improvements	13,610,411	14,938,406	3,425,521	32,351,372	17,035,932	47,289,778
Machinery & Equipment	17,012,500	17,212,133	17,254,787	20,271,243	34,267,287	37,483,376
Infrastructure	123,597,620	103,864,648	30,902,443	1,102,918	154,500,063	104,967,566
Construction in Progress	18,300,767	30,943,488	72,455,876	102,251,603	90,756,643	133,195,091
<b>Total Assets, Net</b>	<b>\$ 263,158,957</b>	<b>\$ 259,691,890</b>	<b>\$ 1,985,544,871</b>	<b>\$ 2,029,962,092</b>	<b>\$ 2,248,703,828</b>	<b>\$ 2,289,653,982</b>

Additional information on the City's capital assets can be found in Note 10 on pages 99-100 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Bonded debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,811,382,616. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds and notes) and excludes issuance premiums and discounts.

<b>City of Gainesville's Outstanding Bonded Debt</b>			
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Pension Obligation Bonds	\$ 67,570,477	\$ -	\$ 67,570,477
Revenue Bonds and Notes	54,683,970	1,691,863,326	1,746,547,296
<b>Total Assets, Net</b>	<b>\$ 122,254,447</b>	<b>\$ 1,691,863,326</b>	<b>\$ 1,814,117,773</b>

- The City's total bonded debt decreased by approximately \$194.4 million or 11.6% during the current fiscal year through scheduled principal payments, debt refunding and conversion.
- During fiscal year 2019, GRU increased long-term debt by \$59.9 million, or 3.7%, due to the issuance of \$247.8 million of utilities system revenue bonds, a portion of which were used to refund \$94 million in outstanding revenue bonds, and all outstanding commercial paper notes of \$93 million.
- During fiscal year 2019, GRU closed on its 2019 Series A, B, and C bond issue which provided \$114 million for the acquisition and/or construction of GRU capital assets., converted all \$93 million of currently outstanding commercial paper to long-term fixed rate debt, and restructured approximately \$67 million of variable rate debt, producing in excess of \$56 million in near-term debt service reduction over the period FY19 through FY25.
- As a result of the start of commercial operation of the GREC biomass plant in December 2013, and the purchase of DHR in November 2017 and concurrent termination of the PPA with GREC, GRU recorded a capital lease liability of \$0 at September 30, 2019.
- The Utility has ratings of AA-, Aa3, and A+ with Standard and Poor's, Moody's Investor Service, and Fitch, respectively, for utility system revenue bonds. The Utility has ratings of P-1, A-1+, and F1+ with Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, for commercial paper notes.
- The Fitch rating on the City's pension bonds and Capital Improvement Revenue Bonds Series 2010 and 2014 is AA- and the City's underlying Issuer Default Rating is AA.

Additional information on the City's long-term debt can be found in Note 8 on pages 83-95 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Currently Known Facts or Conditions that may have a Significant Effect on the City's Financial Condition

- GRU management, with the approval of the City Commission, entered into a long-term contract to obtain dependable capacity, energy, and environmental attributes from GREC's 102.5 megawatt biomass fueled power plant. The facility is located on a portion of land leased from GRU's Deerhaven power plant site and is owned by a third party. The plant became commercially operable in December 2013.
- On March 10, 2016, arbitration was filed by GREC with the American Arbitration Association (AAA) against GRU alleging that GREC did not have to perform a scheduled annual Planned Maintenance outage for April 2016. Prior to the dispute and the arbitration being filed with the AAA, GRU and GREC mutually agreed in writing to an annual Planned Maintenance Outage for twenty-one days, scheduled to take place April 9-29, 2016. GREC unilaterally cancelled the twenty-one day mutually agreed upon annual Planned Maintenance outage. Section 10.4.1(a) of the Power Purchase Agreement (PPA) requires GREC to submit a written annual maintenance plan containing its forecast of planned maintenance for the coming year no later than sixty (60) days prior to the start of each calendar year. Any and all changes to such plan shall be mutually agreeable to GREC and GRU. In April of 2016, GRU withheld \$4.1 million in Available Energy invoice payments related to the agreed upon annual Planned Maintenance outage. As of September 30, 2017, GRU has withheld approximately \$8.5 million for various commercial disputes related to the PPA. GRU entered into a Memorandum of Understanding with GREC on April 24, 2017, to explore the possible purchase of the biomass plant, the cancellation of the PPA and the resolution of the arbitration case. On September 12, 2017, GRU and GREC executed the Asset Purchase Agreement (APA) which defined the purchase of the biomass plant, the termination of the PPA and the resolution of the arbitration case. Closing occurred on November 7, 2017. Since GRU purchased DHR, it has experienced significant economical and operational efficiencies. The plan has been successfully integrated into GRU's generation fleet.

### Economic Factors and Next Year's Budgets and Rates

Some of the significant factors considered in preparing the City's fiscal year 2020 (FY20) budget were:

- The transfer to the General Fund from the Utility accounts for approximately 32% of General Fund revenues, and is based on formulas approved by the City Commission. The previous transfer formula (FY15 – FY19) had an annual growth factor of 1.5% per year. During the FY20 budget process the City Commission approved to remove this growth factor and to keep the transfer flat.
- After experiencing relatively flat property tax revenues for several years, taxable values have begun rebounding, which combined with robust new construction results in the FY20 plan anticipating about 7% growth. The growth is primarily composed of approximately \$313 million of appreciation value of existing properties along with \$227 million in new construction. The City Commission approved an increase of the millage rate from 4.7474 to 5.2974 for FY20.
- Utility tax revenues are generated through taxes levied on electric, water and natural gas utility customers who reside within City limits. A 1% inflation factor is included in FY20 for utility tax revenues.
- Charges for services include a wide variety of sources. To keep with the increases in costs in these services, the City's practice has historically been to increase most user fees by 5% every other year; the FY20 budget anticipates this increase for all applicable fees.
- Half cent sales tax and state revenue sharing are both funded from the sales taxes collected by the State then allocated to local governments on a formula basis. Half cent sales tax revenue is based on taxes collected within Alachua County. Whereas state revenue sharing is based on taxes collected state-wide. During the budget process these two revenue sources were significantly trailing behind the budgeted amount for FY19, as a result, FY20 budget projections were very conservative.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- The City Commission maintained the fire assessment, which was added in FY 2011, bringing needed diversification to the revenue base during a period of generally flat revenue growth. Gainesville has the highest percentage of property off the tax roll of any municipality in Florida, with 59% of the value of property exempt. The fire assessment broadens the base of those who pay for services delivered by the City. The FY20 adopted budget includes setting the rate charged to cover 50% of the cost of FY20 fire protection.
- Pension liabilities are long-term in nature and the investment plan and asset allocation strategy to fund these liabilities should be long-term as well. To that end, approximately 70% of the plan assets of the City's two defined benefit pension plans are invested in equities. The City has negotiated and implemented pension reform for the General and Consolidated Police and Fire pension plans to mitigate the increases in contributions due to poor market performance during the recession and changing employee and retiree demographics.
- Two of every three area jobs are supplied by the government, education and health services sectors. Such an economic structure tends to mitigate the impact of external economic stimuli. Gainesville's economy does not rise as much as the national average during economic expansions, nor fall as much during economic declines.
- This area's primary economic engine, the University of Florida (UF) has a number of ambitious expansion plans in progress which will contribute to long-term growth for the City.
- In November 2016, the citizens of Gainesville passed a 0.5% sales tax increase for eight years for the Wild Spaces Public Places recreation and land conservation initiative. The funds will be used to enhance current City owned parks and recreation programs.

Utility highlights for the 2020 fiscal year budget are as follows:

- The primary factors currently affecting the utility industry include environmental regulations, Operating, Planning and Critical Infrastructure Protection Standards promulgated by NERC under FERC jurisdiction, and the increasing strategic and price differences among various types of fuels. No state or federal legislation is pending or proposed at this time for retail competition in Florida.
- GRU and its operations are subject to federal, state, and local statutory and regulatory requirements with respect to the siting and licensing of facilities, safety and security, air and water quality, land use, and other environmental factors.
- Legislation and regulation at the federal level has been proposed to mandate the use of renewable energy and to constrain the emission of greenhouse gases. GRU's institution of a solar feed-in-tariff and purchase of a 102.5 megawatt biomass fueled power plant will hedge against these uncertainties.
- GRU's long-term energy supply strategy is to provide safe, reliable, cost effective power, while meeting regulatory requirements. GRU has a diverse portfolio of generation including renewable energy. The City Commission has directed GRU to achieve a generation portfolio of 100% renewable energy by 2045. Based on the most recent forecasts, GRU has adequate reserves of generating capacity to meet forecasted loads plus maintaining the regulatory required reserve margin through 2022. This forecast incorporates new population forecasts and changed economic circumstances.

### Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 200 East University Avenue, Gainesville, Florida, 32601.

## **Basic Financial Statements**

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,331,654	\$ 7,150	\$ 1,338,804
Equity in pooled cash and investments	98,312,134	41,984,890	140,297,024
Investments	1,434,495	-	1,434,495
Receivables	8,278,843	64,646,514	72,925,357
Internal balances	1,216,468	(1,216,468)	-
Inventories	212,305	33,488,475	33,700,780
Fuel adjustment	-	2,887,595	2,887,595
Prepays	23,204	36,127	59,331
Other assets and regulatory assets	-	2,132,699	2,132,699
Assets held for evidence	670,492	-	670,492
Restricted assets:			
Cash and cash equivalents	-	274,135,808	274,135,808
Non-current regulatory assets	-	142,980,557	142,980,557
Capital assets (net of accumulated depreciation):			
Utility plant and equipment	-	1,814,931,709	1,814,931,709
Buildings	54,821,725	37,189,659	92,011,384
Improvements other than buildings	13,610,411	3,425,521	17,035,932
Machinery and equipment	17,012,500	17,254,787	34,267,287
Infrastructure	123,597,620	30,902,443	154,500,063
Capital assets (not depreciated):			
Land	35,815,934	9,384,876	45,200,810
Construction in progress	18,300,767	72,455,876	90,756,643
<b>Total Assets</b>	<b>374,638,552</b>	<b>2,546,628,218</b>	<b>2,921,266,770</b>
<b>Deferred Outflows of Resources</b>			
Unamortized loss on refunding of bonds	1,626,501	15,155,675	16,782,176
Accumulated decrease in fair value of hedging derivatives	-	78,573,638	78,573,638
Deferred amounts related to pensions	19,615,522	24,884,972	44,500,494
Deferred amounts related to OPEB	3,966,134	4,071,507	8,037,641
<b>Total Deferred Outflows of Resources</b>	<b>25,208,157</b>	<b>122,685,792</b>	<b>147,893,949</b>

The notes to the financial statements are an integral part of this statement.



**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	\$ 19,866,576	\$ 21,359,803	\$ 41,226,379
Accrued interest payable	349,711	-	349,711
Unearned revenue	10,510	547,964	558,474
Other liabilities and regulatory liabilities	-	1,731,816	1,731,816
Liabilities payable from restricted assets:			
Utility deposits	-	7,659,426	7,659,426
Accrued interest payable	-	33,262,622	33,262,622
Other liabilities payable from restricted assets	-	5,640,879	5,640,879
Long-term debt due within one year	8,381,305	22,646,307	31,027,612
Long-term liabilities due in more than one year:			
Long-term debt due in more than one year	117,750,122	1,776,980,390	1,894,730,512
Net pension liability	93,756,636	128,452,136	222,208,772
Net OPEB liability	6,977,884	7,163,270	14,141,154
Other non-current liabilities	-	8,888,311	8,888,311
Fair value of derivative instruments	-	81,099,411	81,099,411
<b>Total Liabilities</b>	<b>247,092,744</b>	<b>2,095,432,335</b>	<b>2,342,525,079</b>
<b>Deferred Inflows of Resources</b>			
Rate stabilization	-	53,574,388	53,574,388
Business taxes not yet earned	610,983	-	610,983
Deferred amounts related to pensions	4,773,310	2,242,100	7,015,410
<b>Total Deferred Inflows of Resources</b>	<b>5,384,293</b>	<b>55,816,488</b>	<b>61,200,781</b>
<b>Net Position</b>			
Net Investment in capital assets	231,629,237	336,512,272	568,141,509
Restricted for:			
Debt service	-	22,821,092	22,821,092
Capital projects	18,972,568	-	18,972,568
Utility plant improvement	-	27,687,286	27,687,286
Tax increment zones	12,118,628	-	12,118,628
Federal and state grants	933,952	-	933,952
Public safety	1,144,006	-	1,144,006
Cemetery care	1,478,321	-	1,478,321
Transportation	5,298,410	-	5,298,410
Building Code Enforcement	-	3,495,214	3,495,214
Other	16,251	3,385,657	3,401,908
Unrestricted	(124,221,701)	124,163,666	(58,035)
<b>Total Net Position</b>	<b>\$ 147,369,672</b>	<b>\$ 518,065,187</b>	<b>\$ 665,434,859</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 25,208,259	\$ 12,862,527	\$ -	\$ -	\$ (12,345,732)	\$ -	\$ (12,345,732)
Public safety	66,448,738	11,191,303	2,597,088	76,173	(52,584,174)	-	(52,584,174)
Physical environment	924,738	572,557	231,730	161,563	41,112	-	41,112
Transportation	20,935,955	2,571,285	1,261,596	1,021,092	(16,081,982)	-	(16,081,982)
Economic environment	6,355,726	264,255	582,837	-	(5,508,634)	-	(5,508,634)
Human services	2,085,523	-	2,195,977	-	110,454	-	110,454
Culture and recreation	12,885,544	1,769,667	123,916	-	(10,991,961)	-	(10,991,961)
Interest on long-term debt	6,677,648	-	-	-	(6,677,648)	-	(6,677,648)
<b>Total governmental activities</b>	<b>141,522,131</b>	<b>29,231,594</b>	<b>6,993,144</b>	<b>1,258,828</b>	<b>(104,038,565)</b>	<b>-</b>	<b>(104,038,565)</b>
Business-type activities:							
Electric	285,520,258	293,883,795	-	-	-	8,363,537	8,363,537
Gas	21,562,120	30,435,611	-	-	-	8,873,491	8,873,491
Water	34,949,820	33,701,339	-	1,584,047	-	335,566	335,566
Wastewater	39,832,387	38,112,893	-	2,386,934	-	667,440	667,440
GRUCom	12,953,026	11,670,318	-	-	-	(1,282,708)	(1,282,708)
Regional Transit System	35,586,285	16,957,422	8,578,900	-	-	(10,049,963)	(10,049,963)
Stormwater Management	10,209,606	8,927,215	108,412	-	-	(1,173,979)	(1,173,979)
Ironwood Golf Course	1,740,464	936,365	-	-	-	(804,099)	(804,099)
Florida building code enforcement	3,350,486	2,905,036	-	-	-	(445,450)	(445,450)
Solid waste	7,982,318	10,429,707	-	-	-	2,447,389	2,447,389
<b>Total business-type activities</b>	<b>453,686,770</b>	<b>447,959,701</b>	<b>8,687,312</b>	<b>3,970,981</b>	<b>-</b>	<b>6,931,224</b>	<b>6,931,224</b>
<b>Total Primary Government</b>	<b>595,208,901</b>	<b>477,191,295</b>	<b>15,680,456</b>	<b>5,229,809</b>	<b>(104,038,565)</b>	<b>6,931,224</b>	<b>(97,107,341)</b>
<b>General Revenues</b>							
Property taxes					35,133,195	-	35,133,195
Franchise and utility taxes					14,874,482	-	14,874,482
Communications services tax					3,858,011	-	3,858,011
Half-Cent sales tax					8,166,475	-	8,166,475
Discretionary sales tax					7,921,674	-	7,921,674
State revenue sharing (unrestricted)					5,055,719	-	5,055,719
Other unrestricted general revenues					2,983,670	11,262,279	14,245,949
Investment gain					2,963,042	4,875,231	7,838,273
<b>Transfers</b>					38,915,594	(38,915,594)	-
<b>Total General Revenues and Transfers</b>					<b>119,871,862</b>	<b>(22,778,084)</b>	<b>97,093,778</b>
<b>Change in Net Position</b>					<b>15,833,297</b>	<b>(15,846,860)</b>	<b>(13,563)</b>
<b>Net Position - Beginning of Year, as Previously Reported</b>					<b>140,707,277</b>	<b>521,202,465</b>	<b>661,909,742</b>
Restatement					(9,170,902)	12,709,582	3,538,680
<b>Net position - Beginning of Year, Restated</b>					<b>131,536,375</b>	<b>533,912,047</b>	<b>665,448,422</b>
<b>Net position - End of Year</b>					<b>\$ 147,369,672</b>	<b>\$ 518,065,187</b>	<b>\$ 665,434,859</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Equity in pooled cash and investments	\$ 6,879,808	67,074,243	\$ 73,954,051
Investments	-	1,434,495	1,434,495
Receivables	4,253,204	4,023,913	8,277,117
Due from other funds	20,722,671	1,730	20,724,401
Advances to other funds	1,339,751	-	1,339,751
Inventories	19,581	-	19,581
Assets held for evidence	-	670,492	670,492
<b>Total Assets</b>	<u>33,215,015</u>	<u>73,204,873</u>	<u>106,419,888</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5,885,682	5,079,037	10,964,719
Due to other funds	-	4,435,067	4,435,067
Unearned revenues	-	10,510	10,510
Advances from other funds	-	1,339,751	1,339,751
<b>Total Liabilities</b>	<u>5,885,682</u>	<u>10,864,365</u>	<u>16,750,047</u>
<b>Deferred Inflows of Resources</b>			
Business taxes not yet earned	610,983	-	610,983
Deferred revenue-notes receivable	-	64,686	64,686
Unavailable revenues	-	1,566,256	1,566,256
<b>Total Deferred Inflows of Resources</b>	<u>610,983</u>	<u>1,630,942</u>	<u>2,241,925</u>
<b>Fund Balances</b>			
Non-spendable	1,359,332	973,501	2,332,833
Restricted	-	43,861,891	43,861,891
Committed	-	4,943,264	4,943,264
Assigned	432,146	12,550,970	12,983,116
Unassigned	24,926,872	(1,620,060)	23,306,812
<b>Total Fund Balances</b>	<u>26,718,350</u>	<u>60,709,566</u>	<u>87,427,916</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 33,215,015</u>	<u>\$ 73,204,873</u>	<u>\$ 106,419,888</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

<b>Total Fund Balances: Governmental Funds Balance Sheet</b>		\$ 87,427,916
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$440,412,333 and the accumulated depreciation is \$200,213,249. This excludes internal service fund capital assets which are included in the internal service fund adjustment below.		245,287,674
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities of internal service funds are included in the internal service fund adjustment below. Other governmental long-term liabilities at year-end consist of:		
Bonds and promissory notes payable	\$ 122,254,447	
Compensated absences	3,025,578	
Net OPEB liability	6,651,020	
Net pension liability	89,456,535	(221,387,580)
Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the government funds. Deferred outflows and inflows of resources at year-end consist of:		
Deferred outflow amount on debt refunding	1,626,501	
Deferred outflow amount on pension liabilities	18,782,347	
Deferred inflow amount on pension liabilities	(4,698,260)	
Deferred outflow amount on OPEB liabilities	3,780,349	
Deferred inflow amount on OPEB liabilities	-	19,490,937
Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide and payable financial statements.		(349,711)
In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing sources and uses. In the government-wide statements, discounts and premiums are applied against bonds payable.		
Discounts	8,280	
Premiums	(722,299)	(714,019)
Unavailable revenue is deferred in governmental funds but not in the government-wide financial statements.		1,630,942
Internal service funds are used by management to charge the costs of fleet management, general insurance, employees health insurance, and retirees health insurance. The assets and liabilities of the internal service funds, including net capital assets of \$17,871,283, compensated absences liabilities of \$137,383, deferred outflows related to pension of \$833,175, deferred inflows related to pensions of \$75,050, net pension liability of \$4,300,101, deferred outflows related to OPEB of \$185,785, deferred inflows related to OPEB of \$0, and net OPEB liability of \$326,864 are included in governmental activities in the statement of net position.		15,983,513
<b>Net Position of Governmental Activities</b>		<b>\$ 147,369,672</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 51,720,772	\$ 12,185,356	\$ 63,906,128
Permits, fees and special assessments	7,385,069	-	7,385,069
Intergovernmental	13,764,737	10,980,360	24,745,097
Charges for services	12,948,317	2,885,687	15,834,004
Fines and forfeitures	888,015	282,151	1,170,166
Miscellaneous	1,197,125	2,389,696	3,586,821
<b>Total Revenues</b>	<u>87,904,035</u>	<u>28,723,250</u>	<u>116,627,285</u>
<b>Expenditures</b>			
Current:			
General government	18,865,811	1,962,431	20,828,242
Public safety	57,051,255	3,793,752	60,845,007
Physical environment	213,065	397,655	610,720
Transportation	11,594,781	1,506,245	13,101,026
Economic environment	343,444	5,257,259	5,600,703
Human services	-	2,020,873	2,020,873
Culture and recreation	8,767,845	1,669,730	10,437,575
Debt service:			
Principal	-	7,856,848	7,856,848
Interest and fiscal charges	-	6,307,227	6,307,227
Capital outlay	-	24,878,392	24,878,392
<b>Total Expenditures</b>	<u>96,836,201</u>	<u>55,650,412</u>	<u>152,486,613</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(8,932,166)</u>	<u>(26,927,162)</u>	<u>(35,859,328)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	39,822,547	37,595,509	77,418,056
Transfers (out)	(22,843,337)	(15,557,747)	(38,401,084)
<b>Total Other Financing Sources (Uses)</b>	<u>16,979,210</u>	<u>22,037,762</u>	<u>39,016,972</u>
<b>Net Change in Fund Balances</b>	<u>8,047,044</u>	<u>(4,889,400)</u>	<u>3,157,644</u>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	18,671,306	66,565,329	85,236,635
Restatement	-	(966,363)	(966,363)
<b>Fund Balances, Beginning of Year, Restated</b>	<u>18,671,306</u>	<u>65,598,966</u>	<u>84,270,272</u>
<b>Fund Balances - End of Year</b>	<u>\$ 26,718,350</u>	<u>\$ 60,709,566</u>	<u>\$ 87,427,916</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Net Changes in Fund Balances - Total Governmental Funds</b>		\$ 3,157,644
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
This is the capital outlay recorded in the current period, excluding internal service fund activity.		24,617,214
This is the depreciation expense recorded in the current period, excluding internal service fund activity.		(11,855,357)
Loss on disposal of assets		(6,315,318)
The repayment of the principal and proceeds of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position. This is the amount of proceeds and repayment of principal of long-term debt.		7,856,848
Governmental funds report the effect of bond premiums and discounts when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the effect of the difference in treatment of bond premiums and discounts.		
Amortization of bond premiums	\$ 47,364	
Amortization of bond discounts	<u>(768)</u>	46,596
Losses on refundings of debt are reported in governmental activities but not in governmental funds.		
Amortization of loss on refunding		(246,419)
The net change in net pension liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds.		
Change in net pension liability	(26,544,369)	
Change in deferred outflows related to pensions	3,393,742	
Change in deferred inflows related to pensions	<u>19,608,451</u>	(3,542,176)
The net change in net OPEB liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds.		
Change in net OPEB liability	(2,469,254)	
Change in deferred outflows related to OPEB	1,330,011	
Change in deferred inflows related to OPEB	<u>577,119</u>	(562,124)
Governmental funds do not recognize expenditures for the long-term accrued liability associated with compensated absences. This is the amount of the change in the liability amount, excluding the amount attributable to internal service funds, which is included in the internal service fund adjustment below.		232,602
Certain accrued revenues are deferred in the governmental funds because they are not considered available current financial resources; however, they are recognized as revenues in the statement of activities.		1,566,256
Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt. This is the amount of the change in the liability.		(323,825)
Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. A portion of the net revenue of certain activities of internal service funds is reported in governmental activities.		<u>1,201,356</u>
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 15,833,297</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	Business-Type Activities -			Governmental
	Enterprise Funds			Activities
	Utility	Other Enterprise Funds	Totals	Internal Service Funds
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 7,150	\$ 7,150	\$ 522,000
Equity in pooled cash and investments	27,505,536	14,479,354	41,984,890	25,167,737
Receivables	53,295,093	11,351,421	64,646,514	1,726
Due from other funds	2,277,322	176,332	2,453,654	1,870,345
Inventories	32,163,219	1,325,256	33,488,475	192,724
Fuel Adjustment	2,887,595	-	2,887,595	-
Prepays	-	36,127	36,127	23,204
Other assets and regulatory assets	2,132,699	-	2,132,699	-
Restricted assets - cash and investments	274,135,808	-	274,135,808	-
<b>Total current assets</b>	<b>394,397,272</b>	<b>27,375,640</b>	<b>421,772,912</b>	<b>27,777,736</b>
Other non-current assets	142,980,557	-	142,980,557	-
Capital assets (net of accumulated depreciation):				
Utility plant and equipment	1,814,931,709	-	1,814,931,709	-
Buildings	-	37,189,659	37,189,659	2,920,036
Improvements other than buildings	-	3,425,521	3,425,521	951,834
Machinery and equipment	-	17,254,787	17,254,787	12,514,217
Infrastructure	-	30,902,443	30,902,443	232,217
Capital assets (not depreciated):				
Land	-	9,384,876	9,384,876	631,563
Construction in progress	71,291,430	1,164,446	72,455,876	621,416
<b>Total capital assets</b>	<b>1,886,223,139</b>	<b>99,321,732</b>	<b>1,985,544,871</b>	<b>17,871,283</b>
<b>Total non-current assets</b>	<b>2,029,203,696</b>	<b>99,321,732</b>	<b>2,128,525,428</b>	<b>17,871,283</b>
<b>Total Assets</b>	<b>2,423,600,968</b>	<b>126,697,372</b>	<b>2,550,298,340</b>	<b>45,649,019</b>
<b>Deferred Outflow of Resources</b>				
Unamortized loss on refundings of bonds	15,155,675	-	15,155,675	-
Accumulated decrease in fair value of hedging derivatives	78,573,638	-	78,573,638	-
Deferred amounts related to pensions	19,288,232	5,596,740	24,884,972	833,175
Deferred amounts related to OPEB	3,051,089	1,020,418	4,071,507	185,785
<b>Total Deferred Outflows of Resources</b>	<b>116,068,634</b>	<b>6,617,158</b>	<b>122,685,792</b>	<b>1,018,960</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

	Business-Type Activities -			Governmental
	Enterprise Funds			Activities
	Utility	Other Enterprise Funds	Totals	Internal Service Funds
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 18,214,456	\$ 3,145,347	\$ 21,359,803	\$ 8,901,858
Due to other funds	5,192,148	15,421,185	20,613,333	-
Unearned revenue	-	547,964	547,964	-
Current portion of long-term debt	22,239,642	406,665	22,646,307	5,300
Other liabilities and regulatory liabilities	1,731,816	-	1,731,816	-
Current liabilities payable from restricted assets:				
Utility deposits	7,659,426	-	7,659,426	-
Accrued interest payable	33,262,622	-	33,262,622	-
Other liabilities payable from restricted assets	5,640,879	-	5,640,879	-
<b>Total current liabilities</b>	<b>93,940,989</b>	<b>19,521,161</b>	<b>113,462,150</b>	<b>8,907,158</b>
Non-current liabilities:				
Long-term debt	1,772,094,462	4,885,928	1,776,980,390	132,083
Fair value of derivative instruments	81,099,411	-	81,099,411	-
Net pension liability	99,566,813	28,885,323	128,452,136	4,300,101
Net OPEB liability	5,367,982	1,795,288	7,163,270	326,864
Other non-current liabilities	8,888,311	-	8,888,311	-
<b>Total non-current liabilities</b>	<b>1,967,016,979</b>	<b>35,566,539</b>	<b>2,002,583,518</b>	<b>4,759,048</b>
<b>Total Liabilities</b>	<b>2,060,957,968</b>	<b>55,087,700</b>	<b>2,116,045,668</b>	<b>13,666,206</b>
<b>Deferred Inflows of Resources</b>				
Rate stabilization	53,574,388	-	53,574,388	-
Deferred amounts related to pensions	1,737,966	504,134	2,242,100	75,050
<b>Total Deferred Inflows of Resources</b>	<b>55,312,354</b>	<b>504,134</b>	<b>55,816,488</b>	<b>75,050</b>
<b>Net Position</b>				
Net investment in capital assets	241,821,913	94,690,359	336,512,272	17,871,283
Restricted for:				
Debt service	22,821,092	-	22,821,092	-
Utility plant improvement	27,687,286	-	27,687,286	-
Building code enforcement	-	3,495,214	3,495,214	-
Other	3,385,657	-	3,385,657	-
Unrestricted	127,683,332	(20,462,877)	107,220,455	15,055,440
<b>Total Net Position</b>	<b>\$ 423,399,280</b>	<b>\$ 77,722,696</b>	<b>\$ 501,121,976</b>	<b>\$ 32,926,723</b>

The notes to the financial statements are an integral part of this statement.



**CITY OF GAINESVILLE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF FUND NET POSITION OF  
PROPRIETARY FUNDS TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Total Net Position of Enterprise Funds on the Statement of Net Position of Property Funds</b>	\$ 501,121,976
Internal service funds are used by management to charge the costs of fleet management, general insurance, and employee health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.	<u>16,943,211</u>
<b>Net Position of Business-Type Activities</b>	<u><u>\$ 518,065,187</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities-
	Utility	Other Enterprise Funds	Totals	Internal Service Funds
<b>Operating Revenues</b>				
Sales and service charges	\$ 407,803,956	\$ 40,155,745	\$ 447,959,701	\$ 21,471,443
Employer contributions	-	-	-	12,729,347
Employee contributions	-	-	-	6,694,070
Other operating revenues	8,888,944	72,568	8,961,512	2,229,621
<b>Total Operating Revenues</b>	<u>416,692,900</u>	<u>40,228,313</u>	<u>456,921,213</u>	<u>43,124,481</u>
<b>Operating Expenses</b>				
Operations and maintenance	203,155,987	47,595,036	250,751,023	13,637,973
Administrative and general	29,406,672	4,102,264	33,508,936	182,485
Depreciation and amortization	97,336,684	7,483,558	104,820,242	2,771,369
Benefits paid and other expenses	-	-	-	24,186,703
<b>Total Operating Expenses</b>	<u>329,899,343</u>	<u>59,180,858</u>	<u>389,080,201</u>	<u>40,778,530</u>
<b>Operating Income (Loss)</b>	<u>86,793,557</u>	<u>(18,952,545)</u>	<u>67,841,012</u>	<u>2,345,951</u>
<b>Non-Operating Revenues (Expenses)</b>				
Investment income	4,774,240	100,991	4,875,231	525,744
Interest expense	(62,247,527)	(151,399)	(62,398,926)	40,447
Local option gas tax	-	2,300,770	2,300,770	-
Operating grants	-	8,687,312	8,687,312	-
Other expense	(3,817,059)	-	(3,817,059)	-
<b>Total Non-Operating Revenue (Expenses)</b>	<u>(61,290,346)</u>	<u>10,937,674</u>	<u>(50,352,672)</u>	<u>566,191</u>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<u>25,503,211</u>	<u>(8,014,871)</u>	<u>17,488,340</u>	<u>2,912,142</u>
<b>Capital Contributions and Transfers</b>				
Capital Contributions	3,970,981	-	3,970,981	-
Transfers in	-	2,173,425	2,173,425	-
Transfers (out)	(38,285,001)	(2,804,018)	(41,089,019)	(101,378)
<b>Total Capital Contributions and Transfers</b>	<u>(34,314,020)</u>	<u>(630,593)</u>	<u>(34,944,613)</u>	<u>(101,378)</u>
<b>Change in Net Position</b>	<u>(8,810,809)</u>	<u>(8,645,464)</u>	<u>(17,456,273)</u>	<u>2,810,764</u>
<b>Net Position - Beginning of Year, as Previously Reported</b>	419,118,942	86,749,725	505,868,667	30,115,959
Restatement	13,091,147	(381,565)	12,709,582	-
<b>Net Position - Beginning of Year, as Restated</b>	<u>432,210,089</u>	<u>86,368,160</u>	<u>518,578,249</u>	<u>30,115,959</u>
<b>Net Position - End of Year</b>	<u>\$ 423,399,280</u>	<u>\$ 77,722,696</u>	<u>\$ 501,121,976</u>	<u>\$ 32,926,723</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**FUND NET POSITION OF PROPRIETY FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Change in Net Position - Enterprise Funds</b>	\$	(17,456,273)
<p>Internal service funds are used by management to charge the costs of fleet management, general insurance, and employee health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
<p>Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.</p>		
		1,609,413
<b>Change in Net Position of Business-Type Activities</b>	<b>\$</b>	<b>(15,846,860)</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities -			Governmental
	Enterprise Funds			Activities
	Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 382,899,091	\$ 39,014,154	\$ 421,913,245	\$ 42,134,298
Cash received from other governments	-	10,988,082	10,988,082	-
Cash paid to suppliers	(176,232,490)	(48,353,530)	(224,586,020)	(37,907,542)
Cash paid to employees	(60,041,857)	(897,639)	(60,939,496)	14,106
Cash paid for interfund services	(2,539,019)	-	(2,539,019)	991,964
Other operating receipts	13,843,808	-	13,843,808	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>157,929,533</b>	<b>751,067</b>	<b>158,680,600</b>	<b>5,232,826</b>
<b>Cash Flows from Non-Capital Financing Activities</b>				
Interfund borrowing	-	2,971,259	2,971,259	(1,163,527)
Transfers from other funds	-	2,173,425	2,173,425	-
Transfers to other funds	(38,285,001)	(2,804,018)	(41,089,019)	(101,378)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(38,285,001)</b>	<b>2,340,666</b>	<b>(35,944,335)</b>	<b>(1,264,905)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal repayments and refundings				
on long-term debt	(193,151,539)	(355,730)	(193,507,269)	(3,938)
Interest paid on long-term debt	(64,300,221)	(151,399)	(64,451,620)	-
Proceeds from sale of capital assets	-	25,450	25,450	147,743
Proceeds from new debt and commercial paper	275,697,032	-	275,697,032	-
Proceeds from interest rebate-Build America Bonds	5,211,950	-	5,211,950	-
Acquisition and construction of capital assets	(60,648,631)	(3,700,570)	(64,349,201)	(3,429,657)
Other expenses	(14,262,097)	-	(14,262,097)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(51,453,506)</b>	<b>(4,182,249)</b>	<b>(55,635,755)</b>	<b>(3,285,852)</b>
<b>Cash Flows from Investing Activities</b>				
Interest received	4,774,240	353,556	5,127,796	-
Purchase of investments	(427,274,870)	-	(427,274,870)	-
Investment in The Energy Authority	(6,469,655)	-	(6,469,655)	-
Distributions from The Energy Authority	6,385,572	-	6,385,572	-
Proceeds from investment maturities	380,726,776	(254,141)	380,472,635	525,744
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(41,857,937)</b>	<b>99,415</b>	<b>(41,758,522)</b>	<b>525,744</b>
<b>Net Increase (Decrease) in Cash</b>	<b>26,333,089</b>	<b>(991,101)</b>	<b>25,341,988</b>	<b>1,207,813</b>
<b>Cash - Beginning</b>	<b>27,231,947</b>	<b>15,477,605</b>	<b>42,709,552</b>	<b>24,481,924</b>
<b>Cash - Ending</b>	<b>\$ 53,565,036</b>	<b>\$ 14,486,504</b>	<b>\$ 68,051,540</b>	<b>\$ 25,689,737</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Concluded)*

	Business-Type Activities -			Governmental
	Enterprise Funds		Total Enterprise Funds	Activities
	Utility	Other Enterprise Funds		Internal Service Funds
<b>Cash and cash equivalents classified as:</b>				
Cash and cash equivalents	\$ -	\$ 7,150	\$ 7,150	\$ 522,000
Equity in pooled cash and investments	27,505,536	14,479,354	41,984,890	25,167,737
Restricted assets - cash and investments	274,135,808	-	274,135,808	-
Less: Investments	(248,076,308)	-	(248,076,308)	-
<b>Total</b>	<b>\$ 53,565,036</b>	<b>\$ 14,486,504</b>	<b>\$ 68,051,540</b>	<b>\$ 25,689,737</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
<b>Operating income (loss)</b>	\$ 86,793,557	\$ (18,952,545)	\$ 67,841,012	\$ 2,345,951
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Intergovernmental revenues	-	10,988,082	10,988,082	-
Depreciation and amortization	97,336,684	7,483,558	104,820,242	2,771,369
Net costs to be recovered in future rates	(18,071,378)	-	(18,071,378)	-
(Increase)/decrease in receivables	6,361,085	(1,214,159)	5,146,926	1,781
(Increase)/decrease in inventories	(3,714,864)	81,843	(3,633,021)	(14,067)
(Increase)/decrease in other assets and regulatory assets	(1,387,095)	-	(1,387,095)	-
(Increase)/decrease in non-current assets	762,683	-	762,683	-
Increase/(decrease) in accounts payable and accrued liabilities	(5,827,777)	(840,548)	(6,668,325)	(68,799)
Increase/(decrease) in due to other funds	5,330,468	-	5,330,468	-
Increase/(decrease) in fuel adjustment	(510,654)	-	(510,654)	-
Increase/(decrease) in other payables from restricted assets	(4,188,312)	-	(4,188,312)	-
(Increase)/decrease in rate stabilization	(4,954,864)	-	(4,954,864)	-
Pension expense adjustment	-	3,103,463	3,103,463	-
OPEB expense adjustment	-	101,373	101,373	196,591
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 157,929,533</b>	<b>\$ 751,067</b>	<b>\$ 158,680,600</b>	<b>\$ 5,232,826</b>
<b>Non-Cash Capital, Investing and Financing Activities</b>				
Contribution of capital assets	\$ 3,970,981	\$ -	\$ 3,970,981	\$ -
Net costs recoverable in future years	(18,071,378)	-	(18,071,378)	-
Change in utility plant in service under long-term capital lease obligation	(60,648,631)	-	(60,648,631)	-
Change in ineffective portion of hedging derivatives	(650,991)	-	(650,991)	-
Change in hedging derivatives - interest rate swaps	(41,683,134)	-	(41,683,134)	-
Change in fair value of investments	5,665,482	-	5,665,482	-
Change in fair value of hedging derivatives	42,334,124	-	42,334,124	-
Other non-cash capital, investing and financing activities	(16,592,484)	-	(16,592,484)	-
<b>Net Non-Cash Capital, Investing and Financing Activities</b>	<b>\$ (85,676,031)</b>	<b>\$ -</b>	<b>\$ (85,676,031)</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

	<u>Pension and OPEB Trust Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 16,804,483
Equity in pooled cash and investments	7,031,285
Investments, at fair value:	
Equities	418,953,074
Limited partnership units	69,594,760
Real estate	68,803,694
Alternative investments	115,128,885
Fixed income:	
Government bonds	13,265,655
Corporate bonds	6,504,419
Mortgage and asset backed securities	6,784,768
Total investments, at fair value	<u>699,035,255</u>
<b>Total Assets</b>	<u><u>722,871,023</u></u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	<u>483,879</u>
<b>Total Liabilities</b>	<u><u>483,879</u></u>
<b>Net Position Restricted for Pension and OPEB Benefits</b>	<u><u>\$ 722,387,144</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Pension and OPEB Trust Funds</u>
<b>Additions</b>	
Contributions:	
Employer contributions	\$ 24,246,264
Employee contributions	<u>11,985,887</u>
Total Contributions	<u>36,232,151</u>
Investment Income:	
Net appreciation (depreciation) in fair value of investments	(10,958,621)
Dividends and interest	<u>13,200,951</u>
Total Investment Income (loss)	<u>2,242,330</u>
(Less Investment Expense)	<u>(2,995,802)</u>
Net Investment Income (Loss)	<u>(753,472)</u>
<b>Total Additions</b>	<u>35,478,679</u>
<b>Deductions</b>	
Benefit payments	56,281,430
Refunds of contributions	8,656,833
Administrative expenses	<u>1,282,529</u>
<b>Total Deductions</b>	<u>66,220,792</u>
<b>Change in Net Position</b>	(30,742,113)
<b>Net Position - Beginning of Year</b>	<u>753,129,257</u>
<b>Net Position - End of Year</b>	<u>\$ 722,387,144</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Note 1 - Summary of Significant Accounting Policies**

This Summary of Significant Accounting Policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the City of Gainesville, Florida (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

Gainesville Regional Utilities (GRU or the Utility) is a combined municipal utility system operating electric, water, wastewater, natural gas, and telecommunications utilities. GRU is a utility enterprise of the City and is reported as an enterprise fund of the City. GRU is required to follow the provisions in the Second Amended and Restated Utilities System Revenue Bond Resolution (the Resolution) adopted by the City on September 21, 2017. GRU's electric and gas accounts are maintained substantially in accordance with the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC), as required by the Resolution, and in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting, including the application of regulatory accounting as described in Governmental Accounting Standards Board (GASB) Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GRU prepares its financial statements in accordance with GASB Statement No. 62, paragraphs 476-500, *Regulated Operations*, and records various regulatory assets and liabilities. For a government to report under GASB Statement No. 62, its rates must be designed to recover its costs of providing services, and the utility must be able to collect those rates from customers. If it were determined, whether due to regulatory action or competition, that these standards no longer applied, GRU could be required to expense its regulatory assets and liabilities. Management believes that GRU currently meets the criteria for continued application of GASB Statement No. 62, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

The Resolution specifies the flow of funds from revenues and the requirements for the use of certain restricted and unrestricted assets. Under the Resolution, rates are designed to cover operation and maintenance expenses, rate stabilization, debt service requirements, utility plant improvement fund contributions, and for any other lawful purpose. The flow of funds excludes depreciation expense and certain other non-cash revenue and expense items. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes. The effects of these differences are recognized in the determination of operating income in the period that they occur, in accordance with GRU's accounting policies.



**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**A. Reporting Entity**

The City is a Florida municipality established by the Laws of Florida, Section 12760, pursuant to the authority provided in Chapter 165, Florida Statutes, and is governed by an elected seven member Commission. It provides most of the traditional municipal services to its citizens including police and fire protection, community development, streets, recreation, parks, cultural affairs, and other general government activities. It also operates transit, stormwater, golf course, building code enforcement, solid waste, water, wastewater, natural gas distribution, telecommunications and electric utility enterprises.

As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government and its component units, entities for which the City is considered financially accountable. The component units are included in the reporting entity because of the significance of their operational relationship with the primary government. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

*Blended Component Unit*

A legally separate entity, the Community Redevelopment Agency (CRA) was created by ordinance of the City to carry out community redevelopment within the City of Gainesville under Chapter 163 of the Florida Statutes. The City Commission sits as the board of this organization and approves its budget. The CRA is reported as if it were a part of the City because the City Commission is its governing body and because of the existence of a financial benefit/burden relationship. The CRA's operating fund and four Tax Increment District project funds are reported as separate non-major governmental funds. This organization has a September 30 year-end. Separate financial statements of the CRA are prepared and are available by contacting the City at PO Box 490, MS 14, Gainesville, Florida 32627.

*Discretely Presented Component Unit*

The City created the Heartwood Community Homeowners' Association, Inc. (Heartwood Association) in January 2018 for the purpose of administering the Heartwood Community property and common areas. The Heartwood Association is a legally separate, not-for-profit corporation organized and existing under the applicable provisions of the Florida Statutes. The City has the sole right to appoint and remove any members of the Board of Directors and a financial burden relationship exists until the Heartwood Association can support its own operations through the sale of lots and collection of dues and assessments.

The Cornerstone Condominium Association, Inc. (Cornerstone Association) is a not-for-profit corporation established in the State of Florida to provide an entity pursuant to the Act as it exists for the operation of Cornerstone Condominium located in Alachua County, Florida. As developer of the Cornerstone Condominium, the City appoints the members of the first Board of Directors and their replacements. The City also retains controls of the Cornerstone Association under specific circumstances as described in the Cornerstone Association's bylaws. A financial burden relationship exists until such time as the Cornerstone Association can support its own operations through the sale of units.

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Neither the Heartwood or Cornerstone Associations had any financial activity during the year ended September 30, 2019, therefore no financial information has been presented.

The only joint venture in which the City participated in fiscal year 2019 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in Note 16.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

***Governmental Funds***

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary or fiduciary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds

***Proprietary Funds***

Proprietary Funds are used to account for the City's ongoing activities which are similar to those often found in the private business sector. The following are the City's proprietary fund types:

- Enterprise Funds
- Internal Service Funds

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

***Fiduciary Funds***

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's fiduciary fund type includes:

- Pension and Other Postemployment Benefit (OPEB) Trust Funds

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Measurable refers to the ability to quantify in monetary terms the amount of the revenue and receivable. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities at the balance sheet date. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on long-term debt.

Material revenues in the following categories are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

- *Ad Valorem Taxes*
- *Intergovernmental Revenue*
- *Sales and Franchise Taxes*
- *Interest Earned*

Interest and investment income earnings are recognized when earned and allocated monthly based on each fund's equity in the pool.

The following governmental fund revenues are not considered susceptible to accrual because they are not both measurable and available to finance expenditures of the current period:

- *Fees*
- *Licenses and Permits*
- *Miscellaneous Charges*
- *Rents and Concessions*

**CITY OF GAINESVILLE, FLORIDA**  
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The City reports one major governmental fund:

- The *General Fund* is the City's primary operating fund. It accounts for all resources traditionally associated with governments except those accounted for in another fund.

The City reports one major proprietary fund:

- The *Utility Fund* accounts for the activities of the City's electric generation, transmission and distribution operations, as well as its water, wastewater, natural gas transmission, and telecommunications operations.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The principal operating revenues for the City's internal service funds related to general insurance and fleet management are charges to other funds for sales and services. For the internal service fund related to health insurance, the principal operating revenues are employer and employee contributions. Operating expenses for enterprise funds and internal service funds include the cost of sales and service, administrative expenses, depreciation on capital assets, and benefits paid. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City uses internal service funds for fleet acquisition and maintenance as well as self-insurance for health insurance and general liability insurance.

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the General Employees' Pension Plan, the Consolidated Police Officers' and Firefighters' Retirement Plan, and the OPEB Plan, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the related separately issued plan statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**D. Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**CITY OF GAINESVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. For the most part, receivables and the related revenues are recognized when determined and billed – either for services rendered, grant entitlements, or reimbursements due, or otherwise measurable and available. Utilities service receivables are recorded at year-end for services rendered but unbilled. They are calculated by prorating cycle billings subsequent to September 30, 2019, according to the number of days applicable to the current fiscal year.

**E. Inventories**

The City accounts for its General Fund supply inventory at cost, (FIFO) using the “consumption method”. Other supply inventories are stated at cost using the weighted average unit cost method. Inventories held for resale are reported at the lower of cost or market. Obsolete and unusable materials and supplies are expensed. Fuel stocks in the electric system, which are stated using the weighted average unit cost method, are recorded as inventory when purchased. The cost of fuel used for electric generation is charged to expense as consumed.

**F. Capital Assets**

Capital assets, which include property, utility plant, general plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than those recorded in the Utility fund, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Utility fund general plant capital assets are defined as assets with an initial, individual cost of more than \$2,500 and a useful life in excess of more than one year. The Utility fund has no capital threshold for utility plant assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of capital assets include material, labor, vehicle and equipment usage, related overhead items, capitalized interest, and certain administrative and general expenses. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings	20 to 50 Years
Improvement Other than Buildings	20 to 30 Years
Infrastructure – Roads, Curb, and Gutter	50 Years
Infrastructure – Roads, Non-Curb, and Gutter	25 Years
Infrastructure – Sidewalks	50 Years
Infrastructure – Bike Paths	25 Years
Equipment	5 to 20 Years
Stormwater System	50 Years
Streetscape	25 Years

**CITY OF GAINESVILLE, FLORIDA**  
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Depreciation of utility plant is computed using the straight-line method over estimated service lives ranging from 2 to 86 years. The overall depreciation rate was 3.43% for the period ending September 30, 2019.

The City has elected to report infrastructure acquired prior to October 1, 1979, in addition to complying with the requirement to report infrastructure acquired subsequent to that date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. An allowance for interest on borrowed funds used during construction of \$833,000 for the year ended September 30, 2019, was included in construction in progress and as a reduction of interest expense. These amounts are computed by applying the effective interest rate on the funds borrowed to finance the projects to the monthly balance of projects under construction. The effective interest rate was approximately 4.1% for fiscal year 2019.

When units of depreciable property are retired, other than those recorded in the Utility fund, the original cost and removal cost, less salvage, are charged to accumulated depreciation. When the Utility retires units of depreciable property, the original cost less salvage value is charged to accumulated depreciation if there is outstanding debt that originally constructed or purchased that asset. If there is no longer outstanding debt, the net book value less salvage value is recorded as a gain or loss in the income statement.

**G. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Losses resulting from the refunding of bonds are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Historically, in the government-wide and proprietary fund statements, the City accounted for debt issuance costs as assets and amortized them over the life of the related debt. Pursuant to GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City was required to expense these costs in the year in which the costs were incurred and to restate beginning balances in 2014 to reflect the retroactive application of this statement. GRU elected to follow GASB Statement No. 62, paragraphs 476-500, *Regulated Operations*, and established a regulatory asset for the debt issuance costs that otherwise would have been expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures except as noted above.

**CITY OF GAINESVILLE, FLORIDA**  
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**H. Futures and Options Contracts, Derivatives and Deferred Charges/Credits**

GRU conducts a risk management program with the intent of reducing the impact of fuel price increases for its customers. The program utilizes futures and options contracts that are traded on the New York Mercantile Exchange (NYMEX) so that prices may be fixed or reduced for given volumes of gas that the utility projects to consume during a given production month. This program is based on feedback and direction from GRU's Risk Oversight Committee, consultation and recommendations from reputable risk management sources, and close monitoring of the market.

**I. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources until that future time.

*Unamortized loss on refunding of bonds*

Losses on refunding of bonds have been deferred. These amounts are being amortized over the life of the old debt or the life of the new debt, whichever is shorter.

*Accumulated decrease in fair value of hedging derivatives*

GRU has two types of hedging instruments: interest rate swap agreements and natural gas hedges. Each is associated with an item that is eligible to be hedged. For effective hedging transactions, hedge accounting is applied and fair market value changes are recorded on the statement of net position as either a deferred inflow of resources or a deferred outflow of resources until such time that the transaction ends.

*Pension and OPEB related*

Increases in the net pension and OPEB liability resulting from changes of assumptions, differences between projected and actual earnings on plan investments, and differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred outflows of resources, to be recognized as an increase in expense as disclosed in Note 5 – Retirement Plans and Note 6 – Other Postemployment Benefits Plan.

**J. Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and, therefore, will not be recognized as an inflow of resources until that future time.

*Rate stabilization*

GRU designs its rates to recover costs of providing services. In order to stabilize future rate increases or decreases, GRU determines a rate stabilization amount to be charged or credited to revenues on an annual basis. These amounts are reflected as increases or decreases in deferred inflows of resources – rate stabilization in the statements of net position.

*Business taxes not yet earned*

Business taxes are due to the City on October 1 for the fiscal year beginning that day. Payments received prior to that date are recorded as a deferred inflow of resources.

**CITY OF GAINESVILLE, FLORIDA**  
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*Unavailable revenues*

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

*Pension and OPEB related*

Decreases in the net pension and OPEB liability resulting from changes of assumptions, differences between projected and actual earnings on plan investments, and differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred inflows of resources, to be recognized as a decrease in expense as disclosed in Note 5 – Retirement Plans and Note 6 – Other Postemployment Benefits Plan.

**K. Contributions in Aid of Construction**

Capital contributions to the electric and gas systems are recognized as revenues and subsequently expensed in the same period for capital contributions that will not be recovered in rates in accordance with GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Capital contributions to the water, wastewater, and GRUCom systems, as well as to other proprietary funds of the City, are recognized as revenues in the periods received. Depreciation on these assets is recorded on a straight-line basis over the estimated lives of the assets.

**L. Hedging Derivative Instruments**

GRU records fuel and financial related derivative instruments in accordance with GASB Statement No. 53, *Accounting and Reporting for Financial and Derivative Instruments*. All effective derivative instruments are recorded as either an asset or liability measured at fair market value. All ineffective derivative instruments are recorded as a regulatory asset.

Changes in the fair value of the hedging derivative instruments during the year are recorded as either deferred outflows or deferred inflows and are recognized in the period in which the derivative is settled. The settlement of fuel and financial related hedging derivative instruments are included as a part of fuel costs and interest expense, respectively, in the Statements of Revenues, Expenses, and Changes in Fund Net Position and the Statement of Activities.

**M. Compensated Absences**

The City's policy is to allow limited vesting of employee vacation and sick pay. The limitation of vacation time is governed by the period of employment and is determinable. Unused sick leave may be added to an employee's length of service at the time of retirement for the purpose of computing retirement benefits or, in some cases, received partially in cash upon election at retirement. The resulting liability is not determinable in advance, however. All vacation pay and applicable sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental activities, these liabilities are generally liquidated by the general fund.



**CITY OF GAINESVILLE, FLORIDA**  
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**N. Risk Management**

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a General Insurance Fund (an Internal Service Fund) to account for some of its uninsured risk of loss. Under the current program, the City is self-insured for workers' compensation, auto, and general liability. Third-party coverage is currently maintained for workers' compensation claims in excess of \$350,000. Settlements have not exceeded insurance coverage for each of the last three years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs), and are shown at current dollar value.

All funds participate in the general insurance program, with the Utility Fund accounting for its portion of Risk management and insurance related activities. The Utility Fund purchases plant and machinery insurance from a commercial carrier. There have been no significant reductions in insurance coverage from that in the prior year and settlements have not exceeded insurance coverage for the past three fiscal years. In addition, an actuarially computed liability of \$3,337,000 is recorded in the Utility Fund as a fully amortized deferred credit. The present value calculation assumes a rate of return of 4.5% with a confidence level of 75%. All claims for fiscal year 2019 were paid from current year's revenues.

Changes in the Utility Fund's claims liability for the last two years are as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Incurred</b>	<b>Payments</b>	<b>End of Fiscal Year Liability</b>
<b>2018-2019</b>	\$ 3,337,000	\$ 2,102,918	\$ (2,102,918)	\$ 3,337,000
<b>2017-2018</b>	3,337,000	1,729,406	(1,729,406)	3,337,000

There is a claims liability of \$6,854,000 included in the General Insurance Fund as the result of actuarial estimates.

Changes in the General Insurance Fund's claims liability were:

	<b>Beginning of Fiscal Year Liability</b>	<b>Incurred</b>	<b>Payments</b>	<b>End of Fiscal Year Liability</b>
<b>2018-2019</b>	\$ 6,854,000	\$ 3,196,323	\$ (3,196,323)	\$ 6,854,000
<b>2017-2018</b>	6,854,000	3,861,445	(3,861,445)	6,854,000

The City is also self-insured for its Employee Health and Accident Benefit Plan (the Plan). The Plan is accounted for in an Internal Service Fund and is externally administered, for an annually contracted amount that is based upon the volume of claims processed. Contributions for City employees and their dependents are shared by the City and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$300,000 per individual. No claims have exceeded insurance coverage in the last three years.

**CITY OF GAINESVILLE, FLORIDA  
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Changes in claims liability for the last two years are as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Incurred</b>	<b>Payments</b>	<b>End of Fiscal Year Liability</b>
<b>2018-2019</b>	\$ 1,310,671	\$ 22,207,647	\$ (22,207,647)	\$ 1,310,671
<b>2017-2018</b>	1,310,671	23,412,606	(23,412,606)	1,310,671

These claims liability amounts are all considered to be due within one year and are classified as current liabilities in the accompanying financial statements.

**O. InterFund Activity**

During the course of normal operations, the City has various non-reciprocal interfund activities. Following is a summary of the accounting treatment applied to such interfund transactions:

*Reimbursement Transactions*—Reimbursements from one fund to another are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

*Transfers*—Interfund transfers affect the results of operations in the affected funds. An example is the payment to the General Fund from the Utility Fund.

**P. Property Taxes**

Ad valorem property tax revenue is recognized as revenue in the fiscal year for which taxes are levied, measurable and available. Only property taxes collected within 60 days after year-end are recognized as revenue. The total millage levy is assessed at 4.7474 mills per \$1,000. Taxes are levied and collected according to Florida State Statutes under the following calendar:

Lien Date	January 1
Levy Date	October 1
Due Date	November 1
Delinquency Date	April 1

The Alachua County Tax Collector (the Tax Collector) bills and collects ad valorem taxes for the City. State Statutes provide for tax discounts for installment prepayments or full payments before certain dates. Installment prepayment dates and discounts of each installment (one-fourth of estimated taxes) are: June 30 - 6%, September 30 - 4.5%, December 31 - 3% and March 31 - 0%. Full payment dates and discounts are: November 30 - 4%, December 31 - 3%, January 31 - 2%, February 28 - 1% and March 31 - 0%. The Tax Collector remits current taxes collected to the City several times a month during the first two months of the collection period. Thereafter, remittances are made to the City on a monthly basis.

**Q. Revenue Recognition**

Revenue is recorded as earned. GRU accrues for services rendered but unbilled, which amounted to approximately \$15,833,308 for fiscal year 2019.

**CITY OF GAINESVILLE, FLORIDA**  
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Fuel and purchased gas adjustment levelization revenue is recognized as fuel and fuel related expenses are incurred. Amounts charged to customers for fuel are based on estimated costs. GRU establishes this fuel and purchased gas adjustment charge based on ordinances approved by the City Commission. If the amount recovered through billings exceeds actual fuel expenses, GRU records the excess billings as a liability. If the amount recovered through billings is less than actual fuel expenses, GRU records the excess fuel expense as a reduction of the liability or as an asset. A fuel and purchased gas adjustment levelization account is utilized to stabilize the monthly impact of the fuel and purchased gas adjustment charge included in customer billings.

**R. Budgetary Information**

The City has elected to report budgetary comparisons as required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the City's budgetary information.

**S. Statement of Cash Flows**

For purposes of the Statement of Cash Flows, cash equivalents are defined as all liquid investments with an original maturity of three months or less. These include cash on hand, bank demand accounts, and overnight repurchase agreements.

**T. Use of Estimates**

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

**U. Rates and Regulation**

GRU is regulated by the Gainesville City Commission (the City Commission) and GRU's rates are established in accordance with the Resolution. Each year during the budget process, and at any other time deemed necessary, the City Commission approves base rate changes and other changes to GRU's system charges as applicable.

The Florida Public Service Commission (PSC) does not regulate rate levels in any of GRU's utility systems. They do, however, have jurisdiction over the rate structure for the electric system.

**V. Fund Balance/Net Position**

*Fund Balance*

Governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balances for governmental funds are comprised of the following:

- Nonpendable—includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term note receivables.
- Restricted—includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource provider.

**CITY OF GAINESVILLE, FLORIDA**  
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- **Committed**—includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. Formal actions include ordinances (for more permanent regulations) and resolutions (for shorter term actions) approved by the City Commission. Ordinances require two readings for approval and therefore are technically considered the most binding. This formal action must occur prior to the end of the reporting period, but the amount of the commitment may be determined in the subsequent period.
- **Assigned**—comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by a body (for example a budget or finance committee) or official to whom the City’s Commission has delegated the authority to assign amounts to be used for specific purposes. The City Commission has delegated such authority to the City Manager.
- **Unassigned**—is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Unassigned Fund Balance also includes the negative fund balance of Special Revenue Funds due to expenditures incurred exceeding the amounts restricted, committed and assigned.

Encumbrance accounting, under which purchase orders and other commitments for expenditures are recorded in order to reserve that amount of the applicable appropriation, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures. Encumbrances are reported as restricted, committed, or assigned fund balance at year-end, depending on the level of constraint, and are reappropriated the following year.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

*Restricted Net Position*

In the accompanying government-wide and proprietary funds’ statements of net position, restricted net position is subject to restrictions beyond the City’s control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws and regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation.

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

*Reserve Policy*

The City Commission adopted a General Fund Reserve Policy to ensure the general government’s orderly provision of services to its citizens, availability of adequate working capital, plan for contingencies, and retain the City’s good standing with the rating agencies and the credit markets.

For each fiscal year, the unassigned fund balance of the general fund will be at least 10% of the proposed general fund revenue budget (excluding one-time appropriations from fund balance). This balance is to provide for the following:

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- Budget fluctuations
- Unanticipated emergencies (e.g. natural disasters, public safety emergencies, capital emergencies, etc.)
- Any other financial uncertainties

The general fund unassigned fund balance will not be used to solve recurring revenue shortfalls.

The portion of the general fund unassigned fund balance that exceeds the minimum required level may be appropriated as needed and expended. No amount of the minimum required level of the general fund unassigned fund balance may be expended unless it meets the purposes stated above and until appropriated by the City Commission, except as provided below for unanticipated emergencies.

In those unanticipated emergency situations which demand immediate government action in the interest of public safety and welfare, the City Manager is authorized by the City Commission to spend up to a maximum of 20% of the minimum required level of the general fund unassigned fund balance in accordance with procedures provided in the City's purchasing policies. A financial accounting related to such emergency expenditures will be submitted to the City Commission by the City Manager as expeditiously as possible after the end of the emergency.

Upon completion of the audited financial statements, the Finance Director will review the final year-end results. If the general fund unassigned fund balance falls below the required minimum level, the shortfall, if less than five percent, will be budgeted in its entirety in the succeeding budget year.

In the case of an event that creates a differential between the required general fund unassigned fund balance amount and current available funds of equal to, or more than five percent, a funding plan will be developed to meet the requirements of the General Fund Reserve Policy within three years of the event.

At least every five years, a review of this reserve policy will be completed by the City Manager or designee, and recommendations for changes, if appropriate, will be submitted to the City Commission.

**W. New Accounting Pronouncements**

GASB Statement No. 83, *Certain Asset Retirement Obligations* - This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. Implementation of this guidance did not have any significant impact on the City's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The City has implemented this Statement in Note 8 Long-Term Debt.

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**Note 2 - Fund Balance Classification and Restricted Net Position**

Fund balances for major and non-major governmental funds as of September 30, 2019, are classified as follows:

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Totals</b>
<b>Non-Spendable</b>			
Inventory	\$ 19,581	\$ -	\$ 19,581
Long-Term Receivable	1,339,751	-	1,339,751
Cemetery Trust	-	973,501	973,501
	<u>1,359,332</u>	<u>973,501</u>	<u>2,332,833</u>
<b>Restricted for</b>			
Cemetery Trust	-	504,820	504,820
Community Redevelopment	-	12,118,628	12,118,628
Cultural Events	-	16,251	16,251
Depot Avenue Project	-	466,539	466,539
Fire Programs	-	1,096	1,096
Homeless Assistance	-	347,980	347,980
Housing and Community Development	-	916,881	916,881
Information Technologies	-	3,384,689	3,384,689
Land Acquisitions	-	209,842	209,842
Police Mentoring Programs	-	370,888	370,888
Police Programs	-	772,022	772,022
Recreation Facilities	-	11,967,760	11,967,760
Recreation Programs	-	2,277,281	2,277,281
Road Improvements	-	5,208,804	5,208,804
Transportation Improvements	-	5,298,410	5,298,410
	<u>-</u>	<u>43,861,891</u>	<u>43,861,891</u>
<b>Committed for</b>			
Cultural Events	-	167,560	167,560
Economic Development	-	307,081	307,081
Homeless Assistance	-	788,220	788,220
Housing and Community Development	-	101,201	101,201
Neighborhood Improvements	-	963,382	963,382
Tree Mitigation	-	2,615,820	2,615,820
	<u>-</u>	<u>4,943,264</u>	<u>4,943,264</u>

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	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Totals</b>
<b>Assigned for</b>			
City Building Improvements	\$ -	\$ 1,655,508	\$ 1,655,508
Debt Service Principal and Interest	-	1,182,822	1,182,822
Depot Avenue Project	-	159,425	159,425
Economic Development	-	336,889	336,889
Equipment Replacement	-	295,431	295,431
Fire Station	-	442,664	442,664
Homeless Assistance	-	3,256,491	3,256,491
Information Technologies	-	1,015,016	1,015,016
Land Acquisitions	-	437,992	437,992
Neighborhood Improvements	-	65,708	65,708
Other Purposes	-	41,033	41,033
Public Safety	-	673,779	673,779
Road Improvements	-	2,857,082	2,857,082
Streetscapes	-	8,361	8,361
Subsequent Budget	432,146	-	432,146
Tourist Development	-	2,100	2,100
Traffic Signals	-	120,669	120,669
	<u>432,146</u>	<u>12,550,970</u>	<u>12,983,116</u>
<b>Unassigned</b>	<u>24,926,872</u>	<u>(1,620,060)</u>	<u>23,306,812</u>
<b>Total</b>	<u>\$ 26,718,350</u>	<u>\$ 60,709,566</u>	<u>\$ 87,427,916</u>

*Restricted Net Position*

The government-wide statement of net position reports \$97,351,385 of restricted net position, of which \$35,133,830 is restricted by enabling legislation.

**Note 3 - Deposits with Financial Institutions and Investments**

**Deposits and Investments**

Deposits and investments as of September 30, 2019, are classified in the accompanying financial statements as follows:

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**Statement of Net Position**

Cash and Cash Equivalents	\$ 1,338,804
Equity in Pooled Cash and Investments	140,297,024
Investments	1,434,495
Restricted Cash and Cash Equivalents	274,135,808

**Statement of Fiduciary Net Position**

Cash and Cash Equivalents	16,804,483
Equity in Pooled Cash and Investments	7,031,285
Investments:	
Equities	418,953,074
Limited Partnerships	69,594,760
Real Estate	68,803,694
Mutual Funds	115,128,885
Government Bonds	13,265,655
Corporate Bonds	6,504,419
Mortgage and Asset Backed Securities	6,784,768
<b>Total Cash and Investments</b>	<u><u>\$ 1,140,077,154</u></u>

Deposits and investments as of September 30, 2019, consist of the following:

Defined Benefit Pension:	
Deposits with Financial Institutions	\$ 19,662,348
Investments	639,527,324
Other Postemployment Benefit (OPEB):	
Deposits with Financial Institutions	4,173,420
Investments	59,507,931
Other than Defined Benefit Pension and OPEB:	
Deposits with Financial Institutions	57,605,015
Investments	359,601,116
<b>Total Cash and Investments</b>	<u><u>\$ 1,140,077,154</u></u>

**Investment Policies**

The City's total deposits and investments are comprised of three major components, each with its own set of legal and contractual provisions as described below.

***Defined Benefit Pension Investments***

These funds represent investments administered by the City's Defined Benefit Pension Fund Investment Managers. They comprise \$639,527,324 of the City's total fair value of investments, and are exclusive of the \$19,662,348 held in cash by the Trustees.



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These investments are reported at fair value, which is derived through valuation efforts done by the City's investment managers in conjunction with the plan custodian. The fair values for the vast majority of these assets are readily available. For those assets whose fair value is less verifiable, the best available information is used.

The City maintains separate investment managers for its equity and fixed income portfolios. The managers are required to comply with Florida Statutes, City ordinances, other applicable laws and with the fiduciary standards set forth in the Employees Retirement Income Security Act of 1974 at 29 U.S.C. Section 1140(a)(1)(A)(C). The managers of these funds are permitted to invest in the following instruments:

*Equity Funds (domestic)*

- Common Stocks.
- Stock Index Futures.
- Convertible and Preferred Stocks.
- American Depository Receipts.
- REITS.
- Limited Liability Companies (LLCs).

*Equity Funds (international)*

- Restricted to managers specifically hired to invest in international equities.
- Common and Preferred Stocks of foreign issuers domiciled in developed and developing countries (emerging markets).
- Forward Foreign Currency Exchange Contracts for hedging purposes.
- American and Global Depository Receipts and similar securities.

*Fixed Income Funds (domestic)*

- Must have a rating of investment grade (BBB/Baa) or better.
- United States Treasury and Agency Securities.
- Commercial Paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1 and a maturity of 270 days or less.
- Certificates of Deposit up to FDIC or FSLIC insurance coverage or any amount fully collateralized by US Government Securities or issued by an institution which is a qualified public depository within the State of Florida.
- Corporate Bonds, Mortgage Backed Securities, or Asset Backed Securities.
- Yankee Bonds.
- Convertible Securities.
- Money Market or Cash Equivalent Securities.

*Fixed Income Funds (international)*

- Investment Grade Sovereign Issued Debt.
- Investment Grade Corporate Bonds and Commercial Paper.

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*Cash Equivalents*

- Certificates of Deposit, Commercial Paper, Direct Obligations of the U.S. Government, Repurchase Agreements, Bankers Acceptances, Custodian STIFs, and other appropriate liquid short-term investments.

*Real Estate and Alternative Assets*

- Discretionary commingled vehicles such as insurance company separate accounts, open-end or closed-end funds and real estate investment trusts (REITS) holding either leveraged or unleveraged positions in real property and real property related assets.
- All must be of institutional investment quality and must be diversified by property type and geographic location.

*Pooled or Commingled Funds*

- The fund may invest in commingled vehicles such as mutual funds, LLCs or common trust funds that are invested in substantially the same manner and same investments as stated above.

*Derivatives*

- No use of leverage.
- No use of “linked” securities that have the principal value or interest rate tied to anything not specifically allowed as permissible investments in these guidelines.
- Any structured note must maintain a constant spread relationship with its underlying acceptable index.
- Collateralized mortgage obligations cannot be more sensitive to interest-rate changes than the underlying mortgage-backed security.

*Restricted Direct Investments – Prohibited*

- Short Sales or Margin Transactions.
- Investments in Commodities or Commodity Contracts.
- Direct loans or extension lines of credit to any interested party.
- Letter Stock.
- Unregistered securities and private placements (except those regulated by SEC Rule 144a or as specifically permitted by the Board).
- Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism, unless specifically permitted by the Board.

***Other Postemployment Benefit (OPEB) Investments***

These funds represent investments administered by the City’s OPEB Fund Investment Managers. They comprise \$59,507,932 of the City’s total fair value of investments, and are exclusive of the \$4,173,420 held in cash by the Trustees. These investments are reported at fair value, which is derived through valuation efforts done by the City’s investment managers in conjunction with the plan custodian. The fair values for the vast majority of these assets are readily available. For those assets whose fair value is less verifiable, the best available information is used. The City maintains separate investment managers for its equity and fixed income portfolios. The managers of these funds are permitted to invest in the following:

**CITY OF GAINESVILLE, FLORIDA**  
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*Equity Funds (domestic)*

- Common Stocks.
- Stock Index Futures.
- Convertible and Preferred Stocks.
- American Depository Receipts.
- REITS.
- Limited Liability Companies (LLCs).

*Equity Funds (international)*

- Restricted to managers specifically hired to invest in international equities.
- Common and Preferred Stocks of foreign issuers domiciled in developed and developing countries (emerging markets).
- Forward Foreign Currency Exchange Contracts for hedging purposes.
- American and Global Depository Receipts and similar securities.

*Fixed Income Funds (domestic)*

- Must have a rating of investment grade (BBB/Baa) or better.
- United States Treasury and Agency Securities.
- Commercial Paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1 and a maturity of 270 days or less.
- Certificates of Deposit up to FDIC or FSLIC insurance coverage or any amount fully collateralized by US Government Securities or issued by an institution which is a qualified public depository within the State of Florida.
- Corporate Bonds, Mortgage Backed Securities, or Asset Backed Securities.
- Yankee Bonds.
- Convertible Securities.
- Money Market or Cash Equivalent Securities.

*Fixed Income Funds (international)*

- Investment Grade Sovereign Issued Debt.
- Investment Grade Corporate Bonds and Commercial Paper.

*Cash Equivalents*

- Certificates of Deposit, Commercial Paper, Direct Obligations of the U.S. Government, Repurchase Agreements, Bankers Acceptances, Custodian STIFs, and other appropriate liquid short-term investments.

*Real Estate and Alternative Assets*

- Discretionary commingled vehicles such as insurance company separate accounts, open-end or closed-end funds and real estate investment trusts (REITS) holding either leveraged or unleveraged positions in real property and real property related assets.
- All must be of institutional investment quality and must be diversified by property type and geographic location.

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*Pooled or Commingled Funds*

- The fund may invest in commingled vehicles such as mutual funds, LLCs or common trust funds that are invested in substantially the same manner and same investments as stated above.

*Derivatives*

- No use of leverage.
- No use of “linked” securities that have the principal value or interest rate tied to anything not specifically allowed as permissible investments in these guidelines.
- Any structured note must maintain a constant spread relationship with its underlying acceptable index.
- Collateralized mortgage obligations cannot be more sensitive to interest-rate changes than the underlying mortgage-backed security.

*Restricted Direct Investments – Prohibited*

- Short Sales or Margin Transactions.
- Investments in Commodities or Commodity Contracts.
- Direct loans or extension lines of credit to any interested party.
- Letter Stock.
- Unregistered securities and private placements (except those regulated by SEC Rule 144a or as specifically permitted by the Board).
- Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism, unless specifically permitted by the Board.

The City also imposes the following limitations on its investment managers:

*Equity Managers*

- The equity portion of each portfolio manager shall not be more than 10% invested in the securities of any one company at fair value.
- The portfolio manager shall not make short sales or use margin or leverage.
- The portfolio manager shall not be invested in commodities, private real estate, or investment art objects.
- The portfolio manager shall not invest in options, including the purchase, sale or writing of options unless options are “covered” by the corresponding security.
- The portfolio manager shall not invest in warrants, although warrants issued in connection with stocks held by the fund may be sold, held, or converted by the investment manager at its discretion.

*Fixed Income Managers*

- Security ratings reduced beneath the three highest classifications after purchase should be sold by the portfolio manager within a reasonable period of time.
- Except for treasury and agency obligations, the debt portion of the OPEB fund shall contain no more than 10% of a given issuer irrespective of the number of differing issues.
- If commercial paper is used, it must be only of the highest quality (A-1 or P-1).
- Private placement debt is not permissible.

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***Other than Defined Benefit Pension and OPEB Investments***

These funds comprise \$306,781,066 of the City's total fair value of investments. This figure excludes \$110,091,356 of deposits with financial institutions.

*Deposits*—The institutions in which the City's monies were deposited were certified as Qualified Public Depositories under the *Florida Public Deposits Act*. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. Additionally, under the terms of the Resolution, GRU's depository is restricted to be a bank, savings and loan association or trust company of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$10 million.

*Investments*—The City's other investments are reported at fair value. Fair value is based on market values or independent pricing sources. Investments in commercial paper are recorded at amortized cost, which approximates fair value.

State statutes, City ordinances and the Resolution authorize the City to invest in the following instruments:

- Any bonds or other obligations that, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the United States of America.
- Certain bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state.
- Bonds, debentures, or other evidences of indebtedness issued or guaranteed by an agency or corporation that is created pursuant to an Act of Congress as an agency or instrumentality of the United States of America.
- New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America.
- Direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under the Resolution such obligations are rated by a nationally recognized bond rating agency in either of its two highest rating categories.
- Certain certificates of deposit, provided that the aggregate of principal amount of all certificates of deposit issued by any institution do not at any time exceed 10% of the total of the capital, surplus and undivided earnings of such institution unless such certificates of deposit are fully insured (for classification purposes, only non-negotiable certificates of deposit are considered deposits, with negotiable certificates considered as investments).
- Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by a nationally recognized rating agency in its highest rating category, and by at least one other nationally recognized rating agency in either of its two highest rating categories, for comparable types of debt obligations.
- Any fully collateralized repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association or government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured.
- Domestic equity mutual funds rated four (4) stars or higher by Morningstar, Inc. and investment trusts rated AAA.

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Money belonging to the Evergreen Cemetery Trust Fund (a non-major special revenue fund), is invested in accordance with guidelines established by the Evergreen Cemetery Advisory Committee and/or as approved by the City Commission. These guidelines authorize investments in mutual funds including domestic equities, international equities and fixed income funds, as well as in a money market sweep account for cash balances held in the Evergreen Cemetery Trust bank account.

**Custodial Credit Risk**

*Deposits*—Deposits are exposed to custodial credit risk if they are not covered by depository insurance and they are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the City’s name. All deposits of the City are either covered by depository insurance or are collateralized by the pledging financial institution’s trust department or agent in the City’s name.

*Investments*—Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterparty or by the counterparty’s trust department or agent but not in the government’s name. All identifiable investment securities of the City are either insured or are registered in the custodian’s name for the benefit of the City and are held by the counterparty’s trust department or agent.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by a rating by a nationally recognized statistical rating organization. The City has separate investment policies for its major investment categories. Detailed information on the City’s policies on credit risk for investments is described above in the subsection titled “Investment Policies”, separately for each major investment category. Guidelines for the credit ratings of specific types of investments are listed within each major investment category’s investment policy description.

Presented below is the rating as of year-end for each investment type.

**Defined Benefit Pension Investments**

Investment Type	Fair Value	Exempt from Disclosure	AAA	AA	A	BBB
Equities	\$ 369,789,464	\$ 369,789,464	\$ -	\$ -	\$ -	\$ -
Limited Partnerships	61,790,761	61,790,761	-	-	-	-
Real Estate	68,803,694	68,803,694	-	-	-	-
Mutual Funds	115,128,885	115,128,885	-	-	-	-
U.S. Government Bonds	12,367,019	-	12,266,774	100,245	-	-
Corporate Bonds	5,624,914	-	1,549,468	159,185	599,053	3,317,208
Mortgage and Asset Backed	6,022,587	-	4,409,884	338,572	1,274,131	-
<b>Totals</b>	<b>\$ 639,527,324</b>	<b>\$ 615,512,804</b>	<b>\$ 18,226,126</b>	<b>\$ 598,002</b>	<b>\$ 1,873,184</b>	<b>\$ 3,317,208</b>

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***OPEB Investments***

<u>Investment Type</u>	<u>Fair Value</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
Equities	\$ 49,163,610	\$ 49,163,610	\$ -	\$ -	\$ -	\$ -
Limited Partnerships	7,803,999	7,803,999	-	-	-	-
U.S. Government Bonds	898,636	-	898,636	-	-	-
Corporate Bonds	879,505	-	7,950	119,212	369,604	382,739
Mortgage and Asset Backed	762,181	-	-	762,181	-	-
<b>Totals</b>	<b>\$ 59,507,931</b>	<b>\$ 56,967,609</b>	<b>\$ 906,586</b>	<b>\$ 881,393</b>	<b>\$ 369,604</b>	<b>\$ 382,739</b>

***Other than Defined Benefit Pension and OPEB Investments***

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Rating</u>
Florida PRIME	\$ 110,091,356	AAAm
Mutual Funds	1,434,495	NR
U.S. Government Bonds	25,973,672	Exempt
Commercial Paper <sup>(1)</sup>	138,204,555	A-1
Government Agencies	65,185,854	Exempt
Corporate Bonds <sup>(2)</sup>	18,711,184	AA+
<b>Totals</b>	<b>\$ 359,601,116</b>	

(1) As of September 30, 2019, all of GRU's commercial paper investments were rated P-2 or better or not rated (NR) by Moody's Investor Service, and/or A-2 or better by Standard & Poor', and/or F2 or better or NR by Fitch.

(2) As of September 30, 2019, all of GRU's corporate holdings were rated Aa2 or better by Moody's Investor Service, and/or AA or better by Standard & Poor's, and/or AA or better by Fitch, except for Guardian Life for which there were no ratings available.

**Concentration of Credit Risk**

Investments in any one issuer that represent 5% or more of the City's investments are reported below. The City's investment policies do not specifically restrict the concentration allowed to be held with any individual issuer, except that the equity portion of each portfolio manager shall not be more than 10% invested in the securities of any one company at fair value. Investments that represent 5% or more by each category are shown below by issuer and percent of total investments.

***Defined Benefit Pension Investments***

Only mutual fund investments, which are exempt from disclosure requirements, exceed 5% of total defined benefit pension investments.

***OPEB Investments***

No investment in any one issuer exceeds 5% of total OPEB investments.

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***Other than Defined Benefit Pension and OPEB Investments***

As of September 30, 2019, GRU had more than 5% of the investment portfolio invested with the following issuers:

<u>Issuer</u>	<u>Percent</u>
Federal Home Loan Mortgage Corporation	5.50%
Federal Farm Credit Bank	5.07%
Federal Home Loan Bank	11.45%

Other assets held by the City at September 30, 2019, were in mutual funds and local government investment pools, which are exempt from disclosure requirements.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Except for GRU's investment policy, the City's investment policies do not provide specific restrictions as to maturity length of investments. GRU's investment policy limits investments to securities with terms of ten years or less to reduce exposure to rising interest rates, unless investments are matched to meet specific cash flow needs. Additionally, the average portfolio term is not to exceed seven years. GRU's Bond Resolution further limits GRU's investments of the Utility Plant Improvement and Rate Stabilization funds to no more than five years.

Information about the sensitivity of the fair values of the investments to market interest rate fluctuations is provided below, using the segmented time distribution method:

***Defined Benefit Pension Investments***

<u>Investment Type</u>	<u>Fair Value</u>	<u>Exempt from Disclosure</u>	<u>&lt; 2 Years</u>	<u>2-5 Years</u>	<u>5-10 Years</u>	<u>&gt; 10 Years</u>
Equities	\$ 369,789,464	\$ 369,789,464	\$ -	\$ -	\$ -	\$ -
Limited Partnerships	61,790,761	61,790,761	-	-	-	-
Real Estate	68,803,694	68,803,694	-	-	-	-
Mutual Funds	115,128,885	115,128,885	-	-	-	-
U.S. Government Bonds	12,367,019	-	2,142,082	6,180,568	3,006,462	1,037,907
Corporate Bonds	5,624,914	-	629,989	3,032,954	979,298	982,673
Mortgage and Asset Backed	6,022,587	-	674,530	3,247,379	1,048,532	1,052,146
<b>Totals</b>	<b>\$ 639,527,324</b>	<b>\$ 615,512,804</b>	<b>\$ 3,446,601</b>	<b>\$ 12,460,901</b>	<b>\$ 5,034,292</b>	<b>\$ 3,072,726</b>

***OPEB Investments***

<u>Investment Type</u>	<u>Fair Value</u>	<u>Exempt from Disclosure</u>	<u>&lt; 2 Years</u>	<u>2-5 Years</u>	<u>5-10 Years</u>	<u>&gt; 10 Years</u>
Equities	\$ 49,163,610	\$ 49,163,610	\$ -	\$ -	\$ -	\$ -
Limited Partnerships	7,803,999	7,803,999	-	-	-	-
U.S. Government Bonds	898,636	-	243,425	244,045	411,166	-
Corporate Bonds	879,505	-	308,058	367,174	204,273	-
Mortgage and Asset Backed	762,181	-	3,566	-	-	758,615
<b>Totals</b>	<b>\$ 59,507,931</b>	<b>\$ 56,967,609</b>	<b>\$ 555,049</b>	<b>\$ 611,219</b>	<b>\$ 615,439</b>	<b>\$ 758,615</b>



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***Other than Defined Benefit Pension and OPEB Investments***

<u>Investment Type</u>	<u>Fair Value</u>	<u>&lt; 1 Years</u>	<u>1-5 Years</u>
Florida PRIME <sup>(1)</sup>	\$ 110,091,356	\$ 110,091,356	\$ -
Mutual Funds	1,434,495	1,434,495	-
Commercial Paper	138,204,555	138,204,555	-
Corporate Bonds	18,711,184	6,208,782	12,502,402
Government Agencies	65,185,854	9,707,157	55,478,697
U.S. Government Bonds	25,973,672	18,939,413	7,034,259
<b>Totals</b>	<b>\$ 359,601,116</b>	<b>\$ 284,585,758</b>	<b>\$ 75,015,358</b>

<sup>(1)</sup> The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2019, is 37 days. The weighted average life (WAL) of Florida PRIME at September 30, 2019, is 85 days.

**Note 4 - Fair Value Measurements**

The City records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Fair value is defined in GASB Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- **Level 1**—inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. U.S. Treasury securities are examples of Level 1 investments.
- **Level 2**—inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. U.S. agencies, corporate bonds, and financial hedges are examples of Level 2 investments.
- **Level 3**—inputs are unobservable inputs that reflect the City’s own assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

Valuation methods of the primary fair value measurements are as follows:

- U.S. Treasury securities are valued using quoted market prices (Level 1 inputs).

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- Investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating.
- Commodity derivatives, such as futures, swaps and options, which are ultimately settled using prices at locations quoted through clearinghouses are valued using level 1 inputs.
- Other hedging derivatives, such as swaps settled using prices at locations other than those quoted through clearinghouses and options with strike prices not identically quoted through a clearinghouse, are valued using Level 2 inputs. For these instruments, fair value is based on pricing algorithms using observable market quotes.

***Defined Benefit Pension Investments***

The City's Defined Benefit Pension Plan categorizes its investments within the fair value hierarchy as follows:

Investments by Fair Value	September 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt Securities:</b>				
U.S. Treasury Securities	\$ 12,367,019	\$ 12,367,019	\$ -	\$ -
Mortgage Backed Securities	6,022,587	-	6,022,587	-
Corporate Bonds	5,624,914	-	5,624,914	-
<b>Total Debt Securities</b>	<b>24,014,520</b>	<b>12,367,019</b>	<b>11,647,501</b>	<b>-</b>
<b>Equity Securities:</b>				
Communication Services	16,340,554	16,340,554	-	-
Consumer Discretionary	45,671,015	45,671,015	-	-
Consumer Staples	18,672,718	18,672,718	-	-
Energy	18,505,094	18,505,094	-	-
Financials	57,186,397	57,186,397	-	-
Health Care	47,641,006	47,641,006	-	-
Industrials	55,906,470	55,906,470	-	-
Information Technology	78,618,811	78,618,811	-	-
Materials	16,713,215	16,713,215	-	-
Utilities	6,954,880	6,954,880	-	-
Other	7,579,304	7,579,304	-	-
<b>Total Equity Securities</b>	<b>369,789,464</b>	<b>369,789,464</b>	<b>-</b>	<b>-</b>
Limited Partnerships	61,790,761	-	52,685,752	9,105,009
Mutual Funds	115,128,885	115,128,885	-	-
Real Estate	68,803,694	-	-	68,803,694
<b>Total Investments at Fair Value</b>	<b>\$ 639,527,324</b>	<b>\$ 497,285,368</b>	<b>\$ 64,333,253</b>	<b>\$ 77,908,703</b>

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**Investments Measured at Fair Value**

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**OPEB Investments**

The City's OPEB Benefit Plan categorizes its investments within the fair value hierarchy as follows:

**Investments Measured at Fair Value**

Investments by Fair Value	September 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt Securities:</b>				
U.S. Treasury Securities	\$ 898,636	\$ 898,636	\$ -	\$ -
Mortgage Backed Securities	762,181	-	762,181	-
Corporate Bonds	879,505	-	879,505	-
<b>Total Debt Securities</b>	<b>2,540,322</b>	<b>898,636</b>	<b>1,641,686</b>	<b>-</b>
<b>Equity Securities:</b>				
Communication Services	3,295,657	3,295,657	-	-
Consumer Discretionary	3,845,217	3,845,217	-	-
Consumer Staples	3,019,493	3,019,493	-	-
Energy	2,149,199	2,149,199	-	-
Financials	7,752,992	7,752,992	-	-
Health Care	5,488,745	5,488,745	-	-
Industrials	5,950,303	5,950,303	-	-
Information Technology	7,594,481	7,594,481	-	-
Materials	2,144,760	2,144,760	-	-
Utilities	1,403,447	1,403,447	-	-
Other	6,519,316	6,519,316	-	-
<b>Total Equity Securities</b>	<b>49,163,610</b>	<b>49,163,610</b>	<b>-</b>	<b>-</b>
Limited Partnerships	7,803,999	-	-	7,803,999
<b>Total Investments at Fair Value</b>	<b>\$ 59,507,931</b>	<b>\$ 50,062,246</b>	<b>\$ 1,641,686</b>	<b>\$ 7,803,999</b>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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***Other than Defined Benefit Pension and OPEB Investments***

The City's financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The City's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels. The City's fair value measurements are performed on a recurring basis. The following table presents fair value balances and their levels within the fair value hierarchy as of September 30, 2019:

Investments by Fair Value	September 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
Florida PRIME <sup>(1)</sup>	\$ 110,091,356	\$ -	\$ -	\$ -
Mutual Funds	1,434,495	1,434,495	-	-
Commercial Paper <sup>(2)</sup>	138,204,555	-	-	-
U.S. Treasury Securities	25,973,672	-	25,973,672	-
U.S. Agencies:				
Federal Home Loan Mortgage Corp.	13,646,259	-	13,646,259	-
Federal National Mortgage Assn.	10,548,289	-	10,548,289	-
Federal Home Loan Bank	28,403,437	-	28,403,437	-
Federal Farm Credit Bank	12,587,869	-	12,587,869	-
Corporate Bonds:				
Massmutual Global Funding	4,994,241	-	4,994,241	-
Guardian Life	5,497,019	-	5,497,019	-
Walmart	4,008,884	-	4,008,884	-
New York Life	4,211,040	-	4,211,040	-
<b>Total Investments at Fair Value Level</b>	<b>\$ 359,601,116</b>	<b>\$ 1,434,495</b>	<b>\$ 109,870,710</b>	<b>\$ -</b>
<b>Liabilities</b>				
Effective Interest Rate Swaps	\$ (78,573,638)	\$ -	\$ (78,573,638)	\$ -
Ineffective Interest Rate Swaps	(2,525,773)	-	(2,525,773)	-
<b>Total Financial Instruments</b>	<b>\$ (81,099,411)</b>	<b>\$ -</b>	<b>\$ (81,099,411)</b>	<b>\$ -</b>

(1) The City's investment in Florida PRIME is administered by the State Board of Administration (SBA) and represents an investment in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. The City's investment in Florida PRIME qualifies under the provisions of GASB Statement No. 79 to be measured at amortized cost for financial reporting purposes. As of September 30, 2019, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

(2) Money market investments and participating interest-earning investment contracts, including commercial paper, that have a remaining maturity at the time of purchase of one year or less are measured at amortized cost.

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**Note 5 - Retirement Plans**

The City sponsors and administers two single-employer retirement plans, which are accounted for in separate Pension Trust Funds.

- Employees’ Pension Plan (Employees’ Plan)
- Consolidated Police Officers’ and Firefighters’ Retirement Plan (Consolidated Plan)

**A. Employees’ Plan**

*Plan Description*—The Employees’ Plan is a contributory defined benefit single-employer pension plan that covers all permanent employees of the City, except certain personnel who elected to participate in the Defined Contribution Plan and who were grandfathered into that plan, and police officers and firefighters who participate in the Consolidated Plan. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. The costs of administering the plan, like other plan costs, are captured within the plan itself and financed through contribution and investment income, as appropriate.

The City issues a publicly available financial report that includes financial statements and required supplementary information for the Employees’ Plan. That report may be obtained by writing to City of Gainesville, Budget & Finance Department, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

*Benefits Provided*—The Employees’ Plan provides retirement, disability and death benefits. Prior to April 2015, disability benefits were provided through a separate plan which was subsequently terminated. Existing and future pension assets and pension liabilities were transferred to the Employees’ Plan at that time.

Retirement benefits for employees are calculated as a fixed percent (often referred to as “the multiplier”) of the employee’s final average earnings (FAE) times the employee’s years of service. The fixed percentage and final average earnings vary depending on the date of hire as follows:

Date of Hire	Fixed Percent of FAE (Multiplier)	Final Average Earnings
On or Before 10/01/2007	2.0%	Highest 36 consecutive months
10/02/2007 – 10/01/2012	2.0%	Highest 48 consecutive months
On or After 10/02/2012	1.8%	Highest 60 consecutive months

For service earned prior to 10/01/2012, the lesser number of unused sick leave or personal critical leave bank credits earned on or before 09/30/2012 or the unused sick leave or personal critical leave bank credits available at the time of retirement may be credited towards the employee’s years of service for that calculation. For service earned on or after 10/01/2012, no additional months of service will be credited for unused sick leave or personal critical leave bank credits.

Retirement eligibility is also tiered based on date of hire as follows:

- Employees are eligible for normal retirement:

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- If the date of hire occurred on or before 10/02/2007, after accruing 20 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 65 while still employed.
  - If the date of hire was between 10/02/2007 and 10/01/2012, after accruing 25 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 65 while still employed.
  - If the date of hire was on or after 10/02/2012, after accruing 30 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 65 while still employed.
- Employees are eligible for early retirement:
- If the date of hire occurred on or before 10/01/2012, after accruing 15 years of pension service credit and reaching age 55 while still employed.
  - If the date of hire was on or after 10/02/2012, after accruing 20 years of pension service credit and reaching age 60 while still employed.
  - Under the early retirement option, the benefit is reduced by  $5/12^{\text{ths}}$  of one percent for each month (5% for each year) by which the retirement date is less than the date the employee would reach age 65.
- Employees receive a deferred vested benefit if they are terminated after accruing five years of pension service credit but prior to eligibility for regular retirement. Those employees will be eligible to receive a benefit starting at age 65.

A 2% cost of living adjustment (COLA) is applied to retirements benefits each October 1 if the retiree has reached eligibility for COLA prior to that date. Eligibility for COLA is determined as follows:

- If the retiree had at least 20 years of credited service prior to 10/01/2012 and had at least 20 years but less than 25 years of credited service upon retirement, COLA begins after reaching age 62.
- If the retiree had at least 20 years of credited service prior to 10/01/2012 and had at least 25 years of credited service upon retirement, COLA begins after reaching age 60.
- If the retiree was hired on or before 10/01/2012 and had less than 20 years of credited service on or before 10/01/2012 and 25 years or more of credited service upon retirement, COLA begins after reaching age 65.
- If the retiree was hired after 10/01/2012 and had 30 years or more of credited service upon retirement, COLA begins after age 65.

Employees hired on or before 10/01/2012 are eligible to participate in the deferred retirement option plan (DROP) when they have completed 27 years of credited service and are still employed by the City. Such employees retire from the Employees' Plan but continue to work for the City. The retirement benefit is calculated as if the employee had terminated employment and is paid to a DROP account held within the pension plan until the employee actually leaves the employment of the City. While in DROP, these payments earn a guaranteed rate of annual interest, compounded monthly. For employees who entered DROP on or before 10/01/2012, DROP balances earn 6% annual interest. For employees who entered DROP on or after 10/02/2012, DROP balances earn 2.25% annual interest. Employees may continue in the DROP for a maximum of 5 years or until reaching 35 years of service, whichever occurs earlier. Upon actual separation from employment, the monthly retirement benefits begin being paid directly to the retiree and the retiree must take their DROP balance plus interest as a lump-sum cash disbursement, roll into a retirement account or choose a combination of the two options.

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Death benefits are paid as follows:

- If an active member retires after reaching normal retirement eligibility and had selected a tentative benefit option, benefit payments will be made to the beneficiary in accordance with the option selected.
- If an active member who is married dies after reaching normal retirement eligibility and did not previously select a tentative benefit option, the plan assumes the employee retired the day prior to death and elected the Joint & Survivor option naming their spouse as their beneficiary.
- If an active member who is not married dies after reaching normal retirement eligibility and did not previously select a tentative benefit option, or if an active member dies prior to reaching normal retirement eligibility, or if a non-active member with a deferred vested benefit dies before age 65, the death benefit is a refund of the member's contributions without interest to the beneficiary on record.
- Continuation of retirement benefits after the death of a retiree receiving benefits is contingent on the payment option selected upon retirement. If the retiree has chosen a life annuity and dies prior to receiving benefits greater than the retiree's contributions to the plan, a lump sum equal to the difference is paid to the beneficiary on record.

Disability benefits are paid to eligible regular employees of the City who become totally and permanently unable to perform substantial work for pay within a 50-mile radius of the home or city hall, whichever is greater, and who is wholly and continuously unable to perform any and every essential duty of employment, with or without a reasonable accommodation, or of a position to which the employee may be assigned. The basic disability benefit is equal to the greater of the employee's years of service credit times 2% with a minimum 42% for in line of duty disability and a minimum 25% for other than in line of duty disability, times the employee's final average earnings as would be otherwise calculated under the plan. The benefit is reduced by any disability benefit percent up to a maximum of 50% multiplied by the monthly Social Security primary insurance amount to which the employee would be initially entitled to as a disabled worker, regardless of application status. The disability benefit is limited to the lesser of \$3,750 per month or an amount equal to the maximum benefit percent, less reductions above and the initially determined wage replacement benefit made under workers' compensation laws.

*Employees covered by benefit terms.* At September 30, 2019, the following employees were covered by the benefit terms:

Active employees	1,553
Inactive employees:	
Retirees and Beneficiaries Currently Receiving Benefits	1,352
Terminated Members and Survivors of Deceased Members	
Entitled to Benefits but not Yet Receiving Benefits	428
<b>Total</b>	<b>3,333</b>

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*Contribution Requirements*—The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission. The City is required to contribute at an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City contributes the difference between the actuarially determined rate and the contribution rate of employees. Plan members are required to contribute 5% of their annual covered salary. The rate for fiscal year 2019 was 18.40% of covered payroll. This rate was influenced by the issuance of the Taxable Pension Obligation Bonds, Series 2003A. The proceeds from this issue were utilized to retire the unfunded actuarial accrued liability at that time in the Employees’ Plan. Differences between the required contribution and actual contribution are due to actual payroll experiences varying from the estimated total payroll used in the generation of the actuarially required contribution rate. Administrative costs are financed through investment earnings.

*Net Pension Liability*—The net pension liability related to the Employee’s Plan was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

The components of the net pension liability at September 30, 2019, were as follows:

<b>Components of Net Pension Liability</b>	
Total Pension Liability	\$ 585,350,537
Plan Fiduciary Net Position	<u>(415,287,016)</u>
City’s Net Pension Liability	<u>\$ 170,063,521</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 70.95%

*Significant Actuarial Assumptions*—The total pension liability as of September 30, 2019, was determined based on a roll-forward of entry age normal liabilities from the October 1, 2018, actuarial valuation to the pension plan’s fiscal year end of September 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Actuarial Assumptions</u>	
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	7.90%
Discount Rate	7.90%

Mortality Rate:

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected generationally with Mortality Improvement Scale BB.



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Long-Term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For 2019, the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Employees' Plan target asset allocation are summarized in the following table:

**Development of Long-Term Discount Rate for General Employees' Pension Plan**

	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic Equity	47.00%	7.50%
International Equity	28.00%	8.50%
Broad Market Fixed Income	8.00%	2.50%
Real Estate	12.00%	4.50%
Alternative	5.00%	7.00%
<b>Total</b>	<b>100.00%</b>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at October 1, 2018</b>	\$ 556,402,274	\$ 432,508,135	\$ 123,894,139
Changes for the Year:			
Service Cost	7,962,015	-	7,962,015
Interest	43,726,387	-	43,726,387
Differences Between Expected and Actual Experience	6,644,543	-	6,644,543
Changes to Assumptions	6,062,725	-	6,062,725
Contributions - Buy Back	121,500	121,500	-
Benefit Payments, Including Refunds of Employee Contributions	(35,568,906)	(35,568,906)	-
Contributions - Employer	-	16,939,286	(16,939,286)
Contributions - Employee	-	4,602,400	(4,602,400)
Net Investment Income	-	(2,731,366)	2,731,366
Administrative Expense	-	(584,033)	584,033
Net Changes	28,948,264	(17,221,119)	46,169,383
<b>Balance at September 30, 2019</b>	<b>\$ 585,350,538</b>	<b>\$ 415,287,016</b>	<b>\$ 170,063,522</b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:**

The following presents the net pension liability, calculated using the discount rate of 7.90%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.90%) or 1 percentage-point higher (8.90%) than the current rate:

	1% Decrease (6.90%)	Current Discount Rate (7.90%)	1% Increase (8.90%)
Net Pension Liability	\$ 236,933,522	\$ 170,063,521	\$ 114,028,644

*Pension Plan Fiduciary Net Position*—Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Plan financial report.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*—For the year ended September 30, 2019, the City recognized pension expense for the Employees' Plan of \$28,003,352. At September 30, 2019, the City reported deferred outflows of resources related to the Employees' Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 8,793,725	\$ 2,968,345
Changes of Assumptions	19,803,879	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,349,873	-
<b>Total</b>	<b>\$ 32,947,477</b>	<b>\$ 2,968,345</b>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Employees' Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Net Deferred Outflows/(Inflows) of Resources
2020	\$ 7,876,922
2021	5,742,079
2022	6,468,192
2023	9,891,939
2024	-
Thereafter	-

**B. Consolidated Plan**

*Plan Description*—The Consolidated Plan is a contributory defined benefit single-employer pension plan that covers City sworn police officers and firefighters. The Plan is established under City of Gainesville Code of Ordinances, Article 7, Chapter 2, Division 8. It complies with the provisions of Chapter 112, Part VII, Florida Statutes; Chapter 22D-1 of the Florida Administrative Code; Chapters 175 and 185, Florida Statutes; and Article X, Section 14 of the Florida Constitution, governing the establishment, operation and administration of plans.

Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. The costs of administering the plan, like other plan costs, are captured within the plan itself and financed through contribution and investment income, as appropriate.

The City issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

*Benefits Provided for Police Officers*—The Consolidated Plan provides retirement, disability and death benefits. Retirement benefits for employees are calculated as a fixed percent (often referred to as “the multiplier”) of the employee’s final average earnings (FAE) times the employee’s years of service. For Police Officers, the final average monthly earnings (FAME) is the average of pensionable earnings during the 36 to 48 month period (depending on date of hire) that produces the highest earnings. For Police Officers, the benefit multiplier is 2.5% for credited service before 10/01/2005, 2.625% for credited service from 10/01/2005 to 07/01/2013 and 2.5% for credited service on and after 07/01/2013.

Retirement eligibility for Police Officers is tiered based on date of hire as follows:

- Employees are eligible for normal retirement:
  - If the date of hire occurred prior to 07/01/2013, after accruing 20 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed, or attaining a combination of credited service and age that equals seventy (Rule of Seventy).

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- If the date of hire was on or after 07/01/2013, after accruing 25 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed, or attaining a combination of credited service and age that equals seventy.
- Employees are eligible for early retirement:
  - After accruing 10 years of pension service credit and reaching age 50 while still employed.
- Under the early retirement option, the benefit is reduced 3% for each year by which the retirement date is less than the date the employee would reach age 55.
- Employees may choose to receive a refund on contributions to the plan or to receive a deferred vested benefit if they are terminated after accruing 10 years of pension service credit but prior to eligibility for regular retirement. Those employees will be eligible to receive a benefit starting at age 55 with no reduction or at age 50 with the early retirement penalty above.

A 1-2% cost of living adjustment (COLA) is applied to retirement benefits each October 1 if the retiree has reached eligibility for COLA prior to that date. Eligibility for COLA is determined as follows:

- If the retiree was eligible for retirement on or before 07/01/2013 and had at least 25 years of credited service upon retirement, 2% COLA begins after reaching age 55.
- If the retiree was eligible for retirement on or before 07/01/2013 had 20 years of credited service upon retirement, 2% COLA begins after reaching age 62.
- If the retiree was eligible for retirement after 07/01/2013 and had 25 years of credited service upon retirement 1% COLA begins after reaching age 55 and the COLA increases to 2% after reaching age 62.
- If the retiree retired under the Rule of Seventy with less than 20 years of credited service upon retirement, COLA begins after age 62. Effective July 1, 2013, Police Officers retiring under the Rule of Seventy are ineligible for COLA.

*Benefits Provided for Firefighters*—The Consolidated Plan provides retirement, disability and death benefits. Retirement benefits for employees are calculated as a fixed percent (often referred to as “the multiplier”) of the employee’s final average earnings (FAE) times the employee’s years of service. For Firefighters, the final average monthly earnings (FAME) is the average of pensionable earnings during the 36 month period that produces the highest earnings. For Firefighters, the benefit multiplier is 2.5% for credited service before 10/01/2005, 2.625% for credited service from 10/01/2005 to 12/31/2013 and 2.5% for credited service on and after 01/01/2014.

For service earned prior to 01/01/2014, the lesser number of unused sick leave credits earned on or before 12/31/2013 or the unused sick leave bank credits available at the time of retirement may be credited towards the employee’s years of service for that calculation. For service earned on or after 01/01/2014, no additional months of service will be credited for unused sick leave credits.

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Retirement eligibility for Firefighters is as follows:

- Employees are eligible for normal retirement:
  - If the date of hire occurred prior to 01/01/2014, after accruing 20 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed, or attaining a combination of credited service and age that equals seventy (Rule of Seventy).
  - If the date of hire was on or after 01/01/2014, after accruing 25 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed, or attaining a combination of credited service and age that equals seventy.
- Employees are eligible for early retirement:
  - After accruing 10 years of pension service credit and reaching age 50 while still employed.
  - Under the early retirement option, the benefit is reduced 3% for each year by which the retirement date is less than the date the employee would reach age 55.
- Employees may choose to receive a refund on contributions to the plan or to receive a deferred vested benefit if they are terminated after accruing 10 years of pension service credit but prior to eligibility for regular retirement. Those employees will be eligible to receive a benefit starting at age 55 with no reduction or at age 50 with the early retirement penalty above.

A 2% cost of living adjustment (COLA) is applied to retirement benefits each October 1 if the retiree has reached eligibility for COLA prior to that date. Eligibility for COLA is determined as follows:

- If the retiree had at least 25 years of credited service upon retirement, COLA begins after reaching age 55.
- If the retiree had 20 years of credited service upon retirement, COLA begins after reaching age 62.
- If the retiree retired under the Rule of Seventy with less than 20 years of credited service upon retirement, COLA begins after age 62.

*Benefits Provided to Both Police Officers and Firefighters*—Employees are eligible to participate in the deferred retirement option plan (DROP) when they have completed 25 years of credited service and are still employed by the City (or meet the Rule of Seventy). Such employees retire from the Consolidated Plan but continue to work for the City. The retirement benefit is calculated as if the employee had terminated employment and is paid to a DROP account held within the pension plan until the employee actually leaves the employment of the City. While in DROP, these payments earn a guaranteed rate of annual interest, (5.5% for Firefighters and 4.5% for Police Officers) compounded monthly. Employees may continue in the DROP for a maximum of 5 years or until reaching 35 years of service, whichever occurs earlier.

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Upon actual separation from employment, the monthly retirement benefits begin being paid directly to the retiree and the retiree must take their DROP balance plus interest as a lump-sum cash disbursement, roll into a retirement account or choose a combination of the two options. The Consolidated Plan also provides for a reverse DROP option.

Death benefits are paid as follows:

- If an active member retires after reaching normal retirement eligibility and had selected a tentative benefit option, benefit payments will be made to the beneficiary in accordance with the option selected.
- If an active member with less than ten years of service dies before reaching normal retirement eligibility, the death benefit is a refund to the beneficiary of 100% of the member contributions without interest.
- If an active member with at least ten years of service dies before reaching normal retirement eligibility, the beneficiary is entitled to the benefits otherwise payable to the employee at early or normal retirement age, based on the accrued benefit at the time of death.
- Continuation of retirement benefits after the death of a retiree receiving benefits is contingent on the payment option selected upon retirement. If the retiree has chosen a life annuity and dies prior to receiving benefits greater than the retiree’s contributions to the plan, a lump sum equal to the difference is paid to the beneficiary on record.

*Disability Benefits*—The monthly benefit for a service-incurred disability is the greater of the employee’s accrued benefit as of the date of disability or 42% of the FAME. The monthly benefit for a non-service-incurred disability is the greater of the accrued benefit as of the date of disability or 25% of the FAME. Payments continue until the death of the member or until the 120<sup>th</sup> payment, payable to the designated beneficiary if no option is elected. There is no minimum eligibility requirement if the injury or disease is service-incurred. If the injury or disease is not service-incurred, the employee must have at least five years of service to be eligible for disability benefits.

*Employees Covered by Benefit Terms*—At September 30, 2019, the following employees were covered by the benefit terms:

Active Employees	393
Inactive Employees:	
Retirees and Beneficiaries Currently Receiving Benefits	465
Retirees and Beneficiaries Entitled to but not Yet Receiving Benefits	35
<b>Total</b>	<b>893</b>

*Contribution Requirements*—The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission in accordance with Part V11, Chapter 112, Florida Statutes.

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The City is required to contribute at an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Firefighters contribute 9.0% of gross pay and Police Officers contribute 7.5% of gross pay. The City’s contribution rate for fiscal year 2019 was 18.86% of covered payroll for police personnel and 22.41% for fire personnel. This rate was influenced by the issuance of the Taxable Pension Obligation Bonds, Series 2003B. Differences between the required contribution and actual contribution are due to actual payroll experiences varying from the estimated total payroll used in the generation of the actuarially required contribution rate. Administrative costs are financed through investment earnings.

*Net Pension Liability*—The net pension liability related to the Consolidated Plan was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

The components of the net pension liability reported at September 30, 2019, were as follows:

<b>Components of Net Pension Liability</b>	
Total Pension Liability	\$ 294,514,116
Plan Fiduciary Net Position	<u>(243,431,612)</u>
City’s Net Pension Liability	<u>\$ 51,082,504</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 82.66%

*Significant Actuarial Assumptions*—The total pension liability was determined based on entry age normal liabilities using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Actuarial Assumptions</u>	
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	7.90%
Discount Rate	7.90%

Mortality Rate:

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected generationally with Mortality Improvement Scale BB.

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Other Assumptions:

The actuarial assumptions used as of September 30, 2017, were based on the assumptions approved by the Board in conjunction with an experience study covering the 5 year period ending on September 30, 2010. Due to plan changes first valued in the October 1, 2012, actuarial valuation, changes to the assumed retirement rates and the valuation methodology for the assumed increase in benefit service for accumulated sick leave and accumulated vacation paid upon termination were made. Payroll growth assumptions were updated in 2012 and investments were reviewed by the Board in February of 2015, based on an asset liability study reflecting the current investment policy.

Long-Term Expected Rate of Return:

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019 the inflation rate assumption of the investment advisor was 2.00%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

**Development of Long-Term Discount Rate for the Consolidated Plan**

	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return *</b>
Large Cap Equity	35.00%	4.40%
Small Cap Equity	15.00%	4.40%
International Equity	20.00%	4.90%
Alternative Credit	15.00%	3.30%
Fixed Income	5.00%	1.60%
Real Estate	10.00%	4.10%
<b>Total</b>	<b>100.00%</b>	

\* Based on 10 year returns

Discount Rate:

The discount rate used to measure the total pension liability was 7.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member and State contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at October 1, 2018</b>	\$ 285,979,686	\$253,221,825	\$ 32,757,861
Changes for the Year:			
Service Cost	3,757,740	-	3,757,740
Interest	22,397,470	-	22,397,470
Differences Between Expected and Actual Experience	(1,185,483)	-	(1,185,483)
Changes to Assumptions	3,102,805	-	3,102,805
Benefit Payments, Including Refunds of Employee Contributions	(19,538,102)	(19,538,102)	-
Contributions - Employer	-	4,958,811	(4,958,811)
Contributions - Employee	-	1,946,523	(1,946,523)
Other	-	91,875	(91,875)
Net Investment Income	-	3,521,972	(3,521,972)
Administrative Expense	-	(771,292)	771,292
Net Changes	8,534,430	(9,790,213)	18,324,643
<b>Balance at September 30, 2019</b>	\$ 294,514,116	\$243,431,612	\$ 51,082,504

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability, calculated using the discount rate of 7.90%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.90%) or 1 percentage-point higher (8.90%) than the current rate:

	1% Decrease (6.90%)	Current Discount Rate (7.90%)	1% Increase (8.90%)
Net Pension Liability	\$ 85,602,092	\$ 51,082,504	\$ 22,476,805

*Pension Plan Fiduciary Net Position*—Detailed information about the pension plan's fiduciary net position is available in the separately issued Consolidated Plan financial report.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*—For the year ended September 30, 2019, the City recognized pension expense for the Consolidated Plan of \$8,386,974. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Consolidated Plan from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,003,186	\$ 3,920,861
Changes of Assumptions	7,036,787	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>3,085,045</u>	<u>-</u>
<b>Total</b>	<u>\$ 11,125,018</u>	<u>\$ 3,920,861</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2020	\$ (676,663)
2021	825,285
2022	3,317,748
2023	3,700,193
2024	37,594
Thereafter	-

**C. Defined Contribution Pension Plan**

*Plan Description*—The Defined Contribution Pension Plan is open to certain existing City professional and managerial employees. The plan is only available to newly hired at-will professional and managerial employees. The Commission of the City of Gainesville adopted this plan and related amendments through a City Ordinance.

The plan is qualified under the provisions of Section 401A of the Internal Revenue Code. Assets of the Defined Contribution Plan are self-directed, and investment results are reported to employees quarterly. The City does not have fiduciary accountability for the Defined Contribution Pension Plan and, accordingly, the plan is not reported in the accompanying financial statements.

*Funding Policy*—The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission in accordance with applicable State Statute. Plan members are required to contribute 5% of their annual covered salary. The City is required to contribute 10% of covered payroll. During fiscal year 2019, plan members contributed \$199,717 and the City contributed \$327,258.

**D. Florida Retirement System (FRS) Retirement Benefits**

The City's elected officials are eligible to participate in the FRS, a single retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, which consists of two cost-sharing, multiple-employer defined benefit plans and other non-integrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

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The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2019, were as follows:

	<b>FRS</b>	<b>HIS</b>
Elected Officials	47.16%	1.66%

The City's contribution for the year ended September 30, 2019 were \$89,357 to the FRS Pension Plan and \$4,199 to the HIS Program.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2019, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2019. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

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	FRS	HIS
Net Pension Liability	\$ 979,195	\$ 83,552
Proportion at:		
Current Measurement Date	0.002843306%	0.000746732%
Prior Measurement Date	0.002814934%	0.000727648%
Pension Expense	\$ 304,677	\$ 5,898

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 23,831	\$ -	\$ 1,116	\$ -
Difference Between Expected and Actual Experience	58,079	608	1,015	102
Change of Assumptions	251,499	-	9,675	6,829
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	74,075	56,442	8,656	8,051
Net Difference Between Projected and Actual Earnings on Pension Investments	-	54,174	54	-
<b>Total</b>	\$ 407,484	\$ 111,224	\$ 20,516	\$ 14,982

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending	FRS Amount	HIS Amount
2020	\$ 120,185	\$ 1,115
2021	27,318	698
2022	57,580	489
2023	48,400	(458)
2024	15,332	1,383
Thereafter	3,614	1,191

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**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2019. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2019. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.60%	2.60%
Salary Increases	3.25%	3.25%
Investment Rate of Return	6.90%	N/A
Discount Rate	6.90%	3.50%

Mortality assumptions for FRS Pension Plan were based on the PUB2010 base table varying by member category and sex, project generationally with Scale MP-2018. The HIS Plan was based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Assumed Inflation – Mean		2.6%		1.7%

**Note:** (1) As Outlined in the Plan's Investment Policy.

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Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

<i>FRS</i>	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
City’s Proportionate Share of the Net Pension Liability	\$ 1,692,702	\$ 979,195	\$ 383,296

<i>HIS</i>	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
City’s Proportionate Share of the Net Pension Liability	\$ 95,379	\$ 83,552	\$ 73,702

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

**Note 6 - Other Postemployment Benefits Plan**

**Plan Description**

By ordinance enacted by the City Commission, the City has established the Retiree Health Care Plan (RHCP), a single-employer defined benefit postemployment health care plan that covers eligible retired employees. RHCP, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City’s retirement plans to continue medical coverage as a participant in the City’s plan. Administrative costs are financed through investment earnings.

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The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the RHCP. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

**Benefits Provided**

Prior to September 1, 2008, normal or early retirees are subsidized \$10.00 times the number of years of credited service plus one of the following:

- a. Plus \$5.00 times the numbers of years of age and portion thereof over 65, on the date that retiree first enters the retiree health insurance program or January 1, 2009, whichever is later; or
- b. Minus \$5.00 times the number of years of age and portion thereof under 65, on the date that retiree first enters the retiree health insurance program or January 1, 2009, whichever is later.

DROP participants who have entered a regular DROP before September 1, 2008, or who have declared their intention to reverse DROP before September 1, 2008, shall have the period of employment while in the regular DROP, or the period of employment after the effective date of commencement of participation in the (reverse) DROP, added to credited service for purposes of the calculation described above.

For disabled retirees, the amount that the City will contribute towards the required premium, for persons who become retirees based upon application for disability retirement submitted before September 1, 2008, will be an amount equal to:

- a. 80% of the individual premiums of the least costly city group health plan option being offered at that time.
- b. The City will contribute towards any other tier of coverage an amount equal to 150% of the individual premium of the least costly City group plan option being offered at that time.

For current retirees age 65 or older on January 1, 2009, the amount the City will contribute towards the required premium will be the greater of the amount contributed for the month of August 2008 or the amount determined under the provisions of the RHCP.

After August 31, 2008, normal or early retirees are subsidized \$10.00 times the number of years of credited service plus one of the following:

- a. Plus \$5.00 times the numbers of years of age and portion thereof over 65, on the date that retiree first enters the retiree health insurance program; or
- b. Minus \$5.00 times the number of years of age and portion thereof under 65, on the date that retiree first enters the retiree health insurance program.

DROP participants who have entered a regular DROP after August 31, 2008, or who have declared their intention to reverse DROP after August 31, 2008, shall not have the period of employment while in regular DROP, or the period of employment after the effective date of commencement of participation in the (reverse) DROP, count as credited service for purposes of the calculation described above.

For disabled retirees, the amount that the City will contribute towards the required premium, for persons who become retirees based upon application for disability retirement submitted after August 31, 2008, will be:

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- a. For approved “in-line-of-duty” disabilities under the Consolidated Plan or the City’s Employees’ Disability Plan, the City will contribute towards an individual premium an amount equal to:
  - i. 80% of the individual premiums of the least costly city group health plan option being offered at the time the disability retirement is approved.
  - ii. The City will contribute towards any other tier of coverage an amount equal to 150% of the individual premium of the least costly City group plan option being offered at the time the disability retirement is approved.
- b. For approved disabilities other than “in-line-of-duty”, the City will contribute 50% of the amount described above.

Those who do not meet the age and service requirements above are eligible for coverage only. Retirees must pay 100% of the active premium rates up to age 65, the 100% of the Medicare supplement premium rate.

**Employees Covered by Benefit Terms**

At September 30, 2019, the following employees were covered by the benefit terms:

Active Employees	2,068
Inactive Employees:	
Retirees and Beneficiaries Currently Receiving Benefits	869
Vested Terminated Members Entitled to Future Benefits	1,131
<b>Total</b>	<b>4,068</b>

**Contributions**

The contribution policy of the City is established and may be amended by the City at any time. The annual contribution consists of the normal cost amount developed annually plus, given there is any unfunded actuarial accrued liability (UAAL), an amount to amortize said UAAL over 10 years from inception. For the 2019 fiscal year, the City contributed a total of \$2,348,167 to pre-fund benefits.

In July 2005, the City issued \$35,210,000 Taxable Other Postemployment Benefit (OPEB) bonds to retire the unfunded actuarial accrued liability then existing in the RHCP Trust Fund. This allowed the City to reduce its contribution rate.

**Investment Policy**

The City Commission has the responsibility to develop a policy for the investment of the assets of the RHCP. The investment of the assets must be consistent with the written investment policy adopted by the City Commission (Section 2-438 of the Gainesville City Code). The policies are structured to maximize the financial return to the RHCP consistent with the risks incumbent in each investment and are structured to establish and maintain an appropriate diversification of the RHCP’s assets. The City Commission periodically undertakes studies to evaluate the potential consequence of alternative investment strategies on the long term well-being of the RHCP.



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**Net OPEB Liability**

The net OPEB liability related to the RHCP was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2018, rolled forward to September 30, 2019.

The components of the net OPEB liability at September 30, 2019, were as follows:

**Components of Net OPEB Liability**

Total OPEB Liability	\$ 77,815,468
Plan Fiduciary Net Position	<u>(63,674,314)</u>
City's OPEB Liability	<u>\$ 14,141,154</u>

Plan fiduciary net position as a percentage of the total OPEB liability	81.83%
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**Significant Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of October 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	3.00%
Investment Return Rate	7.90%
Salary Increase	Service Based
Discount Rate	7.90%
Healthcare Cost Trend Rate	8.30% to 4.50%

**Mortality Rate**

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2018, Florida Retirement System (FRS) valuation report.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on RHCP investments can be determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of RHCP investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Equities	80.00%	9.00%
Real Estate	10.00%	6.00%
Alternative Investments	5.00%	8.00%
Fixed Income	5.00%	4.00%
<b>Total</b>	<u>100.00%</u>	

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**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member contributions. Based on those assumptions, the RHCPs fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>Balance at October 1, 2018</b>	\$ 74,213,753	\$ 67,399,291	\$ 6,814,462
Changes for the Year:			
Service Cost	1,591,950	-	1,591,950
Interest	5,887,782	-	5,887,782
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	625,481		625,481
Contributions - Employer	-	2,348,167	(2,348,167)
Net Investment Income	-	(1,550,570)	1,550,570
Benefit Payments	(4,503,496)	(4,503,496)	-
Administrative Expense	-	(19,078)	19,078
Net Changes	3,601,717	(3,724,977)	7,326,694
<b>Balance at September 30, 2019</b>	<u>\$ 77,815,470</u>	<u>\$ 63,674,314</u>	<u>\$ 14,141,156</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*—The following presents the net OPEB liability, calculated using the discount rate of 7.90%, as well as what the Plan’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.90%) or 1 percentage-point higher (8.90%) than the current rate:

	1% Decrease (6.90%)	Current Discount Rate (7.90%)	1% Increase (8.90%)
Net OPEB Liability (Asset)	\$ 21,484,923	\$ 14,141,154	\$ 7,834,677

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rate**

The following presents the net OPEB liability, calculated using the health care cost trend rate of 8.30%, as well as what the RHCP net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

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	1% Decrease	Current Trend Rate	1% Increase
Net Pension Liability (Asset)	\$ 5,938,864	\$ 14,141,154	\$ 23,836,457

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended September 30, 2019, the City will recognize OPEB expense of \$3,961,542. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,255,982	\$ -
Changes of Assumptions	1,018,566	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	4,763,093	-
<b>Total</b>	<b>\$ 8,037,641</b>	<b>\$ -</b>

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

Fiscal Year Ending	Net Deferred Outflows/(Inflows) of Resources
2020	\$ 1,767,699
2021	1,767,699
2022	1,767,700
2023	2,008,147
2024	637,039
Thereafter	89,357

**Note 7 - Deferred Compensation Plan**

The City of Gainesville offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City has 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.

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**Note 8 - Long-Term Debt and Capital Leases**

**Governmental Activities**

- **\$15,892,220 Guaranteed Entitlement Revenue and Refunding Bonds, Series 1994** – 3.0% - 6.1%, final maturity 2024; payable solely from and secured by a lien upon and pledge of monies from the City's Guaranteed Entitlement Funds (Intergovernmental Revenues). Current Interest Paying Bonds were paid in full August 1, 2006. For Capital Appreciation Bonds, principal is payable August 1 and February 1 beginning August 1, 2018. Interest accrues to principal and is payable upon maturity or prior redemption. Interest accreted through September 30, 2019 is \$5,293,820.
- **\$40,042,953 Taxable Pension Obligation Bonds, Series 2003A** – 1.71% - 6.19%, issued March 14, 2003, final maturity October 2032, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2004. Interest payable semi-annually beginning October 1, 2003. The bonds are not subject to redemption prior to maturity.
- **\$49,851,806 Taxable Pension Obligation Bonds, Series 2003B** – 3.07% - 5.42%, issued March 14, 2003, final maturity October, 2033, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2006. Interest payable semi-annually beginning October 1, 2003. The bonds are not subject to redemption prior to maturity.
- **\$11,500,000 Capital Improvement Revenue Note, Series 2009** – 5.15%, issued July 3, 2009, final maturity November 1, 2028, payable solely from non-ad valorem revenues. Principal payable annually on November 1, beginning in fiscal year 2011, interest payable semi-annually beginning November 1, 2009. This note also funded an additional \$1.5 million of capital projects for which the debt and assets are reported in the Solid Waste and Stormwater enterprise funds. This note was partially refunded by Revenue Refunding Note Series 2016A. Final payment is due November 1, 2018.
- **\$3,036,907 Capital Improvement Revenue Bonds, Series 2010** – 2.00% - 4.375%, issued July 13, 2010, final maturity October 2030, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2011. Interest payable semi-annually beginning October 1, 2010. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$1,313,093 of capital improvements for which the debt and assets are reported in the Ironwood Golf Course enterprise fund.
- **\$361,856 Construction Promissory Note** – Variable interest rate based on 5 Year Treasury Index plus 2.75%. In December 2009, a promissory note was entered into for construction of the CRA office building with Sunstate Federal Credit Union to be repaid from tax increment proceeds. Interest payable monthly beginning February 2010 and principal payable monthly beginning February 2011. Loan payments are amortized over a 360 month period with a balloon payment due February 2025. The interest rate was 5.99% at September 30, 2019.

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- **\$6,230,000 Revenue Refunding Note Series 2011** – 2.36% fixed, issued November 1, 2011, final maturity July 1, 2022; payable solely from non-ad valorem revenues. This is a direct borrowing from Branch Banking and Trust Company. Proceeds from the Note were used to refinance all of the First Florida Governmental Finance Commission Series 2002 Bonds along with closing costs incurred.
- **\$3,730,000 Revenue Note Series 2011A** – 2.29% fixed issued December 21, 2011, final maturity October 1, 2021; payable solely from non-ad valorem revenues. This is a direct borrowing from Compass Bank. Proceeds from the Note are to be used for partial funding of the renovation and reconstruction of the Police Department Headquarters, capital improvements and remediation improvements at Depot Park and other capital improvements.
- **\$14,715,000 Revenue Refunding Note Series 2014** – 2.4% fixed, issued February 14, 2014, final maturity October 1, 2025; payable solely from non-ad valorem revenues. This is a direct borrowing from TD Bank. Proceeds from the Note were used to refinance all of the Capital Improvement Revenue Bond Series 2005 Bonds along with closing costs incurred.
- **\$12,535,000 Capital Improvement Revenue Bonds, Series 2014** – 2.00% - 5.00%, issued December 17, 2014, final maturity October 2034, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2015. Interest payable semi-annually beginning April 1, 2015. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$2,000,000 of capital improvements for which the debt and assets are reported in the Solid Waste enterprise fund.
- **\$10,426,642 Revenue Refunding Note Series 2016A** – 2.3% fixed, issued April 15, 2016, final maturity November 1, 2028; payable solely from non-ad valorem revenues. This is a direct borrowing from TD Bank. Proceeds from the Note were used to refinance all of the First Florida Governmental Financing Commission Loan, Series 2005 and the First Florida Governmental Financing Commission Loan, Series 2007 and partial refunding of the Capital Improvement Revenue Note Series 2009 along with closing costs incurred. This note also funded an additional \$1,543,358 for capital improvements in the Solid Waste and Stormwater Management enterprise funds.
- **\$6,630,000 Capital Improvement Revenue Notes, Series 2016B** – 2.4% fixed, issued April 15, 2016, final maturity October 1, 2031, payable solely from non-ad valorem revenues. Annual principal payments begin on October 1, 2017. Semi-annual interest payments begin November 1, 2016. This is a direct borrowing with TD Bank. Proceeds from the Note are to be used for partial funding of the road resurfacing and repairs and streetscapes.
- **\$10,365,000 Capital Improvement Revenue Note, Series 2017** – 2.75% fixed, issued December 7, 2017 to finance the cost of: (1) acquiring, installing, and consulting costs related to implementing a Human Resources ERP system; (2) acquisition, construction, improvement and equipping a South Main Street firehouse; and (3) street, curb, storm water infrastructure improvements and other capital costs. This is a direct borrowing with Center State Bank. Payable solely from non-ad valorem revenues, principal payments on the note is payable annually commencing October 1, 2018 with a maturity date of October 1, 2037. Interest payments on the note is payable semi-annually on April 1 and October 1 of each year.

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**Business-Type Activities – Utility Fund**

- **\$196,950,000 Utilities System Revenue Bonds, 2005 Series A** – 4.75% - 5.00%, dated November 16, 2005, mature on various dates through October 1, 2036, and were partially refunded as part of the 2012 Series A Utilities System Revenue Bond issuance. The 2005 Series A Bonds were subject to redemption at the option of the City on and after October 1, 2015, as a whole or in part at any time, at a redemption price of 100% of the principal amount, plus accrued interest to the date of redemption. The 2005 Series A Bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City’s utilities system and to refund the City’s Utilities System Commercial Paper Notes, Series C. In March 2007, the 2007 Series A Bonds (\$139,505,000) were issued to advance-refund to the maturity dates a portion of the bonds maturing from October 1, 2030 to October 1, 2036. The proceeds related to the refunded bonds were deposited into an escrow account to refund the bonds on October 1, 2015, at 100% of par. In August 2012, the 2012 Series A Bonds (\$81,860,000) were issued to refund \$78,690,000 of bonds maturing from October 1, 2021 through October 1, 2028. In December 2014, the 2014 Series B Bonds (\$30,970,000) were issued to advance-refund \$12,725,000 for portions of bonds maturing from October 1, 2029, October 1, 2030, and October 1, 2036.
  
- **\$61,590,000 Utilities System Revenue Bonds, 2005 Series B (Federally Taxable)** – dated November 16, 2005, were refunded 100% in April 2019 by the 2019 Series B Bonds, (\$26,665,000). The 2005 Series B Bonds were subject to redemption at the option of the City, in whole or in part, on any date, at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2005 Series B Bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City’s utilities system and to refund the City’s Utilities System Commercial Paper Notes, Series D originally issued in June 2000. In August 2012, the 2012 Series B Bonds (\$100,470,000) were issued to partially refund \$31,560,000 of bonds maturing from October 1, 2015 and October 1, 2021. The total amount refunded by the 2019 Series B Bonds was \$10,482,604, of which \$10,115,000 was principal, \$351,193 was redemption premium, and \$16,411 was interest. As of September 30, 2019, there were no 2005 Series B Bonds outstanding.
  
- **\$55,135,000 Utilities System Revenue Bonds, 2005 Series C** – Variable interest rates based on market rates, 1.74% at September 30, 2019, dated November 16, 2005, final maturity October 1, 2026. The 2005 Series C Bonds are subject to redemption at the option of the City at a redemption price of 100% of the principal amount, plus accrued interest to the date of redemption. The 2005 Series C Bonds were issued to refund a portion of the City’s Utilities System Revenue Bonds, 1996 Series A. In August 2012, the 2012 Series B Bonds (\$100,470,000) were issued to partially refund \$17,570,000 of bonds maturing from October 1, 2013 through October 1, 2017. In April 2019, the 2019 Series C Bonds, (\$67,355,000), were issued to partially refund \$18,515,000 of bonds maturing from October 1, 2019 through October 1, 2024. The refunding was to provide near term debt relief and stabilize cash reserves. A five-year Stand-by Bond Purchase Agreement (SBPA) with Helaba was entered on November 1, 2015, and terminates on November 24, 2020, at a current fee of 0.44%. As of September 30, 2019, the related debt outstanding is \$3,090,000.

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- **\$53,305,000 Utilities System Revenue Bonds, 2006 Series A** – Variable interest rates based on market rates, 1.76% at September 30, 2019, dated July 6, 2006, final maturity October 1, 2026. The 2006 Series A Bonds are subject to redemption at the option of the City, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. The 2006 Series A Bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City’s utilities system and to refund a portion of the City’s Utilities System Revenue Bonds, 1996 Series A. The 2006 Series a Bonds created a net present value savings of over \$6,200,000, with yearly cash savings ranging from approximately \$371,000 to over \$890,000. In August 2012, the 2012 Series B Bonds (\$100,470,000) were issued to partially refund \$25,930,000 of bonds maturing from October 1, 2013 through October 1, 2020. In April 2019, the 2019 Series C Bonds, (\$67,355,000), were issued to partially refund \$13,905,000 of bonds maturing from October 1, 2019 through October 1, 2024. The refunding was to provide near-term debt relief and stabilize reserves. A five-year SBPA with Helaba was entered on November 1, 2015 and terminates on November 24, 2020 at a current fee of 0.44%. As of September 30, 2019, the related debt outstanding is \$2,985,000.
  
- **\$139,505,000 Utilities System Revenue Bonds, 2007 Series A** – Variable interest rates based on market rates, 1.65% at September 30, 2019, dated July 6, 2006, final maturity October 1, 2036. The 2007 Series A Bonds are subject to redemption at the option of the City, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. The 2007 Series A Bonds were issued to refund a portion of the City’s Utilities System Revenue Bonds, 2003 Series A and a portion of the City’s Utilities System Revenue Bonds, 2005 Series A. The 2007 Series A Bonds created a net present value savings of over \$8,500,000, with yearly cash savings ranging from \$100,000 to \$500,000. In April 2019, the 2019 Series C Bonds, (\$67,355,000), were issued to partially refund \$8,430,000 of bonds maturing from October 1, 2019, through October 1, 2024. The refunding was to provide debt service relief and increase cash reserves for the next five years. A SBPA with State Street Bank and Trust was entered on March 1, 2007, and since amended most recently by the Fourth Amendment that is set to expire on April 1, 2021 at a current fee of 0.51%. As of September 30, 2019, the related debt outstanding is \$127,750,000.
  
- **\$105,000,000 Utilities System Revenue Bonds, 2008 Series A (Federally Taxable)** – 5.27%, dated February 13, 2008, final maturity October 1, 2020, and were partially refunded as part of the 2012 Series B Utilities System Revenue Bond issuances. The 2008 Series A Bonds are subject to redemption prior to maturity at the election of the City in whole or in part, at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2008 Series A Bonds were issued to pay costs of acquisition and construction of the City’s utilities system. In August 2012, the 2012 Series B Bonds (\$100,470,000) were issued to partially refund \$14,405,000 of bonds maturing from October 1, 2014, through October 1, 2017. In December 2014, the 2014 Series B Bonds (\$30,970,000) were issued to redeem \$19,915,000 for portions of bonds maturing from October 1, 2015 through October 1, 2020.

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- **\$90,000,000 Utilities System Revenue Bonds, 2008 Series B** – Variable interest rates based on market rates, 1.65% at September 30, 2019, dated February 13, 2008, final maturity October 1, 2038. The 2008 Series B Bonds are subject to redemption prior to maturity at the election of the City in whole or in part, at a redemption price of 100% of the principal amount plus accrued interest to the date of redemption. The 2008 Series B Bonds were issued to pay costs of acquisition and construction of the City’s utilities system. In April 2019, the 2019 Series C Bonds, (\$67,355,000), were issued to partially refund \$14,200,000 of bonds maturing from October 1, 2022 through October 1, 2024. The refunding was to provide debt service relief and increase cash reserves for the next five years. A SBPA with Barclays Bank, PLC was entered on June 1, 2017, and expires on June 29, 2020, at a current fee of 0.44%. An intent to renew has been made with Barclays. As of September 30, 2019, the related debt outstanding is \$75,800,000.
- **\$156,900,000 Utilities System Revenue Bonds, 2009 Series B – Issuer Subsidy – Build America Bonds (Federally Taxable)** – 4.60% – 5.65%, dated September 16, 2009, final maturity October 1, 2039. The 2009 Series B Bonds are subject to redemption prior to maturity at the election of the City at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2009 Series B Bonds were issued to pay costs of acquisition and construction of the City’s utilities system.
- **\$12,930,000 Utilities System Revenue Bonds, 2010 Series A (Federally Taxable)** – 5.87%, dated November 1, 2010, final maturity October 1, 2030. The 2010 Series A Bonds are subject to redemption prior to maturity at the election of the City at a redemption price equal to the greater of: 100% of the principal amount, plus accrued and unpaid interest to the date of redemption; or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2010 Series A Bonds were issued to (a) pay costs of acquisition and construction of the City’s utilities system, (b) to provide for the payment of certain capitalized interest on the Taxable 2010 Series A Bonds, and (c) to pay the costs of issuance of the Taxable 2010 Series A Bonds.
- **\$132,445,000 Utilities System Revenue Bonds, 2010 Series B – Issuer Subsidy – Build America Bonds (Federally Taxable)** – 6.02%, dated November 1, 2010, final maturity October 1, 2040. The 2010 Series B Bonds are subject to redemption prior to maturity at the election of the City at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2010 Series B Bonds were issued to (a) pay costs of acquisition and construction of the City’s utilities system, (b) to provide for the payment of certain capitalized interest on the Taxable 2010 Series B Bonds, and (c) to pay the costs of issuance of the Taxable 2010 Series B Bonds.
- **\$16,365,000 Utilities System Revenue Bonds, 2010 Series C** – 5.00% – 5.25%, dated November 1, 2010, final maturity October 1, 2034. The 2010 Series C Bonds are subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010 Series C Bonds were issued to (a) refund \$5,860,000 in aggregate principal amount of the 2003 Series A Bonds, and (b) to provide funds to refund \$10,505,000 in aggregate principal amount of the 2008 Series A Bonds.



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- **\$81,860,000 Utilities System Revenue Bonds, 2012 Series A** – 2.50% – 5.00%, dated August 2, 2012, final maturity October 1, 2028. The 2012 Series A Bonds were issued to (a) provide funds to refund \$1,605,000 in aggregate principal amount of the 2003 Series A Bonds, (b) to provide funds to refund \$78,690,000 in aggregate principal amount of the 2005 Series A Bonds, and (c) to pay cost of issuance of the 2012 Series A Bonds. These bonds mature at various dates from October 1, 2021 to October 1, 2028. Those bonds maturing on and after October 1, 2023, are subject to redemption prior to maturity, at a redemption price so specified.
- **\$100,470,000 Utilities System Revenue Bonds, 2012 Series B** – Variable interest rates based on market rates, 1.62% at September 30, 2019, dated August 2, 2012, final maturity October 1, 2042. The 2012 Series B Bonds were issued to (a) refund \$31,560,000 in aggregate principal amount of the 2005 Series B Bonds, (b) provide funds to refund \$17,570,000 in aggregate principal amount of the 2005 Series C Bonds, (c) provide funds to refund \$25,930,000 in aggregate principal amount of the 2006 Series A Bonds, (d) provide funds to refund \$14,405,000 in aggregate principal amount of the 2008 Series A Bonds, and (e) pay costs of issuance of the 2012 Series B Bonds. These bonds mature at various dates through October 1, 2042. The 2012 Series B Bonds are subject to redemption prior to maturity, at a redemption price so specified. In April 2019, the 2019 Series C Bonds, (\$67,355,000), were issued to partially refund \$1,860,000 of bonds maturing from October 1, 2021, through October 1, 2023. The refunding was to provide near-term debt relief and stabilize reserves. A SBPA with Citibank was entered on June 1, 2017, and expires on June 29, 2020, at a current fee of 0.43%. An intent to renew has been made on this liquidity facility. As of September 30, 2019, the related debt outstanding is \$98,610,000.
- **\$37,980,000 Utilities System Revenue Bonds, 2014 Series A** – 2.50% – 5.00%, dated December 19, 2014, with final maturity October 1, 2044. The 2014 Series A Bonds were issued to (a) provide funds for the payment of the cost and acquisition and construction of certain improvements to the System, and (b) pay costs of issuance of the 2014 Series A Bonds. These bonds mature at various dates beginning October 1, 2015, and from October 1, 2021 to October 1, 2034, October 1, 2039, and October 1, 2044. The bonds maturing prior to October 1, 2024 are not subject to redemption prior to maturity. The bonds maturing on and after October 1, 2025, are subject to redemption prior to maturity at the option of GRU on and after October 1, 2024, as whole or in part at any time, at a redemption price plus interest so specified.
- **\$30,970,000 Utilities System Revenue Bonds, 2014 Series B** – 3.13% – 5.00%, dated December 19, 2014 with final maturity October 1, 2036. The 2014 Series B Bonds were issued to (a) provide funds to refund \$12,725,000 in aggregate principal amount of a portion of the 2005 Series A Bonds; (b) provide funds to refund \$19,915,000 in aggregate principal amount of a portion of the 2008 Series A Bonds; and (c) pay costs of issuance of the 2014 Series B Bonds. These bonds mature at various dates beginning October 1, 2015, through October 1, 2020, from October 1, 2029, to October 1, 2030, and October 1, 2036. The bonds maturing prior to October 1, 2024, are not subject to redemption prior to maturity. The bonds maturing on and after October 1, 2025, are subject to redemption prior to maturity at the option of GRU on and after October 1, 2024, as whole or in part at any time, at a redemption price plus interest so specified. The 2014 Series B Bonds created a net present value savings of \$1,700,000, with yearly cash savings ranging from approximately \$11,000 to over \$600,000.

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- **\$415,920,000 Utilities System Revenue Bonds, 2017 Series A** – 4.00% – 5.00%, dated November 7, 2017, with final maturity on October 1, 2040. The 2017 Series A Bonds were issued concurrently with 2017 Series B and Series C bonds to (a) finance a portion of the costs of acquisition of the GREC Biomass Plant and (b) pay cost of issuance. These bonds mature at various dates beginning October 1, 2018 and ending October 1, 2040. The 2017 Series A Bonds were issued at a premium of \$73,205,458 as serial bonds with the first optional call date of October 1, 2027. These bonds are subject to redemption prior to maturity.
- **\$150,000,000 Utilities System Revenue Bonds, 2017 Series B** – Variable interest rates based on market rates, 2.15% at September 30, 2019, dated November 7, 2017, final maturity October 1, 2044, and issued concurrently with 2017 Series A and 2017 Series C Bonds to (a) finance a portion of the costs of acquisition of the GREC Biomass Plant and (b) pay cost of issuance. These bonds are direct placement bonds and the sale was awarded to Wells Fargo Bank, N.A. with the following terms: (a) GRU pays variable rate at 70% of 1 Month LIBOR times Margin Rate Factor (MRF), (b) bank fee of 0.35%, calculated on the basis of 360 days, (c) contract termination date of November 7, 2020. These bonds mature at various dates beginning October 1, 2040, with final maturity date of October 1, 2044.
- **\$115,000,000 Utilities System Revenue Bonds, 2017 Series C** – Variable interest rates based on market rates, 2.35% at September 30, 2019, dated November 7, 2017, final maturity October 1, 2047, and issued concurrently with 2017 Series A and 2017 Series B Bonds to (a) finance a portion of the costs of acquisition of the GREC Biomass Plan and (b) pay cost of issuance. These bonds are direct placement bonds and the sale was awarded to Bank of America, N.A. with the following terms: (a) GRU pays variable rate at 70% of 1 Month LIBOR times MRF, (b) bank fee of 0.51%, calculated on the basis of 360 days, and (c) contract termination date of November 7, 2020. These bonds mature at various dates beginning October 1, 2044 with final maturity date of October 1, 2047.
- **\$153,820,000 Utilities System Revenue Bonds, 2019 Series A** – 5.00%, dated April 12, 2019, with final maturity on October 1, 2047. The 2019 Series A Bonds were issued for the primary purpose of (i) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the System, (ii) refunding the outstanding Utilities System Commercial Paper Notes, Series C, and (iii) paying costs of issuance of the 2019 Series A Bonds. These bonds were issued at a premium and mature beginning on October 1, 2041, and ending on October 1, 2047. The 2019 Series A Bonds will be subject to redemption prior to maturity at the option of the City on and after October 1, 2029, as a whole or in part at any time, at a redemption price of 100% of the principal amount thereof, plus accrued interest.
- **\$26,665,000 Utilities System Revenue Bonds, 2019 Series B (Federally Taxable)** – 3.875%, dated April 12, 2019 with final maturity on October 1, 2047. The 2019 Series B Bonds were issued for the primary purpose of (i) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the System, and (ii) refunding the outstanding Utilities System Commercial Paper Notes, Series D (iii) refunding all of the Utilities System Revenue Bonds, 2005 Series B (Federally Taxable), and (iv) paying costs of issuance of the 2019 Series B Bonds. The 2019 Series B Bonds are term bonds and are subject to redemption through the mandatory sinking fund installments on October 1 in the years starting with 2041 at a redemption price of 100% of the principal amount thereof, plus accrued interest.

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- **\$67,355,000 Utilities System Revenue Bonds, 2019 Series C** – Variable interest rates based on market rates, 1.83% at September 30, 2019, dated April 26, 2019 with final maturity October 1, 2047. The 2019 Series C Bonds were issued for the primary purpose of (i) refunding (a) \$18,515,000 of the 2005 Series C Bonds, (b) \$13,905,000 of the 2006 Series A Bonds, (c) \$8,430,000 of the 2007 Series A Bonds, (d) \$14,200,000 of the 2008 Series B Bonds, and (e) \$1,860,000 of the 2012 Series B Bonds, (ii) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the System, and (iii) paying costs of issuance of the 2019 Series C Bonds. Payment of the principal and interest on the 2019 Series C Bonds will be initially secured by a Letter of Credit by Bank of America, N.A. with a fee of 0.35% and terminates on April 25, 2022.
- **\$125,000,000 Utilities System Commercial Paper Notes, Series C Notes** – These tax-exempt notes were subordinated debt and may continue to be issued to refinance maturing Series C Notes or provide for other costs. On May 17, 2018, the City Commission approved the Fourth Amendment of the Second Supplemental Subordinated Utilities System Revenue Bond Resolution authorizing the issuance of additional Series C Commercial Paper. GRU issued \$40,000,000 in Series C Commercial Paper Notes on July 19, 2018. The Commercial Paper proceeds are to partially fund the 2018 capital improvement program for the System. Liquidity support for the Series C Notes is provided under a long-term credit agreement effective November 30, 2015, with Bank of America, NA at 0.45% and was set to expire November 30, 2018, but has been extended to November 30, 2021. The obligation of the bank may be substituted by another bank that meets certain credit standards and which is approved by the Utility and the Agent. Under terms of the agreement, the Utility may borrow up to \$125,000,000 with same day availability ending on the termination date, as defined in the agreement. On April 12, 2019, \$85,000,000 of the outstanding Series C Notes were refunded by the 2019 Series A Bonds. As of September 30, 2019, there were no Series C Notes outstanding
- **\$25,000,000 Utilities System Commercial Paper Notes, Series D Notes** – In June 2000, a Utilities System Commercial Paper Note Program, Series D (taxable) was established in a principal amount not to exceed \$25,000,000. These taxable notes were subordinated debt. On December 16, 2014, GRU issued \$8,000,000 of Series D Notes to provide funds for the cost of acquisition and construction of certain improvements to the telecommunications system. Liquidity support for the Series D Notes is provided under a long-term credit agreement effective August 28, 2014 and amended in June 2017, with State Street Bank and Trust Company at a current fee of .47% and expires August 28, 2020, with an intent to renew. On April 12, 2019, \$8,000,000 of the outstanding Series D Notes were refunded by the 2019 Series B Bonds. As of September 30, 2019 there were no Series D Notes outstanding.
- **\$25,000,000 Utilities System Variable Rate Subordinated Utilities System Revenue Bond, 2018 Series A** – On May 17, 2018, City Commission authorized a revolving line of credit on parity with commercial paper notes to finance from time to time tax exempt projects for the capital improvement plan for the electric system. The award of sale of purchase of the 2018 Series A Bond went to STI Institutional & Government, Inc. (SunTrust Bank), terms set forth in the purchase contract in the principal amount not to exceed \$25,000,000. The contract of purchase is effective on August 3, 2018, and expires August 3, 2021. The interest rate is 81% of 1 Month LIBOR plus 1.85% calculated on the basis of a 360 day year. The unused fee (liquidity fee) is 0.25%. As of September 30, 2019, there were no outstanding draws on this line of credit.

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**Business-Type Activities - Non-Utility Notes**

- **\$4,312,000 State Revolving Loan – Depot Park Remediation (FDEP)** – In an agreement dated December 9, 2004, FDEP issued the City a loan not to exceed \$16,360,500 (including \$360,500 of capitalized interest) for remediation of the Depot Park area for stormwater improvements. The loan was amended on September 9, 2008, to reduce the available principal from \$16,000,000 to \$4,312,000 as the Utility chose to withdraw from the program before drawing any funds. The loan is made interest-free, but includes a 1.97% annual grant allocation assessment rate and a one-time 2% loan service fee. Repayment began in September 2007 and will continue semi-annually until the balance is repaid. Payable from non-ad valorem revenues, including stormwater fees. The principal balance outstanding at September 30, 2019, was \$1,139,912.
- **\$1,500,000 Capital Improvement Revenue Note, 2009 (CIRN)** – 5.15%, issued July 3, 2009, final maturity November 1, 2028, payable solely from non-ad valorem revenues. Principal payable annually on November 1, beginning in fiscal year 2011, interest payable semi-annually beginning November 1, 2009. This note also funded an additional \$11.5 million of capital projects for governmental activities.
- **\$1,313,093 Capital Improvement Revenue Bonds, Series 2010** – 2.00% - 4.375%, issued July 13, 2010, final maturity October 2030, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2011. Interest payable semi-annually beginning October 1, 2010. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$3,036,907 of capital projects for governmental activities.
- **\$2,000,000 Capital Improvement Revenue Bonds, Series 2014** – 2.00% - 5.00%, issued December 17, 2014, final maturity October 2034, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2015. Interest payable semi-annually beginning April 1, 2015. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$12,535,000 of capital projects for governmental activities.
- **\$1,543,358 Revenue Refunding Note Series 2016A** – 2.3% fixed, issued April 15, 2016, final maturity November 1, 2028; payable solely from non-ad valorem revenues. This is a direct borrowing from TD Bank. Proceeds from the Note were used to refinance all of the First Florida Governmental Financing Commission Loan, Series 2005 and the First Florida Governmental Financing Commission Loan, Series 2007 and partial refunding of the Capital Improvement Revenue Note Series 2009 along with closing costs incurred. This note also funded an additional \$10,426,642 of capital projects for government activities.

**Events of Default**

Each of the following events are considered an event of default, if:

- a. Payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or
- b. The Issuer shall fail to make any deposits required to be made hereunder or shall otherwise fail to comply with any of the covenants and obligations of the Issue hereunder and such failure shall continue unremedied for a period of thirty (30) days after such failure to deposit or other such occurrence; or

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- c. An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within sixty (60) days after the filing thereof; or
- d. Any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes not or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Revenues.

Notwithstanding the foregoing, with respect to the events described in clause b., the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

**Enforcement of Remedies**

Upon the happening and continuance of any event of default specified above, then and in every such case the Holders of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as the trustee for the benefit of the Holders of all Bonds then Outstanding (the "Default Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the Holders of twenty-five percent (25% of the Bond Obligation and each of the Bond Insurers, if any, and the trust instrument under which the Default Trustee shall have agreed to serve shall be filed with the Issuer and the Default Trustee and notice of such appointment shall be published in THE BOND BUYER or a financial journal of general circulation in the City of New York, New York and mailed to the registered Holders of the Bonds. No more than one Default Trustee may be appointed and serving hereunder at any one time; however, the Holders of a majority of the Bond Obligation and the Bond Insurer, if any, acting jointly, may remove the Default Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Default Trustee was appointed is cured or waived pursuant to the Article, the appointment of the Default Trustee shall terminate with respect to such default.

After a Default trustee has been appointed pursuant to the foregoing, the default Trustee may proceed, and upon the written request of Holders of twenty-five percent (25%) of the Bond Obligation shall proceed, to protect and enforce the rights of the Bondholders under the laws of the State of Florida, including the Act, and under this Bond Resolution, by such Suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Default Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

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In the enforcement of any remedy against the Issuer under this Bond Resolution the Default Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any provisions of this Bond Resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest, at the rate or rates of interest specified in such Bonds, together with any and all cost and expenses of collection and of all proceedings hereunder and under such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Debt Service Fund, and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable. In no event shall an event of default result in the acceleration of any principal and interest on the Bonds.

**Debt Service Requirements for Long-Term Debt**

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending September 30	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 3,068,140	\$ 5,391,210	\$ 4,322,425	\$ 895,705
2021	3,342,462	5,554,315	4,418,344	787,072
2022	3,648,883	5,371,910	4,091,335	680,532
2023	3,975,057	5,861,275	3,508,922	581,249
2024	4,319,432	6,014,257	3,591,108	495,544
2025-2029	29,147,159	27,629,364	11,486,514	1,498,391
2030-2034	33,263,367	3,711,304	4,527,068	567,508
2305-2039	-	-	1,945,000	169,194
2040-2044	-	-	-	-
2045-2049	-	-	-	-
<b>TOTAL</b>	<b>\$ 80,764,500</b>	<b>\$ 59,533,635</b>	<b>\$ 37,890,716</b>	<b>\$ 5,675,195</b>

Year Ending September 30	Business-Type Activity			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 22,247,737	\$ 57,138,798	\$ 236,928	\$ 7,020,566
2021	27,227,136	56,166,221	242,080	7,196,197
2022	25,797,259	54,833,480	247,197	7,191,807
2023	29,374,610	53,459,297	255,265	7,186,375
2024	32,272,688	52,064,606	259,562	7,180,825
2025-2029	222,379,209	234,707,501	860,023	35,834,333
2030-2034	288,011,634	183,600,888	-	35,800,000
2305-2039	352,875,000	121,893,000	-	35,800,874
2040-2044	221,386,998	77,952,776	150,050,000	3,056,000
2045-2049	135,835,000	13,614,000	182,305,000	8,260,796
<b>TOTAL</b>	<b>\$ 1,357,407,271</b>	<b>\$ 905,430,567</b>	<b>\$ 334,456,055</b>	<b>\$ 154,527,773</b>

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See Note 9 – Hedging Activities, for additional debt service requirements for interest rate swaps.

The interest rates used in this table for variable rate debt are those in effect as of September 30, 2019 as described above for each individual issue.

The Utility's 2009 Series B and 2010 Series B Bonds receive a federal interest subsidy of 32.7% of the annual interest expense and are assumed to remain at said rate for the duration of the bonds. The subsidy is recorded as non-operating revenue on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

For GRU's utilities system variable rate demand obligations (VRDO), support is provided in connection with tenders for purchase with various liquidity providers pursuant to SBPAs or credit agreements relating to that series of obligation. The purchase price of the obligations tendered or deemed tendered for purchase is payable solely from the proceeds of the remarketing thereof and moneys drawn under the applicable SBPA or credit agreement. The current stated termination dates of the SBPA and credit agreements range from June 29, 2020, to November 30, 2021. Each of the SBPA and credit agreement termination dates may be extended. At September 30, 2019, there were no outstanding draws under any of the SBPAs. Available credits including interest, under each VRDO are as follows: \$3,126,572 for 2005 Series C, \$3,020,329 for 2006 Series A, \$129,261,999 for 2007 Series A, \$76,697,140 for 2008 Series B, \$99,777,111 for 2012 Series B, and \$68,130,044 for 2019 Series C.

GRU has entered into revolving credit agreements with commercial banks to provide liquidity support for its commercial paper notes. If funds are not available to pay the principal of any maturing commercial paper notes during the term of the credit agreement, GRU is entitled to make a borrowing under the credit agreement. The termination dates of the credit agreements, as of September 30, 2019, are August 28, 2020, and November 30, 2021. The credit agreement supporting the tax-exempt Commercial Paper Notes, Series C had no outstanding draws as of September 30, 2019. The credit agreement supporting the taxable Commercial Paper Notes, Series D had no outstanding draws as of September 30, 2019.

**Pledged Revenues**

The 1994 Guaranteed Entitlement Revenue and Refunding Bonds were issued to refund multiple prior issues and to fund road and building construction and repair projects. The issue is secured by a lien upon and pledge of the City's Guaranteed Entitlement Funds. The remaining principal and interest payments on the bond at September 30, 2019 total \$5,475,000, payable semiannually through July 1, 2024. Pledged revenue was \$1,095,000 for fiscal year 2019, which was 100% of the annual debt requirement.

Under the terms of the Resolution relating to the sale of the Utilities System Revenue Bonds, payment of the principal and interest is secured by an irrevocable lien on GRU's net revenue (exclusive of any funds that may be established pursuant to the Resolution for certain other specified purposes), including any investments and income thereof. The Utilities System Revenue Bonds have a first lien and the Commercial Paper Series C and D Notes have a second lien. For fiscal year 2019, principal and interest paid was \$91,095,672 and total pledged revenues was \$401,987,311. As of September 30, 2019, annual principal and interest payments are expected to require 23% of pledged revenues on average.

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The Resolution contains certain restrictions and commitments, including GRU's covenant to establish and maintain rates and other charges to produce revenue sufficient to pay operation and maintenance expenses, amounts required for deposit in the debt service fund, and amounts required for deposit in the utility plant improvement fund.

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities</b>					
Bonds Payable:					
Revenue Bonds and Loans	\$ 14,044,992	\$ -	\$ (867,528)	\$ 13,177,464	\$ 874,124
Accreted Interest	4,130,141	323,825	(854,735)	3,599,231	868,740
Bond Premium	769,660	-	(47,361)	722,299	-
Pension Obligation Bonds	69,520,877	-	(1,950,400)	67,570,477	2,194,016
Less Deferred Amounts:					
For Issuance Discounts	(9,048)	-	768	(8,280)	-
Total Bond Payable	88,456,622	323,825	(3,719,256)	85,061,191	3,936,880
Revenue Note	42,091,460	-	(4,184,185)	37,907,275	4,322,425
Compensated Absences	3,399,501	3,162,961	(3,399,501)	3,162,961	122,000
<b>Total</b>	<b>\$ 133,947,583</b>	<b>\$ 3,486,786</b>	<b>\$ (11,302,942)</b>	<b>\$ 126,131,427</b>	<b>\$ 8,381,305</b>

Typically, the general fund has been used in prior years to liquidate the liability for compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Business-Type Activities</b>					
Bonds Payable:					
Utility Revenue Bonds	\$ 1,534,340,000	\$ 247,840,000	\$ (94,910,000)	\$ 1,687,270,000	\$ 22,105,000
Add: Issuance Premiums	83,758,385	18,652,623	-	102,411,008	-
Total Bonds Payable	1,618,098,385	266,492,623	(94,910,000)	1,789,681,008	22,105,000
Utility Notes Payable	93,000,000	-	(93,000,000)	-	-
Capital lease	-	-	-	-	-
Other Notes Payable	4,983,682	-	(390,356)	4,593,326	379,665
Compensated Absences	5,183,095	968,551	(799,283)	5,352,363	161,642
<b>Total</b>	<b>\$ 1,721,265,162</b>	<b>\$ 267,461,174</b>	<b>\$ (189,099,639)</b>	<b>\$ 1,799,626,697</b>	<b>\$ 22,646,307</b>

**Note 9 - Hedging Activities**

**Interest Rate Hedges**

The Utility is a party to certain interest rate swap agreements to protect against the potential of rising interest rates. Under its interest rate swap programs, the Utility either pays a variable rate of interest, which is based on various indices, and receives a fixed rate of interest for a specific period of time (unless earlier terminated), or the Utility pays a fixed rate of interest and receives a variable rate of interest, which is based on various indices for a specified period of time (unless earlier terminated). These indices are affected by changes in the market. The net amounts received or paid under the swap agreements are recorded as an adjustment to interest on debt in the Statements of Revenues, Expenses, and Changes in Net Position. No money is initially exchanged when the Utility enters into a new interest rate swap transaction.



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*Terms, Fair Values, and Counterparty Credit Ratings* – The terms, fair values, and counterparty credit ratings of the outstanding swaps as of September 30, 2019, were as follows:

<b>Associated Bond Issue</b>	<b>2005B*</b>	<b>2005C*</b>	<b>2006A*</b>	<b>2007A*</b>
Notional Amounts	\$ 17,935,000	\$ 21,605,000	\$ 20,905,000	\$ 136,180,000
Effective Date	11/16/2005	11/16/2005	7/6/2006	3/1/2007
Fixed Payer Rate	SIFMA	3.200%	3.224%	3.944%
Variable Receiver Rate	77.14% of 1MO LIBOR	60.36% of 10YR LIBOR	68.00% of 10YR LIBOR Less 0.3635%	SIFMA
Fair Value	\$ 34,234	\$ (1,228,443)	\$ (1,331,564)	\$ (42,460,825)
Termination Date	10/1/2021	10/1/2026	10/1/2026	10/1/2036
Counterparty Credit Rating	Aa2/AA-	Aa2/A+/AA	Aa2/AA-	Aa2/AA-

<b>Associated Bond Issue</b>	<b>2008B*</b>	<b>2008B*</b>	<b>2017B*</b>	<b>2017B*</b>
Notional Amounts	\$ 58,500,000	\$ 31,500,000	\$ 105,000,000	\$ 45,000,000
Effective Date	2/13/2008	2/13/2008	11/7/2017	11/7/2017
Fixed Payer Rate	4.229%	4.229%	2.119%	2.110%
Variable Receiver Rate	SIFMA	SIFMA	70.00% of 1MO LIBOR	70.00% of 1MO LIBOR
Fair Value	\$ (17,706,746)	\$ (9,547,141)	\$ (6,226,700)	\$ (2,632,196)
Termination Date	10/1/2038	10/1/2038	10/1/2044	10/1/2044
Counterparty Credit Rating	Aa2/A+/AA	Aa3/A+/AA	A1/A+/A+	Aa2/A+/AA

\* See “Basis Risk” section below for details.

*Fair Value* – All of the swap agreements, except for the 2005B swap, had a negative fair value as of September 30, 2019. As the interest rate environment has decreased over the past year, the negative fair value of the swap agreements has increased. Due to the lower interest rate environment, as compared to the period when the swaps were entered into, the fixed payer rates currently exceed the variable receiver rates:

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	Fair Value of Interest Rate Swaps at September 30, 2019	Changes in Fair Value	Changes in Deferred (Inflow) Outflow	Changes in Regulatory (Assets) Liability for Ineffective Instruments
2005B	\$ 34,234	\$ (43,449)	\$ -	\$ 43,450
2005C	(1,228,443)	(289,734)	-	289,734
2006A	(1,331,564)	(317,807)	-	317,807
2008B	(17,706,746)	(6,457,577)	6,457,576	-
2008B	(9,547,171)	(3,483,746)	3,483,746	-
2007A	(42,460,825)	(17,946,912)	17,946,912	-
2017B	(6,226,700)	(9,646,116)	9,646,116	-
2017B	(2,632,196)	(4,148,784)	4,148,784	-
	<u>\$ (81,099,411)</u>	<u>\$ (42,334,125)</u>	<u>\$ 41,683,134</u>	<u>\$ 650,991</u>

*Interest Rate Swap Payments* – Debt service requirements on the interest rate swaps using interest rates in effect at September 30, 2019, would be as follows:

Year Ending September 30,	Swap Interest
2020	\$ 7,490,810
2021	7,267,415
2022	7,037,588
2023	6,776,385
2024	6,528,378
2025–2029	28,390,661
2030–2034	19,838,707
2035–2039	7,817,927
2040–2044	3,215,308
<b>Total</b>	<u><u>\$ 94,363,179</u></u>

*Credit Risk* – As of September 30, 2019, although most of the fair value of the interest rate swaps was negative, GRU has structured its swap documents to minimize credit risk. To mitigate the potential for credit risk, GRU has negotiated additional termination event and collateralization requirements in the event of a ratings downgrade. Failure to deliver the Collateral Agreement to GRU as negotiated and detailed in the Schedule to the International Swaps and Derivative Agreements (ISDA) master agreement for each counterparty would constitute an event of default with respect to that counterparty.

*Basis Risk* – The swaps expose the City to basis risk as follows:

- The 2005 Series B Swap is exposed to basis risk through the potential mismatch of 77.14% of 1 Month LIBOR and SIFMA rate. As a result, savings may not be realized. As of September 30, 2019, the 1 Month LIBOR rate was 2.02%, and SIFMA rate was at 1.58%, which places the SIFMA at approximately 78% of 1 Month LIBOR at that date.
- The 2005 Series C Swap is exposed to basis risk through the potential mismatch of 60.36% of 10 Year LIBOR and the variable 31-day rollover rate. As a result, savings may not be realized. As of September 30, 2019, the 10 Year LIBOR rate was at 1.59%.

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- The 2006 Series A Swap is exposed to basis risk through the potential mismatch of 68% of 10 Year LIBOR less 0.36% and the variable 31-day rollover rate. As a result, savings may not be realized.
- The 2007 Series A and the 2008 Series B Swaps are exposed to the difference between SIFMA and the variable 31-day rollover rate.
- The 2017 Series B Swap is exposed to the difference between 70% of the 1 Month LIBOR and 70% of the 1 Month LIBOR plus bank fee times the margin rate factor (corporate tax change from 35% to 21%, effective with the Tax Reform in January 1, 2018). As a result, savings may not be realized.

*Termination Risk* – The swap agreement will be terminated at any time if certain events occur that result in one party not performing in accordance with the agreement. The swap can be terminated due to illegality, a credit event upon merger, an event of default, or if credit ratings fall below established levels.

*Interest Rate Risk* – This risk is associated with the changes in interest rates that will adversely affect the fair values of GRU’s swaps and derivatives. GRU mitigates this risk by actively reviewing and negotiating its swap agreements.

*Rollover Risk* – GRU is exposed to this risk when its interest rates swap agreements mature or terminate prior to the maturity of the hedged debt. When the counterparty to the interest rate swap agreements chooses to terminate early, GRU will be re-exposed to the rollover risk. Currently, there is no early termination option being exercised by any of GRU’s interest rate swap counterparties.

*Market Access Risk* – This risk is associated with the event that GRU will not be able to enter credit markets for interest rate swap agreements or that the credit market becomes more costly. GRU maintains a strong credit rating of Aa3 from Moody’s, AA- from Standard and Poor’s, and A+ from Fitch Ratings. Currently GRU has not encountered any credit market barriers.

*Effectiveness* – Of the interest rate swap agreements, five have been determined effective, while three have been deemed ineffective as of September 30, 2019. The ineffective portion related to interest rate swap agreements is recorded as a regulatory asset in the amount of \$2,525,773 as of September 30, 2019.

The unrealized loss on interest rate swap agreements of \$42,334,125 was recorded in accumulated decrease in fair value of hedging derivatives at September 30, 2019. There were no realized gains or losses related to interest rate swaps as of September 30, 2019.

**Fuel Hedges**

GRU utilizes commodity price swap contracts to hedge the effects of fluctuations in the prices for natural gas. These transactions meet the requirements of GASB Statement No. 53. Realized losses related to gas hedging positions were recorded as an addition of fuel costs of \$39,834 for September 30, 2019. Unrealized gains and losses related to gas hedging agreements are deferred in a regulatory account and recognized in earnings as fuel costs are incurred. All fuel hedges have been determined to be effective. There were no unrealized gains or losses related to gas hedging agreements as of September 30, 2019.

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**Note 10 - Capital Assets**

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance (as Restated)	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 35,785,146	\$ 30,788	\$ -	\$ 35,815,934
Construction in Progress	30,943,488	18,300,767	(30,943,488)	18,300,767
Total Capital Assets, Not Being Depreciated	66,728,634	18,331,555	(30,943,488)	54,116,701
Capital Assets, Being Depreciated:				
Buildings	90,214,321	477,368	(64,266)	90,627,423
Improvements Other Than Buildings	25,254,850	109,565	(103,414)	25,261,001
Machinery and Equipment	56,247,246	3,908,928	(6,920,408)	53,235,766
Infrastructure	230,360,076	29,713,712	-	260,073,788
Total Capital Assets, Being Depreciated	402,076,493	34,209,573	(7,088,088)	429,197,978
Less Accumulated Depreciation:				
Buildings	(33,266,252)	(2,603,713)	64,267	(35,805,698)
Improvements Other Than Buildings	(10,316,444)	(1,437,560)	103,414	(11,650,590)
Machinery and Equipment	(39,035,113)	(4,133,071)	6,944,918	(36,223,266)
Infrastructure	(130,025,893)	(6,452,382)	2,107	(136,476,168)
Total Accumulated Depreciation	(212,643,702)	(14,626,726)	7,114,706	(220,155,722)
Total Capital Assets Being Depreciated, Net	189,432,791	19,582,847	26,618	209,042,256
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 256,161,425</b>	<b>\$ 37,914,402</b>	<b>\$ (30,916,870)</b>	<b>\$ 263,158,957</b>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,384,876	\$ -	\$ -	\$ 9,384,876
Construction in Progress	102,251,603	67,152,789	(96,948,516)	72,455,876
Total Capital Assets, Not Being Depreciated	111,636,479	67,152,789	(96,948,516)	81,840,752
Capital Assets, Being Depreciated:				
Utility Plant and Equipment	2,794,579,603	94,112,258	(33,463,627)	2,855,228,234
Buildings	46,023,942	202,936	-	46,226,878
Improvements Other Than Buildings	6,497,018	1,371,988	-	7,869,006
Machinery and Equipment	51,924,001	1,083,855	(1,054,222)	51,953,634
Infrastructure	52,892,676	1,391,683	-	54,284,359
Total Capital Assets, Being Depreciated	2,951,917,240	98,162,720	(34,517,849)	3,015,562,111
Less Accumulated Depreciation:				
Utility Plant and Equipment (Restated)	(968,224,349)	(96,877,417)	24,805,241	(1,040,296,525)
Buildings	(7,779,116)	(1,258,102)	-	(9,037,218)
Improvements Other Than Buildings	(4,145,646)	(1,596,647)	-	(5,742,293)
Machinery and Equipment	(31,652,758)	(4,335,458)	1,289,369	(34,698,847)
Infrastructure	(21,789,758)	(293,351)	-	(22,083,109)
Total Accumulated Depreciation	(1,033,591,627)	(104,360,975)	26,094,610	(1,111,857,992)
Total Capital Assets Being Depreciated, Net	1,918,325,613	(6,198,255)	(8,423,239)	1,903,704,119
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 2,029,962,092</b>	<b>\$ 60,954,534</b>	<b>\$ (105,371,755)</b>	<b>\$ 1,985,544,871</b>

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Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities</b>	
General Government	\$ 2,318,812
Public Safety	1,935,526
Physical Environment	206,737
Transportation	5,210,692
Economic Environment	516,162
Culture and Recreation	1,667,428
Depreciation on Capital Assets Held by the City's Internal Service Funds is Charged to the Various Functions Based on Their Usage of the Assets	2,771,369
<b>Total</b>	<u><u>\$ 14,626,726</u></u>
<b>Business-Type Activities</b>	
Utility	\$ 96,877,417
Regional Transit System	5,704,753
Stormwater	1,577,364
Ironwood	175,896
Florida Building Code Enforcement	5,581
Solid Waste	19,964
<b>Total</b>	<u><u>\$ 104,360,975</u></u>

For the Utility, the average depreciation rate was 3.43% for utility plant and equipment for fiscal year 2019.

**Note 11 - Individual Fund Deficits**

The following funds had deficit net position or fund balances as of September 30, 2019:

<b>Special Revenue Funds</b>	
Home Grant	\$ (243,358)
Police Billable Overtime	(414,885)
School Crossing Guard	(26,866)
Miscellaneous Gifts and Grants	(934,144)
<b>Capital Projects Funds</b>	
Downtown Parking Garage Sales Tax	(6)
CIRN 2009 Capital Projects Fund	(552)
Roadway Construction Fund 1996	(202)
<b>Debt Service Funds</b>	
CIRN 2016B Capital Projects Fund	(47)
<b>Enterprise Fund</b>	
Ironwood Golf Course	(565,108)

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The Home Grant fund has a negative fund balance; however, the fund ended fiscal year 2019 with a surplus, which decreased the overall negative fund balance.

The Police Billable Overtime fund has a negative balance because the invoicing for all the police billable overtime was not sufficient to cover the cost. Management will evaluate the rate which is being charged and increase rates or subsidize any shortages in the future through the general fund.

The School Crossing Guard fund has a negative fund balance, which was anticipated during our budget process. The decreasing fund balance is due to the intentional increase of the transfer to general fund to cover the cost of the school crossing guard program.

The Miscellaneous Gifts and Grants fund accounts receivable balance was analyzed in detail and was determined that several accounts needed to be written off, this along with an accounting prior period adjustment created the negative fund balance for the year.

All of the Capital Projects Funds and Debt Service Funds, including Downtown Parking Garage Sales Tax, CIRN 2009, CIRN 2016B and Roadway Construction have a negative balance due to investment losses for fiscal year 2019. In fiscal year 2020, a transfer from other funds will cover the deficit.

The Ironwood Golf Course fund has reported expenses in excess of revenues for several years, which has depleted the fund's net position. Management has implemented a variety of cost saving plans, including significantly reducing expenses for the clubhouse and pro shop. In 2006, a capital improvement surcharge was added to each round of play, which is expected to generate restricted revenues for long-term capital maintenance and additions. The City is currently implementing a plan to reverse the ongoing deficits which included major capital improvements in fiscal year 2010 and changes in the rate structures. In addition, during 2010, the City began a ten-year series of transfers from the general fund to fully fund the deficit balance. In fiscal year 2020, the City plans to incorporate Ironwood Golf Course into the general fund as a part of the Parks, Recreation, and Cultural Affairs Department.

**Note 12 - Composition of Receivables and Payables**

Receivables at year-end, including allowances for doubtful accounts, for governmental and business-type activities are as follow:

	Governmental Activities				Business-Type Activities		
	General Fund	Non-Major Governmental Funds	Internal Service Funds	Governmental Activities	Utility Fund	Non-Major Enterprise Funds	Business-Type Activities
Accounts Receivable, Gross	\$ 3,036,252	\$ 584,793	\$ 4,831	\$ 3,625,876	\$ 54,099,556	\$ 7,321,756	\$ 61,421,312
Allowance	(1,356,251)	(140,845)	(3,105)	(1,500,201)	(804,463)	(151,893)	(956,356)
Net, Accounts Receivable	1,680,001	443,948	1,726	2,125,675	53,295,093	7,169,863	60,464,956
Utility Tax Receivable	2,545,304	-	-	2,545,304	-	-	-
Assessments Receivable	-	2,611	-	2,611	-	-	-
Due from Other Governments	-	3,516,126	-	3,516,126	-	4,180,158	4,180,158
Due from Employees	27,899	-	-	27,899	-	-	-
Notes Receivable	-	61,228	-	61,228	-	-	-
Other	-	-	-	-	-	1,400	1,400
<b>Total Receivables</b>	<b>\$ 4,253,204</b>	<b>\$ 4,023,913</b>	<b>\$ 1,726</b>	<b>\$ 8,278,843</b>	<b>\$ 53,295,093</b>	<b>\$ 11,351,421</b>	<b>\$ 64,646,514</b>

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Accounts payable and other liabilities at year-end consist of the following:

	Governmental Activities				Business-Type Activities		
	General Fund	Non-Major Governmental Funds	Internal Service Funds	Governmental Activities	Utility Fund	Non-Major Enterprise Funds	Business-Type Activities
Accounts Payable	\$ 2,573,004	\$ 3,339,757	\$ 268,009	\$ 6,180,770	\$ 11,707,974	\$ 2,513,214	\$ 14,221,188
Fuels Payable				-	3,961,178	-	3,961,178
Retainage	-	847,687	-	847,687	-	38,045	38,045
Payroll and Related Liabilities	2,625,913	16,093	85,517	2,727,523	-	594,088	594,088
Insurance Claims and Reserves	-	-	8,548,331	8,548,331	-	-	-
Due to Other Governments	-	-	-	-	2,545,304	-	2,545,304
Deposits	576,976	205,008	-	781,984	-	-	-
Assets Held in Evidence	-	670,492	-	670,492	-	-	-
Other	109,789	-	-	109,789	-	-	-
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 5,885,682</b>	<b>\$ 5,079,037</b>	<b>\$ 8,901,857</b>	<b>\$ 19,866,576</b>	<b>\$ 18,214,456</b>	<b>\$ 3,145,347</b>	<b>\$ 21,359,803</b>

**Note 13 - InterFund Receivables, Payables, Advances and Transfers**

**Due to/from other funds**

	Due from					Total
	General	Utility	Non-Major Governmental	Internal Service	Non-Major Enterprise	
<b>Due to</b>						
General	\$ -	\$ 3,143,741	\$ 3,011,954	\$ -	\$ 14,566,976	\$ 20,722,671
Utility	-	-	1,423,113	-	854,209	2,277,322
Non-Major Governmental	-	1,730	-	-	-	1,730
Internal Service	-	1,870,345	-	-	-	1,870,345
Non-Major Enterprise	-	176,332	-	-	-	176,332
<b>Total</b>	<b>\$ -</b>	<b>\$ 5,192,148</b>	<b>\$ 4,435,067</b>	<b>\$ -</b>	<b>\$ 15,421,185</b>	<b>\$ 25,048,400</b>

The \$14,566,976 interfund payable from non-major enterprise funds to the general fund resulted from Ironwood and Regional Transit overdrawing their share of the pooled cash account. The \$3,011,954 due to the general fund from non-major governmental funds is an interfund payable resulting from certain funds overdrawing their share of the pooled cash account. All remaining balances resulted from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Advances to/from other funds**

The Advance to Other Funds balance in the General Fund and the Advance from Other Funds in the Non-Major Governmental Funds resulted from various notes between the City and the Community Redevelopment Agency (CRA) blended component unit for various projects within the four CRA districts. A description of each note is listed below:

- **\$836,900 Commerce Building/AMJ Project, Downtown Promissory Note** – 1.05% to 4.28% fixed annual interest rate. In September 1999, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds associated with the Commerce Building project. In July 2004, the note was amended to specify that repayment will be from all tax increment proceeds from the Downtown Redevelopment Area. The final repayment is scheduled for January 2020.

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- **\$434,955 The Lofts (Old Stringfellow) – 609 West University Avenue, College Park Promissory Note** – 1.57% to 4.96% fixed annual interest rate. In April 2001, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. In October 2004, the note was amended for the redevelopment of the area known as The Lofts. The final repayment is scheduled for November 2024.
- **\$650,000 Fifth Avenue/Pleasant Street Projects, Fifth Avenue/Pleasant Street Promissory Note** – 6.72% fixed annual interest rate. In April 2002, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2022.
- **\$1,400,600 Courthouse Parking Facility Project, Downtown Promissory Note** – 6.72% fixed annual interest rate. In April 2002, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2024.
- **\$300,000 Eastside District Redevelopment Trust Promissory Note** – 4.5% to 6.2% fixed annual interest rate. In May 2005, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2025.
- **\$800,000 College Park / 2<sup>nd</sup> Avenue Redevelopment Trust, College Park Promissory Note** – 4.5% to 6.2% fixed annual interest rate. In May 2005, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2025.

Following is the repayment schedule of advances from the City’s General Fund to the CRA:

Fiscal Year Ending September 30,	Advances from General Fund to CRA		
	Principal	Interest	Total
2020	\$ 341,601	\$ 33,882	\$ 375,483
2021	230,756	26,522	257,278
2022	243,278	20,312	263,590
2023	203,719	13,872	217,591
2024	210,737	7,733	218,470
2025	109,660	2,581	112,241
<b>Total</b>	<b>\$ 1,339,751</b>	<b>\$ 104,902</b>	<b>\$ 1,444,653</b>

**Interfund Transfers**

	Transfers from					Total
	General	Utility	Non-Major Governmental	Internal Service	Non-Major Enterprise	
<b>Transfers to</b>						
General	\$ -	\$ 38,285,001	\$ 1,159,729	\$ -	\$ 377,817	\$ 39,822,547
Non-Major Governmental	21,472,271	-	13,595,659	101,378	2,426,201	37,595,509
Internal Service	-	-	-	-	-	-
Non-Major Enterprise	1,371,066	-	802,359	-	-	2,173,425
<b>Total</b>	<b>\$ 22,843,337</b>	<b>\$ 38,285,001</b>	<b>\$ 15,557,747</b>	<b>\$ 101,378</b>	<b>\$ 2,804,018</b>	<b>\$ 79,591,481</b>



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The Utility transfer totaling \$38,285,001 to the General Fund is based on a formula adopted by the City Commission and is predominantly tied to the Utility's revenue generation. For more detail on the formula, refer to the separately issued financial statements for the Utility. \$8,962,457 was transferred from the General Fund to Debt Service Funds for scheduled debt service payments. Other interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

**Note 14 - Commitments and Contingencies**

Legal cases arise in the normal course of operations but there were none that were significant for individual disclosure, except as noted below.

**General Government**

The City and the Board of Trustees for Police Officers' and Firefighters' Consolidated Pension Plan are currently involved in an Administrative Hearing process with the State Division of Retirement to resolve the issue of the State's non-acceptance of the Plan's FY2016, FY2017, and FY2018 Actuarial Valuations. The Administrative Hearing process has been temporarily stayed due to the coronavirus situation. The dispute concerns the use of payroll growth rates assumptions in the FY2016, FY2017, and FY2018 Actuarial Valuations that were higher than the historical 10 year averages. The State is currently withholding the Plan's 2018 Premium Tax distribution which would usually have been received at the end of FY2019. We also expect the State to withhold the Plan's 2019 Premium Tax distribution that would usually be received at the end of FY2020 unless we resolve the dispute by September 2020.

**Utility**

The primary factors currently affecting the utility industry include environmental regulations, Operating, Planning and Critical Infrastructure Protection Standards promulgated by NERC under FERC jurisdiction, and the increasing strategic and price differences among various types of fuels. No state or federal legislation is pending or proposed at this time for retail competition in Florida.

The role of municipalities as telecommunications providers pursuant to the *1996 Federal Telecommunications Act* resulted in a number of state-level legislative initiatives across the nation to curtail this activity. In Florida, this issue culminated in the passage, in 2005, of legislation codified in Section 350.81, Florida Statutes (Section 350.81) that defined the conditions under which municipalities are allowed to provide retail telecommunications services. Although GRU has special status as a grandfathered entity under this legislation, the provision of certain additional retail telecommunications services by the Utility would implicate certain requirements of Section 350.81. Management does not expect that any required compliance with the requirements of Section 350.81 would have a material adverse effect on the operations or financial condition of GRUCom.

Please refer to the separately issued Utility financial statements to read the details of Contingencies that may impact the Utility. Those topics include:

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- A. Environmental and Other Natural Resource Regulations
- B. Internal Combustion Engine MACT
- C. Climate Change
- D. Coal Combustion Products
- E. Storage Tanks
- F. Remediation Sites
- G. Water Use Restrictions
- H. Manufactured Gas Plant

**Operating Leases**

GRU leases various equipment, facilities, and property under operating leases that are cancelable only under certain circumstances. Rental costs under operating leases for the year ended September 30, 2019 was \$138,258.

Future minimum rental payments for various operating leases are:

Year Ending September 30,	Future Minimum Rental Payments
2020	\$ 123,248
2021	56,708
2022	48,050
2023	48,050
2024	6,050
2025-2029	30,250
2030-2034	30,250
2035-2039	30,250
2040-2044	30,250
2045-2046	12,100
<b>Total</b>	<b>\$ 415,206</b>

**Note 15 - Lease Revenue**

GRU leases communication tower antenna space to various wireless communication service providers on eleven communications towers and two water towers throughout its service territory. Two of the five transmitter sites for the county-wide public safety radio system are also located on these communication towers. Future minimum rental revenue for various operating leases are as follows:

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<b>Year Ending September 30,</b>	<b>Future Minimum Rental Payments</b>
2020	\$ 1,828,261
2021	1,480,936
2022	949,550
2023	484,933
2024	101,770
2025-2029	55,341
<b>Total</b>	<b>\$ 4,900,791</b>

**Note 16 - Investment in The Energy Authority**

GRU has an equity investment in The Energy Authority (TEA), a power marketing corporation comprised of seven municipal utilities as of September 30, 2019: Municipal Electric Authority of Georgia, Jacksonville Electric Authority (Florida), South Carolina Public Service Authority, Nebraska Public Power District, GRU, City Utilities of Springfield (Missouri), and American Municipal Power, Inc. (Ohio). As of September 30, 2019, Public Utility District No. 1 of Cowlitz County did not have an equity interest in TEA. TEA provides energy products and resource management services to equity members and non-members and allocates transaction savings and operating expenses to equity members pursuant to Settlement Procedures under the Operating Agreement.

In the Statement of Revenues, Expenses, and Changes in Net Position, GRU's sales to and purchases from TEA are recorded in sales and service charges and operations and maintenance expenses, respectively. Sales to TEA were \$2,011,054 and purchases from TEA were \$7,222,083 for the year ended September 30, 2019. GRU's equity interest was 5.9% for fiscal year 2019, and accounted for using the equity method of accounting. As of September 30, 2019, GRU's investment in TEA was \$2,341,379.

Through a combination of agreements, GRU guaranteed credit received by TEA for \$19,542,857 as of September 30, 2019. TEA evaluates its credit needs periodically and requests equity members to adjust their guarantees accordingly. The guarantee agreements are intended to provide credit support for TEA when entering into transactions on behalf of equity members. Such guarantees are within the scope of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, and would require the equity members to make payments to TEA's counterparties if TEA failed to deliver energy, capacity, or natural gas as required by contract, or if TEA failed to make payment for the purchases of such commodities. If guarantee payments are required, GRU has rights with other equity members that such payments be apportioned based on certain criteria.

The guarantees generally have indefinite terms; however, GRU can terminate its guarantee obligations by providing notice to counterparties and others, as required by the agreements. Such terminations would not pertain to any transactions TEA entered into prior to notice being given. As of September 30, 2019, GRU had not recorded a liability related to these guarantees.

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The table below contains unaudited condensed financial information for TEA for the period ended September 30, 2019:

<b>Condensed Statement of Operations</b>	<u>(In Thousands)</u>
Total Revenue	\$ 1,279,819
Total Cost of Sales and Expense	<u>(1,217,046)</u>
Operating Income	62,773
Non-Operating Income (Expense)	<u>(1,205)</u>
Change in Net Position	61,568
Net Position, Beginning of Period	41,234
Capital Contributions	(4,229)
Member Distributions	<u>(58,769)</u>
Net Position, End of Period	<u>\$ 39,804</u>
<b>Condensed Balance Sheet</b>	
Assets:	
Current Assets	\$ 167,808
Non-Current Assets	<u>23,666</u>
Total Assets	<u>191,474</u>
Liabilities:	
Current Liabilities	151,620
Non-Current Liabilities	<u>50</u>
Total Liabilities	151,670
Total Net Position	<u>39,804</u>
Total Liabilities and Net Position	<u>\$ 191,474</u>

As of September 30, 2019, GRU's accounts receivable due from TEA totaled approximately \$159,867. TEA issues stand-alone audited financial statements on a calendar year basis which may be obtained by writing to 76 South Laura Street; Suite 1500; Jacksonville, Florida 32202.

**Note 17 - Conduit Debt**

The City has previously issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial facilities deemed to be in the public interest. These bonds are secured by the financed property and are payable solely by the private-sector entity served by the bond issuance. As of September 30, 2019, there were two Industrial Revenue Bonds outstanding, with an aggregate principal amount of \$5,000,000.

The City issued Continuing Care Retirement Community Revenue Refunding Notes 2017A and 2017B for the purpose of providing funds to refinance certain obligations of Oak Hammock at the University of Florida, Inc. (the Borrower). These Notes are payable solely from revenues of the Borrower. As of September 30, 2019, the aggregate principal amount remaining on the note is \$31,165,000.

There is no obligation on the part of the City, County, State, or any political subdivision for repayment of the bonds or notes. Accordingly, the conduit debt is not reported as liabilities in the accompanying financial statements.

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Note 18 - Tax Abatements**

The City's Community Redevelopment Agency (CRA) a public body corporate and politic, created pursuant to Part III of Chapter 163, Florida Statutes has entered into Development Agreements with various developers to redevelop properties within the four CRA districts. The Development Agreements are agreements between the CRA and a developer to construct multi-family units with the potential of commercial space in the building being constructed. In return, the City agrees to annually reimburse the developer a Tax Increment Recapture based on the increase of assessed value of the development as determined by the Alachua County Property Appraiser.

For fiscal year ended September 30, 2019, the City paid the following Tax Increment Recapture amounts for the following projects:

- \$236,979 of Tax Increment Fund Incentive Reimbursement for Jefferson on Second, a multi-family and commercial complex located in downtown Gainesville.
- \$171,337 of Tax Increment Fund Incentive Reimbursement for a façade and streetscape project located in the CRA's 5<sup>th</sup> Avenue/Pleasant Street District.
- \$55,849 of Tax Increment Fund Incentive Reimbursement for the Downtown Redevelopment Area.

**Note 19 - Restatements**

*Change in Reporting Entity*

The City previously included the Gainesville Enterprise Zone Development Agency (GEZDA) as a discretely presented component unit. GEZDA was created by ordinance of the City to implement Chapter 290, Florida Statutes, commonly known as the "Florida Enterprise Zone Act." The Florida Enterprise Zone Act was repealed on December 31, 2015 by Section 290.016, Florida Statutes, thereby rendering GEZDA obsolete. On January 4, 2018, the City repealed the existing GEZDA and created a new Gainesville Enterprise Zone Area which is not a separate legal entity, therefore, GEZDA is no longer reported as a separate discretely presented component unit.

Two new entities are being added to the City's reporting entity as discretely presented component units, the Cornerstone Condominium Association, Inc. and Heartwood Community Home Owners Association, Inc. Additional information can be found in Note 1A on page 32 of these footnotes. Neither entity had any financial activity during the year ended December 31, 2019, therefore, no financial information has been presented in the current year.

*Change in Application of Accounting Principle*

Depreciation expense on DHR exceeded principal repayment on the related bonds by \$13,091,147. GRU elected to apply GASB Statement No. 62, paragraphs 476-500, *Regulated Operations*, and has restated its beginning net position.

*Correction of Errors*

The City restated the beginning net position as a result of the following items:

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

- After analysis of the City's accounts receivable, management determined that payments on certain receivables were received in previous years but receivables were not reduced accordingly, resulting in an overstatement of revenue and net position in prior years. A prior period adjustment was recorded to reduce accounts receivable and net position by \$966,363.
- During the year, management reviewed all projects in construction in progress and identified projects that should have been placed in service and begun depreciating several years ago. A prior period adjustment was recorded to increase accumulated depreciation and reduce net position by \$3,912,031.
- The City participates in the Florida Retirement System (FRS), and as a result should be recording its proportionate share of the net pension liability. A net adjustment of \$543,933 was recorded as of October 1, 2018 to reduce net position and increase deferred outflows of resources by \$540,648, deferred inflows of resources by \$159,693, and net pension liability by \$924,888.
- The City issued Guaranteed Entitlement Revenue and Refunding Bonds, Series 1994. A portion of the bonds are capital appreciation bonds for which interest accrues to principal and is payable upon maturity. No interest had been accreted in previous years, resulting in an understatement of liabilities of \$4,130,141 as of October 1, 2018.

The restatements of beginning net position are summarized as follows:

**Government-wide:**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Government- wide</b>
<b>Net Position - Beginning of Year, as Previously Reported</b>	\$ 140,707,277	\$ 521,202,465	\$ 661,909,742
Restatement:			
Regulatory asset	-	13,091,147	13,091,147
Accounts receivable	(966,363)	-	(966,363)
Accumulated depreciation	(3,530,465)	(381,565)	(3,912,030)
FRS-net pension liability	(543,933)	-	(543,933)
Long-term liabilities	(4,130,141)	-	(4,130,141)
Total Restatement	(9,170,902)	12,709,582	3,538,680
<b>Net Position - Beginning of Year, as Restated</b>	<u>\$ 131,536,375</u>	<u>\$ 533,912,047</u>	<u>\$ 665,448,422</u>

**Fund Level:**

	<b>Utility Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Non-Major Enterprise Funds</b>
<b>Net Position - Beginning of Year, as Previously Reported</b>	\$ 419,118,942	\$ 66,565,329	\$ 86,749,725
Restatement:			
Regulatory asset	13,091,147	-	-
Accounts receivable	-	(966,363)	-
Accumulated depreciation	-	-	(381,565)
FRS-net pension liability	-	-	-
Capital appreciation bonds	-	-	-
Total Restatement	13,091,147	(966,363)	(381,565)
<b>Net Position - Beginning of Year, as Restated</b>	<u>\$ 432,210,089</u>	<u>\$ 65,598,966</u>	<u>\$ 86,368,160</u>

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**Note 20- Subsequent Events**

*COVID-19 Pandemic*—The COVID-19 pandemic has, and continues, to pose significant risk to the economy of the State of Florida and the City of Gainesville. While full implications of the pandemic are still unknown, it is clear that the impact to the City’s revenues from the state and locally could be significant. The City continues to closely monitor revenues, as well as unplanned expenses, related to the pandemic. These potential economic impacts are being included in future budget development as well.

*Community Redevelopment Agency (CRA) / Gainesville Community Reinvestment Area (GCRA)*—Effective October 1, 2019, the City Commission, in collaboration with the Alachua County Board of County Commissioners (BOCC), dissolved the CRA and replaced it with a City Department, the GCRA. The CRA formerly had four distinct districts with restricted funding for each. Under the GCRA, the four districts are combined into a single reinvestment area. The City and BOCC agreed upon a funding plan whereby each party has a predetermined contribution identified over a ten-year period, with funding available for projects within the new single reinvestment area without regard to the boundaries of the original four districts.

*Issuance of Debt*—Capital Improvement Revenue Notes, Series 2019 – On October 3, 2019, the City Commission approved a resolution authorizing a loan of up to \$8,600,000 to finance the costs of capital improvements to include a fire ladder truck, city hall roof replacement, LED streetlights, fire station land evaluation and acquisition and other capital improvements. Pursuant to this authorization, the loan agreement was completed during October 2019 in the amount of \$8,535,000 with the debt payments through 2034.

*Fixed Payer Swap*—On October 17, 2019, the City Commission approved a supplemental utilities system revenue bond resolution which authorized, among other potential transactions, execution of fixed payer swaps to hedge existing variable rate debt. Pursuant to this resolution on December 18, 2019, GRU executed a \$115,000,000 fixed payer swap hedge on the outstanding Series 2017C variable rate debt.

*Refund of Fixed Rate Debt*—On February 6, 2020, the City Commission approved a supplemental utilities system revenue bond resolution authorizing the issuance of the Series 2020A bonds to refund all of the \$10,505,000 Series 2010C bonds. The Series 2020A issue is a forward delivery, tax-exempt direct placement which closed on February 14, 2020. The bonds are expected to be issued on July 7, 2020.

**Required Supplementary Information**



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>Negative</u>
<b>Revenues</b>				
Taxes	\$ 50,479,208	\$ 50,479,208	\$ 51,720,772	\$ 1,241,564
Licenses and permits	7,397,567	7,397,567	7,385,069	(12,498)
Intergovernmental	14,987,837	14,627,837	13,764,737	(863,100)
Charges for services	11,992,770	12,502,495	12,948,317	445,822
Fines and forfeitures	1,128,660	1,128,658	888,015	(240,643)
Miscellaneous	1,359,400	1,462,669	1,197,125	(265,544)
<b>Total Revenues</b>	<u>87,345,442</u>	<u>87,598,434</u>	<u>87,904,035</u>	<u>305,601</u>
<b>Expenditures</b>				
Current:				
General government	25,112,770	19,885,743	18,865,811	1,019,932
Public safety	60,645,382	60,250,700	57,051,255	3,199,445
Physical environment	150,035	225,616	213,065	12,551
Transportation	13,497,576	13,613,901	11,594,781	2,019,120
Economic environment	668,750	324,109	343,444	(19,335)
Human services	15,000	13,106	-	13,106
Culture and recreation	9,383,570	9,356,599	8,767,845	588,754
<b>Total Expenditures</b>	<u>109,473,083</u>	<u>103,669,774</u>	<u>96,836,201</u>	<u>6,833,573</u>
<b>(Deficiency) Revenue</b>				
<b>(Under) Expenditures</b>	<u>(22,127,641)</u>	<u>(16,071,340)</u>	<u>(8,932,166)</u>	<u>7,139,174</u>
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers in	38,872,830	40,792,262	39,822,547	(969,715)
Transfers (out)	(16,745,189)	(26,074,494)	(22,843,337)	3,231,157
<b>Total Other Financing</b>				
<b>Sources (Uses)</b>	<u>22,127,641</u>	<u>14,717,768</u>	<u>16,979,210</u>	<u>2,261,442</u>
<b>Net Changes in</b>				
<b>Fund Balances</b>	<u>\$ -</u>	<u>\$ (1,353,572)</u>	<u>\$ 8,047,044</u>	<u>\$ 9,400,616</u>

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Annual budgets are legally adopted for all governmental funds other than Capital Projects Funds and certain Special Revenue Funds (such as grant funds and tax increment funds), which are appropriated on a project-length basis. Budgets are controlled at the department level throughout the year and total expenditures plus encumbrances may not legally exceed appropriations for each budgeted fund. The Special Revenue Funds, which are budgeted annually, are the Community Development Block Grant Fund, the Urban Development Action Grant Fund, the Home Grant Fund, the Cultural and Nature Projects Fund, the State Law Enforcement Contraband Forfeiture Fund, the Federal Law Enforcement Contraband Forfeiture Fund, the Police Billable Overtime Fund, the Community Redevelopment Agency Fund, the Economic Development Fund, the Evergreen Cemetery Trust Fund, the School Crossing Guard Trust Fund and the Art in Public Places Trust Fund. All other Special Revenue Funds are appropriated on a project-length, multi-year basis.

Budget amounts reflected in the accompanying schedule incorporate all budgetary amendments (including supplemental appropriations) to the original budget. Budget amendments are approved by the City Commission during the year, with a final amendatory ordinance approved after the end of the fiscal year.

The City Manager can approve budget transfers within and between operating departments and divisions of the same fund. All interfund budget transfers require prior approval of the City Commission, as do transfers from contingency funds exceeding \$50,000. Transfers concerning personnel can be made as long as the total number of permanent positions approved in the budget is not exceeded.

Budget appropriations lapse at year-end. Encumbrances at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year-end.

The actual results of operations are presented in accordance with GAAP, and the City does not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. It is necessary to include the budgetary encumbrances to reflect actual revenues and expenditures on a budgetary basis consistent with the City's legally adopted budget. The following fiscal year's budget is amended to reappropriate the fund balance represented by encumbrances.

As illustrated on the previous page, on the budgetary basis, total expenditures were \$6,833,573 less than the final budget. Revenues were recognized in an amount \$305,601 more than the final budget. Including other financing sources and uses, the General Fund balance increased by \$9,400,616 more than was budgeted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULES OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
EMPLOYEES' PENSION PLAN  
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>						
Service costs	\$ 7,962,015	\$ 8,196,544	\$ 8,355,553	\$ 7,789,638	\$ 7,153,541	\$ 6,612,646
Interest	43,726,387	42,877,827	39,934,706	38,189,162	35,741,289	36,171,225
Differences between expected and actual experience	6,644,543	(5,088,593)	7,646,058	1,125,190	1,954,558	1,105,967
Transfer from Disability Plan	-	-	-	-	2,455,848	-
Changes of assumptions	6,062,725	5,721,214	21,041,875	4,860,706	15,880,346	-
One time adjustment for DROP account balances	-	-	10,038,916	-	-	-
Contributions - buy back	121,500	89,300	-	-	-	-
Benefit payments, including refunds of employee contributions	(35,568,906)	(33,106,728)	(34,963,352)	(37,252,988)	(28,306,207)	(31,819,142)
Net change in total pension liability	28,948,264	18,689,564	52,053,756	14,711,708	34,879,375	12,070,696
Total pension liability - beginning	556,402,274	537,712,710	485,658,954	470,947,246	436,067,871	423,997,175
Total pension liability - ending (a)	<u>\$ 585,350,538</u>	<u>\$ 556,402,274</u>	<u>\$ 537,712,710</u>	<u>\$ 485,658,954</u>	<u>\$ 470,947,246</u>	<u>\$ 436,067,871</u>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 16,939,286	\$ 16,372,689	\$ 14,654,934	\$ 13,481,032	\$ 11,746,935	\$ 11,519,431
Employee contributions	4,602,400	4,317,403	4,829,122	7,947,069	4,429,289	4,260,476
Contributions - buy back	121,500	89,300	-	-	-	-
Net investment income	(2,731,366)	49,219,793	58,605,302	39,190,078	(2,486,089)	34,176,892
Transfer from Disability Plan	-	-	-	-	2,320,442	-
Benefit payments, including refunds of employee contributions	(35,568,906)	(33,106,728)	(38,469,162)	(37,252,988)	(28,306,207)	(26,161,924)
Administrative expense	(584,033)	(697,884)	(604,905)	(670,867)	(580,988)	(613,886)
Net change in plan fiduciary net position	(17,221,119)	36,194,573	39,015,291	22,694,324	(12,876,618)	23,180,989
Plan fiduciary net position - beginning	432,508,135	396,313,562	357,298,271	334,603,947	347,480,565	324,299,576
Plan fiduciary net position - ending (b)	<u>\$ 415,287,016</u>	<u>\$ 432,508,135</u>	<u>\$ 396,313,562</u>	<u>\$ 357,298,271</u>	<u>\$ 334,603,947</u>	<u>\$ 347,480,565</u>
City's net pension liability - ending (a)-(b)	<u>\$ 170,063,522</u>	<u>\$ 123,894,139</u>	<u>\$ 141,399,148</u>	<u>\$ 128,360,683</u>	<u>\$ 136,343,299</u>	<u>\$ 88,587,306</u>
Plan fiduciary net position as a percentage of the total pension liability	70.95%	77.73%	73.70%	73.57%	71.05%	79.68%
Annual covered payroll	\$ 92,048,000	\$ 89,976,976	\$ 91,143,976	\$ 80,223,575	\$ 79,930,261	\$ 81,654,532
Net pension liability as a percentage of covered payroll	184.76%	137.70%	155.14%	160.00%	170.58%	108.49%

**Notes to Schedule:**

Benefit Payments in Total Pension Liability include an interest calculation. This amount does not represent actual Benefit Payments as shown in the changes in Plan fiduciary net position.

Changes of Assumptions: The investment rate of return was changed from 8.00% to 7.90% for 2019.

The schedule will present ten years comparative data in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULES OF CITY CONTRIBUTIONS  
EMPLOYEES' PENSION PLAN  
LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 16,939,286	\$ 16,777,348	\$ 14,654,934	\$ 13,481,032	\$ 13,211,521	\$ 12,700,223	\$ 10,927,391
Contributions in relation to the actuarially determined contribution	16,939,286	16,372,689	14,654,934	13,481,032	12,224,716	11,995,271	10,206,334
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 404,659</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 986,805</u>	<u>\$ 704,952</u>	<u>\$ 721,057</u>
Covered payroll	\$ 92,048,000	\$ 89,976,976	\$ 91,143,976	\$ 80,223,575	\$ 79,930,261	\$ 81,654,532	\$ 80,365,984
Contributions as percentage of covered payroll	18.40%	18.20%	16.08%	16.80%	15.29%	14.69%	12.70%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age, normal cost
Amortization method	Level percentage, closed
Remaining amortization period	21 to 30 years based on year established; gains/losses, assumption plan changes over 30 years from inception
Asset valuation method	Actuarial value, based on 5-year recognition of returns greater or less than the assumed investment return
Inflation rate	2.50%
Investment return rate	7.90%, net of pension investment expenses
Salary increase rate	3.00%-5.00%
Mortality rates	Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected generationally with Mortality Improvement Scale BB

The schedule will present ten years comparative data in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULES OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT PLAN  
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>						
Service costs	\$ 3,757,740	\$ 3,682,078	\$ 4,254,335	\$ 3,812,252	\$ 4,094,841	\$ 3,730,365
Interest	22,397,470	21,993,597	21,463,554	20,156,185	23,375,806	19,299,422
Differences between expected and actual experience	(1,185,483)	(2,419,821)	2,311,687	(6,006,515)	(140,568)	-
Changes of assumptions	3,102,805	4,612,282	2,158,450	2,719,455	2,608,508	2,523,158
Benefit payments, including refunds of employee contributions	<u>(19,538,102)</u>	<u>(19,464,524)</u>	<u>(16,100,144)</u>	<u>(15,444,821)</u>	<u>(17,602,583)</u>	<u>(12,898,782)</u>
Net change in total pension liability	8,534,430	8,403,612	14,087,882	5,236,556	12,336,004	12,654,163
Total pension liability - beginning	<u>285,979,686</u>	<u>277,576,074</u>	<u>263,488,192</u>	<u>258,251,636</u>	<u>245,915,632</u>	<u>233,261,469</u>
Total pension liability - ending (a)	<u>\$ 294,514,116</u>	<u>\$ 285,979,686</u>	<u>\$ 277,576,074</u>	<u>\$ 263,488,192</u>	<u>\$ 258,251,636</u>	<u>\$ 245,915,632</u>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 4,958,811	\$ 4,507,892	\$ 4,294,312	\$ 3,716,354	\$ 3,682,847	\$ 3,855,020
Employee contributions	1,946,523	1,963,471	2,024,693	2,093,074	1,972,417	2,067,685
State contributions	-	1,366,304	1,254,172	1,242,740	1,269,827	1,259,995
Net investment income	3,521,972	24,056,126	31,854,789	22,310,321	(93,259)	21,911,535
Benefit payments, including refunds of employee contributions	<u>(19,538,102)</u>	<u>(19,464,524)</u>	<u>(16,100,144)</u>	<u>(15,444,821)</u>	<u>(17,602,583)</u>	<u>(12,898,782)</u>
Administrative expense	<u>(771,292)</u>	<u>(699,346)</u>	<u>(564,203)</u>	<u>(585,416)</u>	<u>(609,229)</u>	<u>(609,264)</u>
Other	91,875	-	-	-	-	-
Net change in plan fiduciary net position	<u>(9,790,213)</u>	<u>11,729,923</u>	<u>22,763,619</u>	<u>13,332,252</u>	<u>(11,379,980)</u>	<u>15,586,189</u>
Plan fiduciary net position - beginning	253,221,825	241,763,801	219,000,182	205,667,930	217,047,910	201,461,721
Adjustment to beginning of year	-	<u>(271,899)</u>	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 243,431,612</u>	<u>\$ 253,221,825</u>	<u>\$ 241,763,801</u>	<u>\$ 219,000,182</u>	<u>\$ 205,667,930</u>	<u>\$ 217,047,910</u>
City's net pension liability - ending (a)-(b)	<u>\$ 51,082,504</u>	<u>\$ 32,757,861</u>	<u>\$ 35,812,273</u>	<u>\$ 44,488,010</u>	<u>\$ 52,583,706</u>	<u>\$ 28,867,722</u>
Plan fiduciary net position as a percentage of the total pension liability	82.66%	88.55%	87.10%	83.12%	79.64%	88.26%
Annual covered payroll	\$ 24,058,071	\$ 25,263,376	\$ 25,501,291	\$ 23,885,642	\$ 25,539,198	\$ 24,364,333
Net pension liability as a percentage of covered payroll	212.33%	129.67%	140.43%	186.25%	205.89%	118.48%

**Notes to Schedule:**

Changes of Assumptions: The investment rate of return was changed from 8.00% to 7.90% for 2019.

The schedule will present ten years comparative data in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULES OF POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED  
PENSION PLAN EMPLOYER CONTRIBUTIONS  
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,958,811	\$ 4,507,892	\$ 4,294,312	\$ 3,716,354	\$ 3,682,847	\$ 3,855,020
Contributions in relation to the actuarially determined contribution	4,958,811	4,507,892	4,294,312	3,716,354	3,682,847	3,855,020
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,058,071	\$ 25,263,376	\$ 25,501,291	\$ 23,885,642	\$ 25,539,198	\$ 24,364,333
Contributions as percentage of covered payroll	20.61%	17.84%	16.84%	15.56%	14.42%	15.82%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage, closed
Remaining amortization period	30 years
Asset valuation method	Actuarial value
Inflation rate	2.50%
Investment return rate	7.90%, net of investment expenses
Salary increase rate	Service based
Mortality rates	RP-2000 combined fully generational mortality table with blue collar adjustment

The schedule will present ten years comparative data in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN  
PENSION PLANS  
LAST SIX FISCAL YEARS**

<b>Fiscal Year</b>	<b>Annual Money-Weighted Rate of Return on Pension Plan Investments</b>	
	<b>General Pension Plan</b>	<b>Consolidated Plan</b>
2019	-0.64%	1.30%
2018	12.63%	10.22%
2017	11.84%	11.20%
2016	11.84%	11.20%
2015	-0.74%	0.00%
2014	10.61%	11.01%

**Note to Schedule**

The schedule will present ten years comparative data in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
FLORIDA RETIREMENT SYSTEM  
SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST FIVE FISCAL YEARS**

<b>Florida Retirement System (FRS)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's Proportion of the Net Pension Liability	0.0028433%	0.0028149%	0.0026950%	0.0033806%	0.0030857%
Employer's Proportionate Share of the Net Pension Liability	\$ 979,195	\$ 847,873	\$ 797,444	\$ 853,598	\$ 398,554
Employer's Covered Payroll	\$ 249,819	\$ 237,711	\$ 202,289	\$ 229,337	\$ 178,193
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	391.96%	356.68%	394.21%	372.20%	223.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program (HIS)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's Proportion of the Net Pension Liability	0.0007467%	0.0007276%	0.0006345%	0.0007428%	0.0007603%
Employer's Proportionate Share of the Net Pension Liability	\$ 83,552	\$ 77,015	\$ 67,846	\$ 86,570	\$ 77,534
Employer's Covered Payroll	\$ 249,819	\$ 237,711	\$ 202,289	\$ 229,337	\$ 178,193
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	33.45%	32.40%	33.54%	37.75%	43.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%

**Notes to Schedules**

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30 of the current fiscal year. Covered payroll is for the year ended June 30 of each year presented.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
FLORIDA RETIREMENT SYSTEM  
SCHEDULES OF EMPLOYER CONTRIBUTIONS  
LAST FIVE FISCAL YEARS**

<b>Florida Retirement System (FRS)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually Required Contribution	\$ 89,357	\$ 81,218	\$ 76,047	\$ 78,365	\$ 80,376
Contributions in Relation to the Contractually Required Contribution	<u>(89,357)</u>	<u>(81,218)</u>	<u>(76,047)</u>	<u>(78,365)</u>	<u>(80,376)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 252,952	\$ 237,711	\$ 222,289	\$ 218,313	\$ 197,229
Contributions as a Percentage of Covered Payroll	35.33%	34.17%	34.21%	35.90%	40.75%
<b>Health Insurance Subsidy Program (HIS)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually Required Contribution	\$ 4,199	\$ 3,946	\$ 3,690	\$ 3,624	\$ 3,274
Contributions in Relation to the Contractually Required Contribution	<u>(4,199)</u>	<u>(3,946)</u>	<u>(3,690)</u>	<u>(3,624)</u>	<u>(3,274)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 252,952	\$ 237,711	\$ 222,289	\$ 218,313	\$ 197,229
Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULES OF CHANGES IN CITY'S NET OPEB LIABILITY AND RELATED RATIOS  
OPEB PLAN  
LAST THREE FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>			
Service costs	\$ 1,591,950	\$ 1,467,084	\$ 1,282,158
Interest	5,887,782	5,676,583	5,274,094
Differences between expected and actual experience	-	3,158,374	(914,359)
Changes of assumptions	625,481	675,415	559,493
Benefit payments, including refunds of employee contributions	(4,503,496)	(4,354,263)	(4,109,173)
Net change in total OPEB liability	3,601,717	6,623,193	2,092,213
Total OPEB liability - beginning	74,213,751	67,590,558	65,498,345
Total OPEB liability - ending (a)	<u>\$ 77,815,468</u>	<u>\$ 74,213,751</u>	<u>\$ 67,590,558</u>
<b>Plan Fiduciary Net Position</b>			
Employer contributions	\$ 2,348,167	\$ 2,016,572	\$ 1,622,729
Net investment income	(1,550,570)	6,250,519	6,550,405
Net benefit payments	(4,503,496)	(4,354,263)	(4,109,173)
Administrative expense	(19,078)	(13,890)	(6,082)
Net change in plan fiduciary net position	(3,724,977)	3,898,938	4,057,879
Plan fiduciary net position - beginning	67,399,291	63,500,353	59,442,474
Plan fiduciary net position - ending (b)	<u>\$ 63,674,314</u>	<u>\$ 67,399,291</u>	<u>\$ 63,500,353</u>
City's net OPEB liability - ending (a)-(b)	<u>\$ 14,141,154</u>	<u>\$ 6,814,460</u>	<u>\$ 4,090,205</u>
Plan fiduciary net position as a percentage of the total pension liability	81.83%	90.82%	93.95%
Annual covered payroll	\$ 124,457,080	\$ 118,530,552	\$ 122,798,859
Net OPEB liability as a percentage of covered payroll	11.36%	5.75%	3.33%

**Notes to Schedule**

**A. Benefit changes:** None

**B. Changes to assumptions:**

The discount rate was updated from 8.0% at 9/30/18 to 7.9% at 9/30/19.

The following assumption changes are reflected in both the total OPEB liability at the beginning of FY18 and the total OPEB liability at the end of FY19:

- The mortality assumptions was updated in accordance with the changes that were enacted in the 2015 legislative session to sections 112.63 and 112.664 of the Florida Statutes.
- The retirement rates for firefighters and the withdrawal rates and salary increase assumption for firefighters and police officers were updated to reflect the results of an experience study conducted by Conduent in 2019.
- The salary increase assumption for general employees was updated to reflect the results of an experience study conducted by Conduent in 2019.
- The healthcare claims cost per participant assumption was updated to include October 2017 through September 2019 actual claims.
- Updated valuation model for Medicare participants due to the implementation of Alternative Medicare options in 2016.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF CITY CONTRIBUTIONS  
OPEB PLAN  
LAST THREE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 767,613	\$ 731,060	\$ 616,087
Contributions in relation to the actuarially determined contribution	2,348,167	2,016,572	1,622,729
Contribution deficiency (excess)	<u>\$ (1,580,554)</u>	<u>\$ (1,285,512)</u>	<u>\$ (1,006,642)</u>
Covered payroll	\$ 124,457,080	\$ 118,530,552	\$ 122,798,859
Contributions as percentage of covered payroll	1.89%	1.70%	1.30%

**Notes to Schedule**

**A. Valuation date:** Actuarially determined contribution calculated as of October 1, 2018, applies for the fiscal year ended September 30, 2019.

**B. Methods and assumptions used to determine contribution:**

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage, closed
Amortization period	10 years
Asset valuation method	Actuarial value
Inflation rate	3.00%
Payroll growth	3.00% to 5.00%
Investment return rate	7.90%, net of investment expenses
Salary increase rate	Service based
Retirement rates	Schedule of probabilities based on age and service, increasing as age and service increase
Mortality rates	RP-2000 Mortality Table

The schedule will present ten years comparative data in the future.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN  
OPEB PLAN  
LAST THREE FISCAL YEARS**

<b>Fiscal Year</b>	<b>Annual Money-Weighted Rate of Return on OPEB Plan Investments</b>
2019	-2.41%
2018	9.97%
2017	11.25%

**Note to Schedule**

The schedule will present ten years comparative data in the future.

## **Supplementary Information**

## **NON-MAJOR GOVERNMENT FUNDS**

### **SPECIAL REVENUE FUNDS**

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

The City maintains the following Special Revenue Funds:

**Community Development Block Grant Fund** - to maintain unique accounting requirements for Federal funds being used to refurbish and rehabilitate deteriorated neighborhoods.

**Urban Development Action Grant Fund** - to account for Urban Development Action Grant Funds loaned to a local developer for construction of a downtown-parking garage. The loan is to be repaid based on provisions of an agreement.

**Home Grant Fund** - to maintain unique accounting requirements for HOME Investment Partnerships Program Grant funds. This program was created under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990.

**Cultural and Nature Projects Fund** - to account for revenues and expenditures associated with various cultural activities provided for the benefit of the citizens of the City. Financing is provided by various charges for services and miscellaneous revenue sources.

**State Law Enforcement Contraband Forfeiture Fund** - to account for law enforcement related projects funded by the proceeds from state confiscated property forfeited under the provisions of Sections 932.701 through 932.704, Florida Statutes.

**Federal Law Enforcement Contraband Forfeiture Fund** - to account for law enforcement related projects funded by the proceeds from federal confiscated property forfeited under the provisions of USC 21 SS 881 and U.S. Department of Justice, Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies.

**Police Billable Overtime Fund** – to account for revenues and expenditures associated billable overtime that the Police Department performs outside of their regular duties for both City events and non-City events. Fees are set with the intent to cover variable costs including overtime pay and benefits.

**Community Redevelopment Agency Fund** – to account for the administrative operations of the City's four tax increment districts. This fund is a component unit of the City and is reported as a blended component unit in the non-major governmental funds section.

**Street, Sidewalk and Ditch Improvement Fund** - to account for the provision and financing of paving and ditch improvement projects. Financing is provided by assessments levied against property owners in a limited geographical area as improvement projects are approved.

**Economic Development Fund** - to account for revenue and expenditures made to promote economic development. Includes operating expense and rental revenue generated by the GTEC (Gainesville Technology Incubator) facility.

**Miscellaneous Gifts and Grants Fund** - to account for a large number of miscellaneous gifts and grants, which are single purpose in nature and require minimal special accounting features.

**Transportation Concurrency Exception Area Fund** – to account for revenue and expenditures generated in connection with transportation improvements made in conjunction with new developments. Funds are provided by real estate developers to mitigate the development's impact on transportation in accordance with Ordinance #981310.

## **SPECIAL REVENUE FUNDS**

**Water and Wastewater Surcharge Infrastructure Fund** – to account for surcharge collections and interest earnings which are to be expended on related infrastructure improvements for water and wastewater. Half of the funds collected are transferred to this fund. Resolution #030223 specifies that the expenditures are to be used as follows: 20% health/safety/environmental projects, 20% affordable housing projects, and 60% programmed extension projects.

**Supportive Housing Investment Partnership (SHIP) Fund** – to account for documentary stamp proceeds from real estate transactions to be used as funding for the entitlement program. Expenditures made by the City include grants to improve housing options for lower income and less advantaged citizens.

**Hurricane Irma 2017 Fund** – to account for revenue and expenditures incurred during and from the recovery of Hurricane Irma.

**Small Business Loan Fund** – to account for revenue and expenditures associated with revolving loan funds to local small businesses. This fund was established in fiscal year 2005 with the funds received through an insurance settlement associated with the United Gainesville Community Development Corporation.

**Tree Mitigation Fund** – to account for projects that exceed the basic service levels for tree planting, routine pruning maintenance and hazard abatement of the City's tree canopy.

**Miscellaneous Special Revenue Fund** – to account for several miscellaneous programs that are of small dollar value and are restricted to a specific project or activity.

**Fire Assessment Fund** – to account for fire assessment fees not included in the general fund.

**Tourist Product Development Fund-FY13** - to account for Tourist Product Development tax dollars passed through from the County and awarded as grants to artistic, eco-tourism and new program projects that will promote tourism in the area during fiscal year 2013. The City's Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

**Hurricane Dorian Fund** – to account for revenue and expenditures incurred during and from the recovery of Hurricane Dorian.

**Evergreen Cemetery Trust Fund** - to account for revenues, which will be used to finance perpetual care expenses incurred by the General Fund for cemetery gravesites. Interest income and income from lot sales and perpetual care contracts provide the financing sources.

**School Crossing Guard Trust Fund** - to account for the surcharge imposed on parking fines to fund the School Crossing Guard Program.

**Art in Public Places Trust Fund** - to account for the use of funds to purchase art for new or majorly-renovated City buildings, and to accumulate funds to provide art that is accessible to the public in accordance with City Ordinance #3509.

**Downtown Redevelopment Tax Increment Fund** - to account for certain property tax increments, and interest earned on such funds, which are to be used for specific projects involving downtown redevelopment.

## **SPECIAL REVENUE FUNDS**

**Fifth Avenue Tax Increment Fund** - to account for certain property tax increments, and interest earned on such funds, which are to be used for specific projects involving redevelopment of the Fifth Avenue and Pleasant Street neighborhoods.

**College Park Tax Increment Fund** - to account for certain property tax increments and interest earned on such funds, which are to be used for specific projects involving redevelopment of the College Park and University Heights neighborhoods.

**Eastside Tax Increment Fund** - to account for certain property tax increments and interest earned on such funds, which are to be used for specific projects involving redevelopment of the Eastside Redevelopment District.



## **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 and interest.

The City maintains the following Debt Service Funds:

**Guaranteed Entitlement Revenue and Refunding Bonds 1994** - to receive and account for funds (Guaranteed Entitlement funds) to accumulate the debt service requirements of the Guaranteed Entitlement Refunding Bonds of 1994.

**Pension Obligation Bonds Series 2003A** – to account for funds to accumulate the debt service requirements of the pension obligation bonds for the General Employee’s Pension Plan.

**Pension Obligation Bonds Series 2003B** – to account for funds to accumulate the debt service requirements of the pension obligation bonds for the Consolidated Police Officers’ and Firefighters’ Pension Plan.

**GPD Energy Conservation Master Capital Lease** – to account for funds to accumulate the capital lease required payments for the Siemens GPD Energy Conservation Capital Lease.

**Capital Improvement Revenue Note (CIRN) 2009** – to account for funds to accumulate the debt service requirements of the CIRN of 2009.

**Capital Improvement Revenue Bond (CIRB) Series 2010** – to account for funds to accumulate the debt service requirements of the CIRB of 2010.

**Revenue Refunding Note Series 2011** – to account for funds to accumulate the debt service requirements of the Revenue Refunding Note of 2011.

**Capital Improvement Revenue Note Series 2011A** – to account for funds to accumulate the debt service requirements of the CIRN of 2011.

**Revenue Refunding Note Series 2014** – to account for funds to accumulate the debt service requirements of the Revenue Refunding Note of 2014.

**Capital Improvement Revenue Bond (CIRB) Series 2014** – to account for funds to accumulate the debt service requirements of the CIRB of 2014.

**Revenue Refunding Note Series 2016A** – to account for funds to accumulate the debt service requirements of the Revenue Refunding Note of 2016.

**Capital Improvement Revenue Note (CIRN) Series 2016B (5c Gas Tax)** – to account for funds to accumulate the debt service requirements of the CIRN of 2016B.

**Capital Improvement Revenue Bond 2017** - to account for funds to accumulate the debt service requirements of the CIRN of 2017.

## **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 (other than those financed by Proprietary Funds and Trust Funds).

The City maintains the following Capital Projects Funds:

**General Capital Projects Fund** - to account for costs of various projects, which are of relatively small dollar value in nature. Financing is generally provided by operating transfers from other funds of the City and interest earnings.

**Public Improvement Construction Fund** - to account for the costs of various capital projects funded by the non-refunding portion of the 1994 Guaranteed Entitlement Revenue & Refunding Bonds & interest earnings.

**Greenspace and Community Improvement Fund** - to account for the costs of acquiring greenspace land and quality of life improvements in the community.

**Roadway Construction Fund 96** - to account for the costs of roadway improvements financed through First Florida Governmental Financing Commission borrowings (1996) and interest earnings.

**Capital Projects Fund 02** – to account for the costs of various capital projects financed by the First Florida Governmental Financing Commission 2002 and interest earnings.

**Fifth Avenue/Pleasant Street Rehabilitation Project Fund 02** – to account for the acquisition and rehabilitation of properties in the Fifth Avenue/Pleasant Street district financed through the First Florida Governmental Financing Commission 2002 and interest earnings.

**Downtown Parking Garage Sales Tax Fund** – to account for construction costs of the Alachua County Criminal Courthouse parking facilities financed by the local option sales tax.

**FFGFC 05 Capital Projects Fund** – to account for the costs of various capital projects financed by the First Florida Governmental Financing Commission 2005 and interest earnings.

**39<sup>th</sup> Avenue Fleet Garage Expansion Fund** – to account for the costs of the expansion of the 39<sup>th</sup> Avenue Fleet garage.

**Capital Improvement Revenue Bond (CIRB) 2005 CIP Fund** – to account for the costs of various capital projects financed by the CIRB 2005 and interest earnings.

**Kennedy Homes Acquisition/Demolition Fund** – to account for the costs of acquiring the Kennedy Homes property, and for associated demolition and remodeling costs associated with the property's rehabilitation.

**Campus Development Agreement (CDA) Capital Projects Fund** – to account for the costs of projects specified to be funded by the Campus Development Agreement, provided by the University of Florida.

**Energy Conservation Capital Projects Fund** – to account for the costs of projects related to energy conservation funded by the CIRN 2009 debt issue.

**Additional 5 Cents Local Option Gas Tax (LOGT) Capital Projects Fund** – to account for the receipt and expenditure of the additional five cent local option gas tax.

## **CAPITAL PROJECTS FUNDS**

**Additional 5 Cents Local Option Gas Tax (LOGT) CIRN 2009 Capital Projects Fund** – to account for the expenditure of the CIRN 2009 proceeds to be repaid with additional five cent local option gas tax.

**Traffic Management System Building Capital Projects Fund** – to account for the costs of the traffic management system building project.

**Capital Improvement Revenue Note (CIRN) 2009 Capital Projects Fund** – to account for the costs of various capital projects financed by the CIRN 2009 and interest earnings.

**Wild Spaces Public Places ½ Cent Sales Tax Capital Projects Fund** – to account for the receipt of a portion of the Wild Spaces Public Places two-year ½ cent sales tax and the related capital projects associated with public recreation funded by the tax and interest earnings.

**Wild Spaces Public Places Land Acquisition Capital Projects Fund** – to account for the receipt of a portion of the Wild Spaces Public Places two-year ½ cent sales tax and the related capital projects associated with land acquisition funded by the tax and interest earnings.

**Senior Recreation Center Capital Projects Fund** – to account for the costs of the construction of the Senior Recreation Center.

**Capital Improvement Revenue Bond (CIRB) 2010 CIP Fund** – to account for the costs of various capital projects financed by the CIRB 2010 and interest earnings.

**Capital Improvement Revenue Note (CIRN) 2011 CIP Fund** – to account for the costs of various capital projects financed by the CIRN 2011 and interest earnings.

**Facilities Maintenance Recurring Capital Projects Fund** – to account for the costs for ongoing facilities capital maintenance.

**Equipment Replacement Capital Projects Fund** – to account for the costs for replacing City equipment (radios, computers, laptops, etc.).

**Roadway Resurfacing Program Capital Projects Fund** – to account for the costs for resurfacing roads.

**Capital Improvement Revenue Bond (CIRB) 2014 CIP Fund** – to account for the costs of various capital projects financed by the CIRB 2014 and interest earnings.

**Capital Improvement Beazer Settlement Capital Projects Fund** – to account for the costs of remediation work associated with the clean-up at the Cabot Carbon/Koppers Superfund Site.

**Capital Improvement Revenue Note 2016B Additional 5c Gas Tax CIP Fund** – to account for the costs of various capital projects financed by the CIRN 2016B and interest earnings.

**Capital Improvement Revenue Note (CIRN) 2017 CIP Fund** – to account for the costs of various capital projects financed by the CIRN 2017 and interest earnings.

**Wild Spaces Public Places ½ Cent Sales Tax 2017-2025 Capital Projects Fund** – to account for the receipt of a portion of the Wild Spaces Public Places eight-year ½ cent sales tax and the related capital projects associated with public recreation funded by the tax and interest earnings.

**Wild Spaces Public Places Joint Projects Fund** – to account for joint capital projects funded by the Wild Spaces Public Places eight-year ½ cent sales tax.

**Technology Capital Improvement Fund** – to account for the costs associated with various capital projects.

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	Special Revenue Funds			
	Community Develop- ment Block Grant Fund	Urban Develop- ment Action Grant Fund	Home Grant Fund	Cultural and Nature Projects Fund
<b>Assets</b>				
Equity in pooled cash and investments	\$ -	\$ 17,069	\$ -	\$ 176,354
Investments	-	-	-	-
Receivables	430,358	-	220,028	1,125
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>430,358</b>	<b>17,069</b>	<b>220,028</b>	<b>177,479</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	81,474	-	67,881	9,919
Due to other funds	305,252	-	368,832	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>386,726</b>	<b>-</b>	<b>436,713</b>	<b>9,919</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	33,165	-	26,673	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>33,165</b>	<b>-</b>	<b>26,673</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	10,467	17,069	-	-
Committed	-	-	-	167,560
Assigned	-	-	-	-
Unassigned	-	-	(243,358)	-
<b>Total Fund Balances</b>	<b>10,467</b>	<b>17,069</b>	<b>(243,358)</b>	<b>167,560</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 430,358</b>	<b>\$ 17,069</b>	<b>\$ 220,028</b>	<b>\$ 177,479</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	State Law Enforce- ment Contraband Forfeiture Fund	Federal Law Enforce- ment Contraband Forfeiture Fund	Police Billable Overtime Fund	Community Redevelop- ment Agency Fund
<b>Assets</b>				
Equity in pooled cash and investments	\$ 370,177	\$ 846,335	\$ -	\$ 1,587,336
Investments	-	-	-	-
Receivables	-	-	19,757	1,198
Due from other funds	-	-	1,730	-
Assets held for evidence	670,492	-	-	-
<b>Total Assets</b>	<b>1,040,669</b>	<b>846,335</b>	<b>21,487</b>	<b>1,588,534</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	669,781	2,423	-	12,014
Due to other funds	-	71,890	436,372	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	1,339,751
<b>Total Liabilities</b>	<b>669,781</b>	<b>74,313</b>	<b>436,372</b>	<b>1,351,765</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	370,888	772,022	-	236,769
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(414,885)	-
<b>Total Fund Balances</b>	<b>370,888</b>	<b>772,022</b>	<b>(414,885)</b>	<b>236,769</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,040,669</b>	<b>\$ 846,335</b>	<b>\$ 21,487</b>	<b>\$ 1,588,534</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	Special Revenue Funds			
	Street Sidewalk and Ditch Improve- ment Fund	Economic Develop- ment Fund	Miscel- laneous Gifts and Grants Fund	Transport- ation Concurrency Exception Area Fund
<b>Assets</b>				
Equity in pooled cash and investments	\$ 189,549	\$ 297,640	\$ 1	\$ 5,312,422
Investments	-	-	-	-
Receivables	2,611	32,554	1,692,261	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<u>192,160</u>	<u>330,194</u>	<u>1,692,262</u>	<u>5,312,422</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	23,113	471,526	14,012
Due to other funds	-	-	1,799,454	-
Unearned revenues	-	-	10,510	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>23,113</u>	<u>2,281,490</u>	<u>14,012</u>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	3,458	-	-	-
Unavailable Revenues	-	-	344,916	-
<b>Total Deferred Inflows of Resources</b>	<u>3,458</u>	<u>-</u>	<u>344,916</u>	<u>-</u>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	188,702	-	-	5,298,410
Committed	-	307,081	-	-
Assigned	-	-	-	-
Unassigned	-	-	(934,144)	-
<b>Total Fund Balances</b>	<u>188,702</u>	<u>307,081</u>	<u>(934,144)</u>	<u>5,298,410</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 192,160</u>	<u>\$ 330,194</u>	<u>\$ 1,692,262</u>	<u>\$ 5,312,422</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	Water and Wastewater Surcharge Infra- structure Fund	SHIP Fund	Hurricane Irma 2017 Fund	Small Business Loan Fund
<b>Assets</b>				
Equity in pooled cash and investments	\$ 1,939,908	\$ 915,410	\$ -	\$ 101,201
Investments	-	-	-	-
Receivables	-	-	1,221,340	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>1,939,908</b>	<b>915,410</b>	<b>1,221,340</b>	<b>101,201</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	8,996	-	-
Due to other funds	188,306	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>188,306</b>	<b>8,996</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	1,221,340	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>1,221,340</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	906,414	-	-
Committed	1,751,602	-	-	101,201
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>1,751,602</b>	<b>906,414</b>	<b>-</b>	<b>101,201</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,939,908</b>	<b>\$ 915,410</b>	<b>\$ 1,221,340</b>	<b>\$ 101,201</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Special Revenue Funds</b>			
	<b>Tree Mitigation Fund</b>	<b>Miscellaneous Special Revenue Fund</b>	<b>Fire Assessment Fund</b>	<b>Hurricane Dorian Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 2,615,831	\$ 2,836,939	\$ 1,096	\$ 4,120
Investments	-	-	-	-
Receivables	-	180,863	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>2,615,831</b>	<b>3,017,802</b>	<b>1,096</b>	<b>4,120</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	36,224	-	2,020
Due to other funds	11	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>11</b>	<b>36,224</b>	<b>-</b>	<b>2,020</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	-	1,096	-
Committed	2,615,820	-	-	-
Assigned	-	2,981,578	-	2,100
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>2,615,820</b>	<b>2,981,578</b>	<b>1,096</b>	<b>2,100</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,615,831</b>	<b>\$ 3,017,802</b>	<b>\$ 1,096</b>	<b>\$ 4,120</b>



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	Evergreen Cemetery Trust Fund	School Crossing Guard Trust Fund	Art in Public Places Trust Fund	Downtown Redevelopment Tax Increment Fund
<b>Assets</b>				
Equity in pooled cash and investments	\$ 43,826	\$ -	\$ 16,251	\$ 4,795,179
Investments	1,434,495	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>1,478,321</b>	<b>-</b>	<b>16,251</b>	<b>4,795,179</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	-	-	112,817
Due to other funds	-	26,866	-	303
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>26,866</b>	<b>-</b>	<b>113,120</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	973,501	-	-	-
Restricted	504,820	-	16,251	4,682,059
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(26,866)	-	-
<b>Total Fund Balances</b>	<b>1,478,321</b>	<b>(26,866)</b>	<b>16,251</b>	<b>4,682,059</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,478,321</b>	<b>\$ -</b>	<b>\$ 16,251</b>	<b>\$ 4,795,179</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Special Revenue Funds</b>		
	<b>Fifth Avenue Tax Increment Fund</b>	<b>College Park Tax Increment Fund</b>	<b>Eastside Tax Increment Fund</b>
<b>Assets</b>			
Equity in pooled cash and investments	\$ 1,211,103	\$ 5,803,001	\$ 566,257
Investments	-	-	-
Receivables	1,390	-	4,557
Due from other funds	-	-	-
Assets held for evidence	-	-	-
<b>Total Assets</b>	<b>1,212,493</b>	<b>5,803,001</b>	<b>570,814</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	12,998	368,157	1,761
Due to other funds	-	-	2,202
Unearned revenues	-	-	-
Advances from other funds	-	-	-
<b>Total Liabilities</b>	<b>12,998</b>	<b>368,157</b>	<b>3,963</b>
<b>Deferred Inflows of Resources</b>			
Deferred revenue - notes receivable	1,390	-	-
Unavailable Revenues	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,390</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Non-spendable	-	-	-
Restricted	1,198,105	5,434,844	566,851
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>1,198,105</b>	<b>5,434,844</b>	<b>566,851</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,212,493</b>	<b>\$ 5,803,001</b>	<b>\$ 570,814</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>			
	<b>Guaranteed Entitlement Revenue and Refunding Bonds 1994</b>	<b>Pension Obligation Bond Series 2003A</b>	<b>Pension Obligation Bonds Series 2003B</b>	<b>GPD Energy Conserv. Master Capital Lease</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 9,885	\$ 375,894	\$ 131,104	\$ 38,359
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>9,885</b>	<b>375,894</b>	<b>131,104</b>	<b>38,359</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	9,885	375,894	131,104	38,359
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>9,885</b>	<b>375,894</b>	<b>131,104</b>	<b>38,359</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,885</b>	<b>\$ 375,894</b>	<b>\$ 131,104</b>	<b>\$ 38,359</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>			
	<b>Capital Improvement Revenue Note (CIRN) 2009</b>	<b>Capital Improvement Revenue Bond (CIRB) Series 2010</b>	<b>Revenue Refunding Note Series 2011</b>	<b>Capital Improvement Revenue Note Series 2011A</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 12,480	\$ 108,999	\$ 12,454	\$ 20,888
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>12,480</b>	<b>108,999</b>	<b>12,454</b>	<b>20,888</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	12,480	108,999	12,454	20,888
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>12,480</b>	<b>108,999</b>	<b>12,454</b>	<b>20,888</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,480</b>	<b>\$ 108,999</b>	<b>\$ 12,454</b>	<b>\$ 20,888</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>				
	<b>Revenue Refunding Note Series 2014</b>	<b>Capital Improvement Revenue Bond Series 2014</b>	<b>Revenue Refunding Note Series 2016A</b>	<b>Capital Improvement Revenue Note 2016B</b>	<b>Capital Improvement Revenue Bond 2017</b>
<b>Assets</b>					
Equity in pooled cash and investments	\$ 85,218	\$ 209,860	\$ 44,194	\$ -	\$ 139,986
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Assets held for evidence	-	-	-	-	-
<b>Total Assets</b>	<b>85,218</b>	<b>209,860</b>	<b>44,194</b>	<b>-</b>	<b>139,986</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	-	-	6,499	-	-
Due to other funds	-	-	-	47	-
Unearned revenues	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>6,499</b>	<b>47</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Deferred revenue - notes receivable	-	-	-	-	-
Unavailable Revenues	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	85,218	209,860	37,695	-	139,986
Unassigned	-	-	-	(47)	-
<b>Total Fund Balances</b>	<b>85,218</b>	<b>209,860</b>	<b>37,695</b>	<b>(47)</b>	<b>139,986</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 85,218</b>	<b>\$ 209,860</b>	<b>\$ 44,194</b>	<b>\$ -</b>	<b>\$ 139,986</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Capital Projects Funds</b>			
	<b>General Capital Projects Fund</b>	<b>Public Improvement Construction Fund</b>	<b>Greenspace and Community Improvement Fund</b>	<b>Roadway Construction Fund 96</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 1,686,608	\$ 960	\$ 470,880	\$ -
Investments	-	-	-	-
Receivables	19,500	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>1,706,108</b>	<b>960</b>	<b>470,880</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	21,661	-	32,888	-
Due to other funds	-	-	-	202
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>21,661</b>	<b>-</b>	<b>32,888</b>	<b>202</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	1,684,447	960	437,992	-
Unassigned	-	-	-	(202)
<b>Total Fund Balances</b>	<b>1,684,447</b>	<b>960</b>	<b>437,992</b>	<b>(202)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,706,108</b>	<b>\$ 960</b>	<b>\$ 470,880</b>	<b>\$ -</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Capital Projects Funds</b>			
	<b>Capital Projects Fund 02</b>	<b>Fifth Avenue/ Pleasant St. Rehab Proj. Fund 02</b>	<b>Downtown Parking Garage Sales Tax Fund</b>	<b>FFGFC 05 Capital Projects Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 179,172	\$ 8,361	\$ -	\$ 19,282
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>179,172</b>	<b>8,361</b>	<b>-</b>	<b>19,282</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	63,912	-	-	-
Due to other funds	-	-	6	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>63,912</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	115,260	8,361	-	19,282
Unassigned	-	-	(6)	-
<b>Total Fund Balances</b>	<b>115,260</b>	<b>8,361</b>	<b>(6)</b>	<b>19,282</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 179,172</b>	<b>\$ 8,361</b>	<b>\$ -</b>	<b>\$ 19,282</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Capital Projects Funds</b>			
	<b>39th Avenue Fleet Garage Expansion Fund</b>	<b>Capital Improvement Revenue Bond (CIRB) 2005 CIP Fund</b>	<b>Kennedy Homes Acquisition/ Demolition Fund</b>	<b>Campus Development Agreement Capital Projects Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 440	\$ 519,701	\$ 65,708	\$ 2,225,140
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>440</b>	<b>519,701</b>	<b>65,708</b>	<b>2,225,140</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	77,037	-	663,963
Due to other funds	-	-	-	2,250
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>77,037</b>	<b>-</b>	<b>666,213</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	-	-	104,385
Committed	-	-	-	-
Assigned	440	442,664	65,708	1,454,542
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>440</b>	<b>442,664</b>	<b>65,708</b>	<b>1,558,927</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 440</b>	<b>\$ 519,701</b>	<b>\$ 65,708</b>	<b>\$ 2,225,140</b>



**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Capital Projects Funds</b>			
	<b>Energy Conservation Capital Projects Fund</b>	<b>Add'l 5 Cents Local Option Gas Tax (LOGT) Capital Projects Fund</b>	<b>Add'l 5 Cents Gas Tax (LOGT) CIRN 2009 Capital Projects Fund</b>	<b>Traffic Mgmt System Bldg. Capital Projects Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 15,313	\$ 617,313	\$ 625,964	\$ 120,669
Investments	-	-	-	-
Receivables	-	196,371	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>15,313</b>	<b>813,684</b>	<b>625,964</b>	<b>120,669</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	38,634	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>38,634</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	775,050	466,539	-
Committed	-	-	-	-
Assigned	15,313	-	159,425	120,669
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>15,313</b>	<b>775,050</b>	<b>625,964</b>	<b>120,669</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,313</b>	<b>\$ 813,684</b>	<b>\$ 625,964</b>	<b>\$ 120,669</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Capital Projects Funds</b>			
	<b>Capital Imp Revenue Note (CIRN) 2009 Capital Projects Fund</b>	<b>Wild Spaces Public Places 1/2 Cent Sales Tax Capital Projects Fund</b>	<b>Wild Spaces Public Places Land Acq. Capital Projects Fund</b>	<b>Senior Recreation Center Capital Projects Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ -	\$ 3,194	\$ 210,642	\$ 23,766
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>-</b>	<b>3,194</b>	<b>210,642</b>	<b>23,766</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	1,791	800	-
Due to other funds	552	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>552</b>	<b>1,791</b>	<b>800</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	1,403	209,842	23,766
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(552)	-	-	-
<b>Total Fund Balances</b>	<b>(552)</b>	<b>1,403</b>	<b>209,842</b>	<b>23,766</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 3,194</b>	<b>\$ 210,642</b>	<b>\$ 23,766</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Capital Projects Funds</b>			
	<b>Capital Imp Revenue Bonds (CIRB) 2010 Capital Projects Fund</b>	<b>Capital Imp Revenue Note (CIRN) 2011 Capital Projects Fund</b>	<b>Facilities Maintenance Recurring Capital Projects Fund</b>	<b>Equipment Replacement Capital Projects Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 622,893	\$ 896	\$ 1,182,835	\$ 289,090
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>622,893</b>	<b>896</b>	<b>1,182,835</b>	<b>289,090</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	-	40,378	(5,445)
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>40,378</b>	<b>(5,445)</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	347,980	-	-	-
Committed	-	-	-	-
Assigned	274,913	896	1,142,457	294,535
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>622,893</b>	<b>896</b>	<b>1,142,457</b>	<b>294,535</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 622,893</b>	<b>\$ 896</b>	<b>\$ 1,182,835</b>	<b>\$ 289,090</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(Continued)**

	<b>Capital Projects Funds</b>			
	<b>Roadway Resurfacing Program Capital Projects Fund</b>	<b>Capital Imp Revenue Bond (CIRB) 2014 Capital Projects Fund</b>	<b>Capital Imp Beazer Settlement Capital Projects Fund</b>	<b>Capital Imp Revenue Note 2016B Add'l 5 Cent Gas Tax CIP Fund</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 1,295,027	\$ 739,504	\$ 21,751	\$ 5,009,825
Investments	-	-	-	-
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Assets held for evidence	-	-	-	-
<b>Total Assets</b>	<b>1,295,027</b>	<b>739,504</b>	<b>21,751</b>	<b>5,009,825</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	171,864	7,660	-	590,741
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>171,864</b>	<b>7,660</b>	<b>-</b>	<b>590,741</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue - notes receivable	-	-	-	-
Unavailable Revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Non-spendable	-	-	-	-
Restricted	-	234,546	-	4,140,667
Committed	-	-	-	-
Assigned	1,123,163	497,298	21,751	278,417
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>1,123,163</b>	<b>731,844</b>	<b>21,751</b>	<b>4,419,084</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,295,027</b>	<b>\$ 739,504</b>	<b>\$ 21,751</b>	<b>\$ 5,009,825</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

	<b>Capital Projects Funds</b>				
	<b>Capital Imp Revenue Note (CIRN) 2017 Capital Projects Fund</b>	<b>Wild Spaces Public Places 1/2 Cent Sales Tax 2017-2025 CIP Fund</b>	<b>Wild Spaces Public Places Joint Projects Fund</b>	<b>Technology Capital Improvement Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>					
Equity in pooled cash and investments	\$ 254,419	\$ 11,997,910	\$ 2,277,281	\$ 5,753,373	\$ 67,074,243
Investments	-	-	-	-	1,434,495
Receivables	-	-	-	-	4,023,913
Due from other funds	-	-	-	-	1,730
Assets held for evidence	-	-	-	-	670,492
<b>Total Assets</b>	<b>254,419</b>	<b>11,997,910</b>	<b>2,277,281</b>	<b>5,753,373</b>	<b>73,204,873</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	-	306,934	-	1,164,604	5,079,037
Due to other funds	-	-	-	1,232,522	4,435,067
Unearned revenues	-	-	-	-	10,510
Advances from other funds	-	-	-	-	1,339,751
<b>Total Liabilities</b>	<b>-</b>	<b>306,934</b>	<b>-</b>	<b>2,397,126</b>	<b>10,864,365</b>
<b>Deferred Inflows of Resources</b>					
Deferred revenue - notes receivable	-	-	-	-	64,686
Unavailable Revenues	-	-	-	-	1,566,256
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,630,942</b>
<b>Fund Balances</b>					
Non-spendable	-	-	-	-	973,501
Restricted	28,442	11,690,976	2,277,281	3,356,247	43,861,891
Committed	-	-	-	-	4,943,264
Assigned	225,977	-	-	-	12,550,970
Unassigned	-	-	-	-	(1,620,060)
<b>Total Fund Balances</b>	<b>254,419</b>	<b>11,690,976</b>	<b>2,277,281</b>	<b>3,356,247</b>	<b>60,709,566</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 254,419</b>	<b>\$ 11,997,910</b>	<b>\$ 2,277,281</b>	<b>\$ 5,753,373</b>	<b>\$ 73,204,873</b>

**CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Special Revenue Funds			
	Community Develop- ment Block Grant Fund	Urban Develop- ment Action Grant Fund	Home Grant Fund	Cultural and Nature Projects Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,517,503	-	582,837	-
Charges for services	-	-	-	412,043
Fines and forfeitures	-	-	-	-
Miscellaneous	7,289	-	87,696	65,549
<b>Total Revenues</b>	<b>1,524,792</b>	<b>-</b>	<b>670,533</b>	<b>477,592</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	176,988	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	952,907	-	485,672	-
Human services	205,582	-	-	-
Culture and recreation	-	-	-	434,205
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>1,335,477</b>	<b>-</b>	<b>485,672</b>	<b>434,205</b>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<b>189,315</b>	<b>-</b>	<b>184,861</b>	<b>43,387</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	23,650	-	-
Transfers (out)	(16,064)	-	(1,851)	(3,197)
<b>Total Other Financing Sources (Uses)</b>	<b>(16,064)</b>	<b>23,650</b>	<b>(1,851)</b>	<b>(3,197)</b>
<b>Net Change in Fund Balances</b>	<b>173,251</b>	<b>23,650</b>	<b>183,010</b>	<b>40,190</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>(162,784)</b>	<b>(6,581)</b>	<b>(426,368)</b>	<b>127,370</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>(162,784)</b>	<b>(6,581)</b>	<b>(426,368)</b>	<b>127,370</b>
<b>Fund Balances, End of Year</b>	<b>\$ 10,467</b>	<b>\$ 17,069</b>	<b>\$ (243,358)</b>	<b>\$ 167,560</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	State Law Enforce- ment Contraband Forfeiture Fund	Federal Law Enforce- ment Contraband Forfeiture Fund	Police Billable Overtime Fund	Community Redevelop- ment Agency Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	681,482	-
Fines and forfeitures	66,017	156,810	-	-
Miscellaneous	9,091	1,703	(55,880)	35,262
<b>Total Revenues</b>	<u>75,108</u>	<u>158,513</u>	<u>625,602</u>	<u>35,262</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	74,067
Public safety	6,276	254,748	626,699	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	1,029,767
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	7,049
Interest and fiscal charges	-	-	-	63,476
Capital outlay	-	24,100	-	-
<b>Total Expenditures</b>	<u>6,276</u>	<u>278,848</u>	<u>626,699</u>	<u>1,174,359</u>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>  Over Expenditures</b>	<u>68,832</u>	<u>(120,335)</u>	<u>(1,097)</u>	<u>(1,139,097)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	2,001,961
Transfers (out)	-	-	-	(46,222)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,955,739</u>
<b>Net Change in Fund Balances</b>	<u>68,832</u>	<u>(120,335)</u>	<u>(1,097)</u>	<u>816,642</u>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	302,056	892,357	(413,788)	(579,873)
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<u>302,056</u>	<u>892,357</u>	<u>(413,788)</u>	<u>(579,873)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 370,888</u>	<u>\$ 772,022</u>	<u>\$ (414,885)</u>	<u>\$ 236,769</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	Street, Sidewalk, and Ditch Improve- ment Fund	Economic Develop- ment Fund	Miscel- laneous Gifts and Grants Fund	Transport- ation Concurrency Exception Area Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,852,245	-
Charges for services	-	-	-	1,539,767
Fines and forfeitures	-	-	-	-
Miscellaneous	4,442	1,200	9,001	116,142
<b>Total Revenues</b>	<b>4,442</b>	<b>1,200</b>	<b>1,861,246</b>	<b>1,655,909</b>
<b>Expenditures</b>				
Current:				
General government	-	5,753	-	-
Public safety	-	-	1,346,623	-
Physical environment	-	-	114,772	-
Transportation	-	-	323,858	51,875
Economic environment	-	113,027	-	-
Human services	-	-	-	-
Culture and recreation	-	-	41,914	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	1,317,736	236,793
<b>Total Expenditures</b>	<b>-</b>	<b>118,780</b>	<b>3,144,903</b>	<b>288,668</b>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<b>4,442</b>	<b>(117,580)</b>	<b>(1,283,657)</b>	<b>1,367,241</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	12,000	630,952	-
Transfers (out)	-	-	-	(112,359)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>12,000</b>	<b>630,952</b>	<b>(112,359)</b>
<b>Net Change in Fund Balances</b>	<b>4,442</b>	<b>(105,580)</b>	<b>(652,705)</b>	<b>1,254,882</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>184,260</b>	<b>412,661</b>	<b>684,924</b>	<b>4,043,528</b>
Restatement	-	-	(966,363)	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>184,260</b>	<b>412,661</b>	<b>(281,439)</b>	<b>4,043,528</b>
<b>Fund Balances, End of Year</b>	<b>\$ 188,702</b>	<b>\$ 307,081</b>	<b>\$ (934,144)</b>	<b>\$ 5,298,410</b>



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	Water and Wastewater Surcharge Infra- structure Fund	SHIP Fund	Hurricane Irma 2017 Fund	Small Business Loan Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	494,033	227,229	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	41,369	66,888	-	-
<b>Total Revenues</b>	<b>535,402</b>	<b>294,117</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	260,171	-
Physical environment	268,971	-	-	-
Transportation	-	-	-	-
Economic environment	-	895,704	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	30,788	-	-	-
<b>Total Expenditures</b>	<b>299,759</b>	<b>895,704</b>	<b>260,171</b>	<b>-</b>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<b>235,643</b>	<b>(601,587)</b>	<b>(260,171)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	986	-
Transfers (out)	-	-	(39,116)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(38,130)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>235,643</b>	<b>(601,587)</b>	<b>(298,301)</b>	<b>-</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>1,515,959</b>	<b>1,508,001</b>	<b>298,301</b>	<b>101,201</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>1,515,959</b>	<b>1,508,001</b>	<b>298,301</b>	<b>101,201</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,751,602</b>	<b>\$ 906,414</b>	<b>\$ -</b>	<b>\$ 101,201</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Special Revenue Funds</b>			
	<b>Tree Mitigation Fund</b>	<b>Miscellaneous Special Revenue Fund</b>	<b>Fire Assessment Fund</b>	<b>Hurricane Dorian Fund</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	750,846	-	-
Charges for services	-	236,100	-	-
Fines and forfeitures	-	20,958	-	-
Miscellaneous	580,274	67,331	-	-
<b>Total Revenues</b>	<b>580,274</b>	<b>1,075,235</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	48,511	158,665	-	-
Public safety	-	110,955	-	140,596
Physical environment	-	287	-	-
Transportation	41,387	-	-	-
Economic environment	-	2,558	-	-
Human services	-	1,815,291	-	-
Culture and recreation	-	253,654	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	2,115	43,721	-	-
<b>Total Expenditures</b>	<b>92,013</b>	<b>2,385,131</b>	<b>-</b>	<b>140,596</b>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<b>488,261</b>	<b>(1,309,896)</b>	<b>-</b>	<b>(140,596)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	2,433,447	-	142,696
Transfers (out)	-	(533,986)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,899,461</b>	<b>-</b>	<b>142,696</b>
<b>Net Change in Fund Balances</b>	<b>488,261</b>	<b>589,565</b>	<b>-</b>	<b>2,100</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>2,127,559</b>	<b>2,392,013</b>	<b>1,096</b>	<b>-</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>2,127,559</b>	<b>2,392,013</b>	<b>1,096</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,615,820</b>	<b>\$ 2,981,578</b>	<b>\$ 1,096</b>	<b>\$ 2,100</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Special Revenue Funds			
	Evergreen Cemetery Trust Fund	School Crossing Guard Trust Fund	Art in Public Places Trust Fund	Downtown Redevelopment Tax Increment Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,378,088
Intergovernmental	-	-	-	-
Charges for services	7,322	-	-	8,973
Fines and forfeitures	-	38,366	-	-
Miscellaneous	(7,612)	(560)	(417)	105,399
<b>Total Revenues</b>	<u>(290)</u>	<u>37,806</u>	<u>(417)</u>	<u>1,492,460</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	11,225	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	895,344
Human services	-	-	-	-
Culture and recreation	-	-	37,224	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	303
<b>Total Expenditures</b>	<u>11,225</u>	<u>-</u>	<u>37,224</u>	<u>895,647</u>
<b>(Deficiency) Excess of Revenues (Under)</b>				
<b>Over Expenditures</b>	<u>(11,515)</u>	<u>37,806</u>	<u>(37,641)</u>	<u>596,813</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	68,100	789,861
Transfers (out)	(127,613)	(50,000)	(5,000)	(626,214)
<b>Total Other Financing Sources (Uses)</b>	<u>(127,613)</u>	<u>(50,000)</u>	<u>63,100</u>	<u>163,647</u>
<b>Net Change in Fund Balances</b>	<u>(139,128)</u>	<u>(12,194)</u>	<u>25,459</u>	<u>760,460</u>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	1,617,449	(14,672)	(9,208)	3,921,599
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<u>1,617,449</u>	<u>(14,672)</u>	<u>(9,208)</u>	<u>3,921,599</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,478,321</u>	<u>\$ (26,866)</u>	<u>\$ 16,251</u>	<u>\$ 4,682,059</u>

**CITY OF GAINESVILLE, FLORIDA**  
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**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Special Revenue Funds</b>		
	<b>Fifth Avenue</b>	<b>College Park</b>	<b>Eastside</b>
	<b>Tax Increment Fund</b>	<b>Tax Increment Fund</b>	<b>Tax Increment Fund</b>
<b>Revenues</b>			
Taxes	\$ 411,835	\$ 2,100,947	\$ 372,812
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	48,108	84,464	42,876
<b>Total Revenues</b>	<b>459,943</b>	<b>2,185,411</b>	<b>415,688</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	230,088	162,572	430,993
Human services	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	4,337,568	183,455
<b>Total Expenditures</b>	<b>230,088</b>	<b>4,500,140</b>	<b>614,448</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>229,855</b>	<b>(2,314,729)</b>	<b>(198,760)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	236,046	2,100,947	213,803
Transfers (out)	(230,778)	(946,255)	(198,713)
<b>Total Other Financing Sources (Uses)</b>	<b>5,268</b>	<b>1,154,692</b>	<b>15,090</b>
<b>Net Change in Fund Balances</b>	<b>235,123</b>	<b>(1,160,037)</b>	<b>(183,670)</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>962,982</b>	<b>6,594,881</b>	<b>750,521</b>
Restatement	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>962,982</b>	<b>6,594,881</b>	<b>750,521</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,198,105</b>	<b>\$ 5,434,844</b>	<b>\$ 566,851</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>		
	<b>Guaranteed Entitlement Revenue and Refunding Bonds 1994</b>	<b>Pension Obligation Bond Series 2003A</b>	<b>Pension Obligation Bonds Series 2003B</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,095,000	2,148,191	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	(1,253)	41,980	30,627
<b>Total Revenues</b>	<b>1,093,747</b>	<b>2,190,171</b>	<b>30,627</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	1,095,000	945,400	1,005,000
Interest and fiscal charges	-	2,645,375	2,097,525
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>1,095,000</b>	<b>3,590,775</b>	<b>3,102,525</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(1,253)</b>	<b>(1,400,604)</b>	<b>(3,071,898)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	1,434,116	3,102,525
Transfers (out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,434,116</b>	<b>3,102,525</b>
<b>Net Change in Fund Balances</b>	<b>(1,253)</b>	<b>33,512</b>	<b>30,627</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>11,138</b>	<b>342,382</b>	<b>100,477</b>
Restatement	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>11,138</b>	<b>342,382</b>	<b>100,477</b>
<b>Fund Balances, End of Year</b>	<b>\$ 9,885</b>	<b>\$ 375,894</b>	<b>\$ 131,104</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>		
	<b>GPD Energy Conserv. Master Capital Lease</b>	<b>Capital Improvement Revenue Note (CIRN) 2009</b>	<b>Capital Improvement Revenue Bond (CIRB) Series 2010</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	899	(4,133)	4,675
<b>Total Revenues</b>	<b>899</b>	<b>(4,133)</b>	<b>4,675</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	552,875	139,628
Interest and fiscal charges	-	14,653	82,689
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>567,528</b>	<b>222,317</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>899</b>	<b>(571,661)</b>	<b>(217,642)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	567,112	222,317
Transfers (out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>567,112</b>	<b>222,317</b>
<b>Net Change in Fund Balances</b>	<b>899</b>	<b>(4,549)</b>	<b>4,675</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>37,460</b>	<b>17,029</b>	<b>104,324</b>
Restatement	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>37,460</b>	<b>17,029</b>	<b>104,324</b>
<b>Fund Balances, End of Year</b>	<b>\$ 38,359</b>	<b>\$ 12,480</b>	<b>\$ 108,999</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>			
	<b>Revenue Refunding</b>	<b>Capital Improvement</b>	<b>Revenue Refunding</b>	<b>Capital Improvement</b>
	<b>Note</b>	<b>Revenue</b>	<b>Note</b>	<b>Revenue Bond</b>
	<b>Series</b>	<b>Note</b>	<b>Series</b>	<b>Series</b>
	<b>2011</b>	<b>Series 2011A</b>	<b>2014</b>	<b>2014</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	7,040	5,269	19,462	13,404
<b>Total Revenues</b>	<b>7,040</b>	<b>5,269</b>	<b>19,462</b>	<b>13,404</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	630,000	405,000	1,390,000	487,635
Interest and fiscal charges	62,013	28,698	251,337	399,346
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>692,013</b>	<b>433,698</b>	<b>1,641,337</b>	<b>886,981</b>
<b>(Deficiency) Excess of Revenues</b>				
<b>(Under) Over Expenditures</b>	<b>(684,973)</b>	<b>(428,429)</b>	<b>(1,621,875)</b>	<b>(873,577)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	691,596	433,282	1,640,920	886,981
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>691,596</b>	<b>433,282</b>	<b>1,640,920</b>	<b>886,981</b>
<b>Net Change in Fund Balances</b>	<b>6,623</b>	<b>4,853</b>	<b>19,045</b>	<b>13,404</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>5,831</b>	<b>16,035</b>	<b>66,173</b>	<b>196,456</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>5,831</b>	<b>16,035</b>	<b>66,173</b>	<b>196,456</b>
<b>Fund Balances, End of Year</b>	<b>\$ 12,454</b>	<b>\$ 20,888</b>	<b>\$ 85,218</b>	<b>\$ 209,860</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Debt Service Funds</b>		
	<b>Revenue</b>	<b>Capital</b>	<b>Capital</b>
	<b>Refunding</b>	<b>Improvement</b>	<b>Improvement</b>
	<b>Note</b>	<b>Revenue</b>	<b>Revenue</b>
<b>Series</b>	<b>Note</b>	<b>Bond</b>	
<b>2016A</b>	<b>2016B</b>	<b>2017</b>	
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	478	(3,352)	9,851
<b>Total Revenues</b>	<b>478</b>	<b>(3,352)</b>	<b>9,851</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	409,261	380,000	410,000
Interest and fiscal charges	240,175	145,977	275,963
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>649,436</b>	<b>525,977</b>	<b>685,963</b>
<b>(Deficiency) Excess of Revenues</b>			
<b>(Under) Over Expenditures</b>	<b>(648,958)</b>	<b>(529,329)</b>	<b>(676,112)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	649,019	525,560	685,963
Transfers (out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>649,019</b>	<b>525,560</b>	<b>685,963</b>
<b>Net Change in Fund Balances</b>	<b>61</b>	<b>(3,769)</b>	<b>9,851</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>37,634</b>	<b>3,722</b>	<b>130,135</b>
Restatement	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>37,634</b>	<b>3,722</b>	<b>130,135</b>
<b>Fund Balances, End of Year</b>	<b>\$ 37,695</b>	<b>\$ (47)</b>	<b>\$ 139,986</b>



**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Capital Projects Funds</b>			
	<b>General Capital Projects Fund</b>	<b>Public Improvement Construction Fund</b>	<b>Greenspace and Community Improvement Fund</b>	<b>Roadway Construction Fund 96</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	75,998	30	17,335	(575)
<b>Total Revenues</b>	<b>75,998</b>	<b>30</b>	<b>17,335</b>	<b>(575)</b>
<b>Expenditures</b>				
Current:				
General government	130,204	-	-	-
Public safety	539,747	-	-	-
Physical environment	-	-	2,400	-
Transportation	44,398	-	67,755	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	12,608	-	6,688	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,238,606	-	-	-
<b>Total Expenditures</b>	<b>1,965,563</b>	<b>-</b>	<b>76,843</b>	<b>-</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(1,889,565)</b>	<b>30</b>	<b>(59,508)</b>	<b>(575)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,707,666	-	-	-
Transfers (out)	(1,541,366)	-	(330,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>166,300</b>	<b>-</b>	<b>(330,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,723,265)</b>	<b>30</b>	<b>(389,508)</b>	<b>(575)</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>3,407,712</b>	<b>930</b>	<b>827,500</b>	<b>373</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>3,407,712</b>	<b>930</b>	<b>827,500</b>	<b>373</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,684,447</b>	<b>\$ 960</b>	<b>\$ 437,992</b>	<b>\$ (202)</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Capital Projects Funds</b>			
	<b>Capital Projects Fund 02</b>	<b>Fifth Avenue/ Pleasant St. Rehab Proj. Fund 02</b>	<b>Downtown Parking Garage Sales Tax Fund</b>	<b>FFGFC 05 Capital Projects Fund</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	7,377	196	-	2,831
<b>Total Revenues</b>	<b>7,377</b>	<b>196</b>	<b>-</b>	<b>2,831</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	1,846	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	254,333	-	-	-
<b>Total Expenditures</b>	<b>256,179</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(248,802)</b>	<b>196</b>	<b>-</b>	<b>2,831</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	(11,681)	-	-	(104,652)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,681)</b>	<b>-</b>	<b>-</b>	<b>(104,652)</b>
<b>Net Change in Fund Balances</b>	<b>(260,483)</b>	<b>196</b>	<b>-</b>	<b>(101,821)</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>375,743</b>	<b>8,165</b>	<b>(6)</b>	<b>121,103</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>375,743</b>	<b>8,165</b>	<b>(6)</b>	<b>121,103</b>
<b>Fund Balances, End of Year</b>	<b>\$ 115,260</b>	<b>\$ 8,361</b>	<b>\$ (6)</b>	<b>\$ 19,282</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Capital Projects Funds			
	39th Avenue Fleet Garage Expansion Fund	Capital Improvement Revenue Bond (CIRB) 2005 CIP Fund	Kennedy Homes Acquisition/ Demolition Fund	Campus Development Agreement Capital Projects Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	17,116	-	104,384
<b>Total Revenues</b>	<b>-</b>	<b>17,116</b>	<b>-</b>	<b>104,384</b>
<b>Expenditures</b>				
Current:				
General government	-	1,350	-	8,049
Public safety	-	275	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	38,049
Economic environment	-	3,005	55,622	-
Human services	-	-	-	-
Culture and recreation	-	13,106	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	193,485	-	3,676,210
<b>Total Expenditures</b>	<b>-</b>	<b>211,221</b>	<b>55,622</b>	<b>3,722,308</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>-</b>	<b>(194,105)</b>	<b>(55,622)</b>	<b>(3,617,924)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	(105,623)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(105,623)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(299,728)</b>	<b>(55,622)</b>	<b>(3,617,924)</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	440	742,392	121,330	5,176,851
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	440	742,392	121,330	5,176,851
<b>Fund Balances, End of Year</b>	<b>\$ 440</b>	<b>\$ 442,664</b>	<b>\$ 65,708</b>	<b>\$ 1,558,927</b>

**CITY OF GAINESVILLE, FLORIDA**  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Capital Projects Funds			
	Energy Conservation Capital Projects Fund	Add'l 5 Cents Local Option Gas Tax (LOGT) Capital Projects Fund	Add'l 5 Cents Gas Tax (LOGT) CIRN 2009 Capital Projects Fund	Traffic Mgmt System Bldg. Capital Projects Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,312,476	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	362	41,646	14,669	68
<b>Total Revenues</b>	<b>362</b>	<b>2,354,122</b>	<b>14,669</b>	<b>68</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	10,021	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	27	1,031,695	-	-
<b>Total Expenditures</b>	<b>27</b>	<b>1,041,716</b>	<b>-</b>	<b>-</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>335</b>	<b>1,312,406</b>	<b>14,669</b>	<b>68</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	(1,748,684)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,748,684)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>335</b>	<b>(436,278)</b>	<b>14,669</b>	<b>68</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>14,978</b>	<b>1,211,328</b>	<b>611,295</b>	<b>120,601</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>14,978</b>	<b>1,211,328</b>	<b>611,295</b>	<b>120,601</b>
<b>Fund Balances, End of Year</b>	<b>\$ 15,313</b>	<b>\$ 775,050</b>	<b>\$ 625,964</b>	<b>\$ 120,669</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Capital Projects Funds			
	Capital Imp Revenue Note (CIRN) 2009 Capital Projects Fund	Wild Spaces Public Places 1/2 Cent Sales Tax Capital Projects Fund	Wild Spaces Public Places Land Acq. Capital Projects Fund	Senior Recreation Center Capital Projects Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	(13)	626	5,136	557
<b>Total Revenues</b>	<b>(13)</b>	<b>626</b>	<b>5,136</b>	<b>557</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	13,752	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	35,823	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>35,823</b>	<b>13,752</b>	<b>-</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(13)</b>	<b>(35,197)</b>	<b>(8,616)</b>	<b>557</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(13)</b>	<b>(35,197)</b>	<b>(8,616)</b>	<b>557</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>(539)</b>	<b>36,600</b>	<b>218,458</b>	<b>23,209</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>(539)</b>	<b>36,600</b>	<b>218,458</b>	<b>23,209</b>
<b>Fund Balances, End of Year</b>	<b>\$ (552)</b>	<b>\$ 1,403</b>	<b>\$ 209,842</b>	<b>\$ 23,766</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Capital Projects Funds			
	Capital Imp Revenue Note (CIRB) 2010 Capital Projects Fund	Capital Imp Revenue Note (CIRN) 2011 Capital Projects Fund	Facilities Maintenance Recurring Capital Projects Fund	Equipment Replacement Capital Projects Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	18,488	106	28,217	41,229
<b>Total Revenues</b>	<b>18,488</b>	<b>106</b>	<b>28,217</b>	<b>41,229</b>
<b>Expenditures</b>				
Current:				
General government	-	-	62,030	101,608
Public safety	-	-	86,279	231,595
Physical environment	-	-	-	-
Transportation	-	-	123,829	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	22,081	44,787
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	42,188	-	247,190	188,768
<b>Total Expenditures</b>	<b>42,188</b>	<b>-</b>	<b>541,409</b>	<b>566,758</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>(23,700)</b>	<b>106</b>	<b>(513,192)</b>	<b>(525,529)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	562,500	977,500
Transfers (out)	(40,218)	(3,754)	-	(1,530,630)
<b>Total Other Financing Sources (Uses)</b>	<b>(40,218)</b>	<b>(3,754)</b>	<b>562,500</b>	<b>(553,130)</b>
<b>Net Change in Fund Balances</b>	<b>(63,918)</b>	<b>(3,648)</b>	<b>49,308</b>	<b>(1,078,659)</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>686,811</b>	<b>4,544</b>	<b>1,093,149</b>	<b>1,373,194</b>
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>686,811</b>	<b>4,544</b>	<b>1,093,149</b>	<b>1,373,194</b>
<b>Fund Balances, End of Year</b>	<b>\$ 622,893</b>	<b>\$ 896</b>	<b>\$ 1,142,457</b>	<b>\$ 294,535</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Continued)*

	Capital Projects Funds			
	Roadway Resurfacing Program Capital Projects Fund	Capital Imp Revenue Bond (CIRB) 2014 Capital Projects Fund	Capital Imp Beazer Settlement Capital Projects Fund	Capital Imp Revenue Note 2016B Add'l 5 Cent Gas Tax CIP Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	39,227	26,842	502	125,988
<b>Total Revenues</b>	<u>39,227</u>	<u>26,842</u>	<u>502</u>	<u>125,988</u>
<b>Expenditures</b>				
Current:				
General government	-	6,484	-	-
Public safety	-	8,977	-	-
Physical environment	-	-	-	-
Transportation	803,368	-	-	1,705
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	9,505	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,121,236	66,389	-	1,186,681
<b>Total Expenditures</b>	<u>1,924,604</u>	<u>91,355</u>	<u>-</u>	<u>1,188,386</u>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<u>(1,885,377)</u>	<u>(64,513)</u>	<u>502</u>	<u>(1,062,398)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,072,065	-	-	-
Transfers (out)	(13,953)	(230,479)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,058,112</u>	<u>(230,479)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>172,735</u>	<u>(294,992)</u>	<u>502</u>	<u>(1,062,398)</u>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	950,428	1,026,836	21,249	5,481,482
Restatement	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<u>950,428</u>	<u>1,026,836</u>	<u>21,249</u>	<u>5,481,482</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,123,163</u>	<u>\$ 731,844</u>	<u>\$ 21,751</u>	<u>\$ 4,419,084</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Concluded)*

	Capital Projects Funds				Total Non-Major Governmental Funds
	Capital Imp Revenue Note (CIRN) 2017 Capital Projects Fund	Wild Spaces Public Places 1/2 Cent Sales Tax 2017-2025 CIP Fund	Wild Spaces Public Places Joint Projects Fund	Technology Capital Improvement Fund	
<b>Revenues</b>					
Taxes	\$ -	\$ 7,921,674	\$ -	\$ -	\$ 12,185,356
Intergovernmental	-	-	-	-	10,980,360
Charges for services	-	-	-	-	2,885,687
Fines and forfeitures	-	-	-	-	282,151
Miscellaneous	113,783	289,829	6,942	(23,762)	2,389,696
<b>Total Revenues</b>	<b>113,783</b>	<b>8,211,503</b>	<b>6,942</b>	<b>(23,762)</b>	<b>28,723,250</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	1,365,710	1,962,431
Public safety	1,977	-	-	-	3,793,752
Physical environment	-	-	-	-	397,655
Transportation	-	-	-	-	1,506,245
Economic environment	-	-	-	-	5,257,259
Human services	-	-	-	-	2,020,873
Culture and recreation	-	770,931	9,275	-	1,669,730
Debt service:					
Principal	-	-	-	-	7,856,848
Interest and fiscal charges	-	-	-	-	6,307,227
Capital outlay	(251)	3,480,271	167,943	5,771,219	24,878,392
<b>Total Expenditures</b>	<b>1,726</b>	<b>4,251,202</b>	<b>177,218</b>	<b>7,136,929</b>	<b>55,650,412</b>
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	<b>112,057</b>	<b>3,960,301</b>	<b>(170,276)</b>	<b>(7,160,691)</b>	<b>(26,927,162)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	15,000	2,150,000	10,616,938	37,595,509
Transfers (out)	(4,709,339)	(2,150,000)	-	(100,000)	(15,557,747)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,709,339)</b>	<b>(2,135,000)</b>	<b>2,150,000</b>	<b>10,516,938</b>	<b>22,037,762</b>
<b>Net Change in Fund Balances</b>	<b>(4,597,282)</b>	<b>1,825,301</b>	<b>1,979,724</b>	<b>3,356,247</b>	<b>(4,889,400)</b>
<b>Fund Balances, Beginning of Year, as Previously Reported</b>	<b>4,851,701</b>	<b>9,865,675</b>	<b>297,557</b>	<b>-</b>	<b>66,565,329</b>
Restatement	-	-	-	-	(966,363)
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>4,851,701</b>	<b>9,865,675</b>	<b>297,557</b>	<b>-</b>	<b>65,598,966</b>
<b>Fund Balances, End of Year</b>	<b>\$ 254,419</b>	<b>\$ 11,690,976</b>	<b>\$ 2,277,281</b>	<b>\$ 3,356,247</b>	<b>\$ 60,709,566</b>



**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,517,503	\$ 1,353,794	\$ 163,709
Miscellaneous	7,289	780	6,509
<b>Total Revenues</b>	<u>1,524,792</u>	<u>1,354,574</u>	<u>170,218</u>
 <b>Expenditures</b>			
Public safety	176,988	198,695	21,707
Economic environment	952,907	2,502,386	1,549,479
Human services	205,582	215,428	9,846
<b>Total Expenditures</b>	<u>1,335,477</u>	<u>2,916,509</u>	<u>1,581,032</u>
 <b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>189,315</u>	<u>(1,561,935)</u>	<u>1,751,250</u>
 <b>Other Financing Sources (Uses)</b>			
Transfers (out)	(16,064)	(16,064)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(16,064)</u>	<u>(16,064)</u>	<u>-</u>
 <b>Net Change in Fund Balances</b>	<u>\$ 173,251</u>	<u>\$ (1,577,999)</u>	<u>\$ 1,751,250</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**URBAN DEVELOPMENT ACTION GRANT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Culture and Recreation	-	2,042	2,042
<b>Total Expenditures</b>	<u>-</u>	<u>2,042</u>	<u>2,042</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>-</u>	<u>(2,042)</u>	<u>2,042</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	23,650	23,650	-
<b>Total Other Financing Sources (Uses)</b>	<u>23,650</u>	<u>23,650</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 23,650</u>	<u>\$ 21,608</u>	<u>\$ 2,042</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**HOME GRANT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 582,837	\$ 698,272	\$ (115,435)
Miscellaneous	87,696	2,500	85,196
<b>Total Revenues</b>	<u>670,533</u>	<u>700,772</u>	<u>(30,239)</u>
<b>Expenditures</b>			
Economic environment	485,672	1,984,566	1,498,894
<b>Total Expenditures</b>	<u>485,672</u>	<u>1,984,566</u>	<u>1,498,894</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>184,861</u>	<u>(1,283,794)</u>	<u>1,468,655</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	(1,851)	(1,850)	(1)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,851)</u>	<u>(1,850)</u>	<u>(1)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 183,010</u>	<u>\$ (1,285,644)</u>	<u>\$ 1,468,654</u>

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
CULTURAL AND NATURE PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Charges for services	\$ 412,043	\$ 511,022	\$ (98,979)
Miscellaneous	65,549	-	65,549
<b>Total Revenues</b>	<u>477,592</u>	<u>511,022</u>	<u>(33,430)</u>
<b>Expenditures</b>			
Culture and recreation	434,205	497,107	62,902
<b>Total Expenditures</b>	<u>434,205</u>	<u>497,107</u>	<u>62,902</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>43,387</u>	<u>13,915</u>	<u>29,472</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	(3,197)	(3,197)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,197)</u>	<u>(3,197)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 40,190</u>	<u>\$ 10,718</u>	<u>\$ 29,472</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**STATE LAW ENFORCEMENT CONTRABAND FORFEITURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 66,017	\$ -	\$ 66,017
Miscellaneous	9,091	-	9,091
<b>Total Revenues</b>	<u>75,108</u>	<u>-</u>	<u>75,108</u>
<b>Expenditures</b>			
Public Safety	6,276	41,785	35,509
<b>Total Expenditures</b>	<u>6,276</u>	<u>41,785</u>	<u>35,509</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>68,832</u>	<u>(41,785)</u>	<u>110,617</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 68,832</u>	<u>\$ (41,785)</u>	<u>\$ 110,617</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 156,810	\$ 97,811	\$ 58,999
Miscellaneous	1,703	-	1,703
<b>Total Revenues</b>	<u>158,513</u>	<u>97,811</u>	<u>60,702</u>
<b>Expenditures</b>			
Public safety	254,748	672,111	417,363
Capital outlay	24,100	-	(24,100)
<b>Total Expenditures</b>	<u>278,848</u>	<u>672,111</u>	<u>393,263</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(120,335)</u>	<u>(574,300)</u>	<u>453,965</u>
<b>Net Change in Fund Balance</b>	<u>\$ (120,335)</u>	<u>\$ (574,300)</u>	<u>\$ 453,965</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**POLICE BILLABLE OVERTIME FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 681,482	\$ 735,790	\$ (54,308)
Miscellaneous	(55,880)	-	(55,880)
<b>Total Revenues</b>	<u>625,602</u>	<u>735,790</u>	<u>(110,188)</u>
<b>Expenditures</b>			
Public safety	<u>626,699</u>	<u>693,641</u>	<u>66,942</u>
<b>Total Expenditures</b>	<u>626,699</u>	<u>693,641</u>	<u>66,942</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,097)</u>	<u>42,149</u>	<u>(43,246)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,097)</u>	<u>\$ 42,149</u>	<u>\$ (43,246)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**COMMUNITY REDEVELOPMENT AGENCY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 35,262	\$ -	\$ 35,262
<b>Total Revenues</b>	<u>35,262</u>	<u>-</u>	<u>35,262</u>
<b>Expenditures</b>			
Current:			
General Government	74,067	8,000	(66,067)
Economic Environment	1,029,767	1,533,274	503,507
Debt service:			
Principal	7,049	7,049	-
Interest	63,476	39,174	(24,302)
<b>Total Expenditures</b>	<u>1,174,359</u>	<u>1,587,497</u>	<u>413,138</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,139,097)</u>	<u>(1,587,497)</u>	<u>448,400</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	2,001,961	2,001,961	-
Transfers (out)	(46,222)	-	(46,222)
<b>Total Other Financing Sources (Uses)</b>	<u>1,955,739</u>	<u>2,001,961</u>	<u>(46,222)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 816,642</u>	<u>\$ 414,464</u>	<u>\$ 402,178</u>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**STREET, SIDEWALK, AND DITCH IMPROVEMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 4,442	\$ 3,400	\$ 1,042
<b>Total Revenues</b>	<u>4,442</u>	<u>3,400</u>	<u>1,042</u>
<b>Expenditures</b>			
Capital outlay	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>4,442</u>	<u>3,400</u>	<u>1,042</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4,442</u>	<u>\$ 3,400</u>	<u>\$ 1,042</u>

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
ECONOMIC DEVELOPMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 1,200	\$ -	\$ 1,200
<b>Total Revenues</b>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
<b>Expenditures</b>			
Current:			
General Government	5,753	-	(5,753)
Economic Environment	113,027	42,622	(70,405)
Capital outlay	-	302,900	302,900
<b>Total Expenditures</b>	<u>118,780</u>	<u>345,522</u>	<u>226,742</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(117,580)</u>	<u>(345,522)</u>	<u>227,942</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	12,000	12,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (105,580)</u>	<u>\$ (333,522)</u>	<u>\$ 227,942</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**MISCELLANEOUS GRANTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,852,245	\$ 13,884,620	\$ (12,032,375)
Miscellaneous	9,001	15,000	(5,999)
<b>Total Revenues</b>	<u>1,861,246</u>	<u>13,899,620</u>	<u>(12,038,374)</u>
<b>Expenditures</b>			
Current:			
General government	-	260,196	260,196
Public safety	1,346,623	4,425,192	3,078,569
Physical environment	114,772	1,907,781	1,793,009
Transportation	323,858	3,687,491	3,363,633
Economic environment	-	50,711	50,711
Culture and recreation	41,914	100,863	58,949
Capital outlay	1,317,736	-	(1,317,736)
<b>Total Expenditures</b>	<u>3,144,903</u>	<u>10,432,234</u>	<u>7,287,331</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,283,657)</u>	<u>3,467,386</u>	<u>(4,751,043)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	630,952	625,109	5,843
<b>Total Other Financing Sources (Uses)</b>	<u>630,952</u>	<u>625,109</u>	<u>5,843</u>
<b>Net Change in Fund Balance</b>	<u>\$ (652,705)</u>	<u>\$ 4,092,495</u>	<u>\$ (4,745,200)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Charges for services	\$ 1,539,767	\$ 3,179,511	\$ (1,639,744)
Miscellaneous	116,142	35,000	81,142
<b>Total Revenues</b>	<u>1,655,909</u>	<u>3,214,511</u>	<u>(1,558,602)</u>
<b>Expenditures</b>			
Current:			
Transportation	51,875	536,990	485,115
Capital outlay	236,793	3,579,002	3,342,209
<b>Total Expenditures</b>	<u>288,668</u>	<u>4,115,992</u>	<u>3,827,324</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>1,367,241</u>	<u>(901,481)</u>	<u>2,268,722</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	<u>(112,359)</u>	<u>(112,359)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(112,359)</u>	<u>(112,359)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,254,882</u>	<u>\$ (1,013,840)</u>	<u>\$ 2,268,722</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**WATER/WASTEWATER SURCHARGE INFRASTRUCTURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 494,033	\$ 250,000	\$ 244,033
Miscellaneous	41,369	-	41,369
<b>Total Revenues</b>	<u>535,402</u>	<u>250,000</u>	<u>285,402</u>
<b>Expenditures</b>			
Current:			
Physical environment	268,971	1,116,762	847,791
Capital outlay	30,788	332,047	301,259
<b>Total Expenditures</b>	<u>299,759</u>	<u>1,448,809</u>	<u>1,149,050</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>235,643</u>	<u>(1,198,809)</u>	<u>1,434,452</u>
<b>Net Change in Fund Balance</b>	<u>\$ 235,643</u>	<u>\$ (1,198,809)</u>	<u>\$ 1,434,452</u>

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
TREE MITIGATION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 580,274	\$ -	\$ 580,274
<b>Total Revenues</b>	<u>580,274</u>	<u>-</u>	<u>580,274</u>
<b>Expenditures</b>			
Current:			
General government	48,511	65,717	17,206
Transportation	41,387	220,042	178,655
Capital outlay	2,115	200,000	197,885
<b>Total Expenditures</b>	<u>92,013</u>	<u>485,759</u>	<u>393,746</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>488,261</u>	<u>(485,759)</u>	<u>974,020</u>
<b>Net Change in Fund Balance</b>	<u>\$ 488,261</u>	<u>\$ (485,759)</u>	<u>\$ 974,020</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**HURRICANE IRMA 2017**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Public safety	260,171	260,172	1
<b>Total Expenditures</b>	<u>260,171</u>	<u>260,172</u>	<u>1</u>
<b>(Deficiency) of Revenues</b>			
<b>(Under) Expenditures</b>	<u>(260,171)</u>	<u>(260,172)</u>	<u>1</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	986	986	-
Transfers (out)	<u>(39,116)</u>	<u>(39,116)</u>	<u>-</u>
<b>Total Other Financing Sources</b>			
<b>(Uses)</b>	<u>(38,130)</u>	<u>(38,130)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (298,301)</u>	<u>\$ (298,302)</u>	<u>\$ 1</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**MISCELLANEOUS SPECIAL REVENUES FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	\$ 750,846	\$ 1,247,367	\$ (496,521)
Charges for services	236,100	209,929	26,171
Fines and forfeitures	20,958	300,069	(279,111)
Miscellaneous	67,331	121,908	(54,577)
<b>Total Revenues</b>	<u>1,075,235</u>	<u>1,879,273</u>	<u>(804,038)</u>
<b>Expenditures</b>			
Current:			
General government	158,665	430,845	272,180
Public safety	110,955	476,217	365,262
Physical environment	287	20,308	20,021
Transportation	-	628,944	628,944
Economic environment	2,558	165,588	163,030
Human services	1,815,291	2,025,980	210,689
Culture and recreation	253,654	707,868	454,214
Capital outlay	43,721	-	(43,721)
<b>Total Expenditures</b>	<u>2,385,131</u>	<u>4,455,750</u>	<u>2,070,619</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,309,896)</u>	<u>(2,576,477)</u>	<u>1,266,581</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	2,433,447	2,433,447	-
Transfers (out)	(533,986)	(2,491,894)	1,957,908
<b>Total Other Financing Sources (Uses)</b>	<u>1,899,461</u>	<u>(58,447)</u>	<u>1,957,908</u>
<b>Net Change in Fund Balance</b>	<u>\$ 589,565</u>	<u>\$ (2,634,924)</u>	<u>\$ 3,224,489</u>



**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
EVERGREEN CEMETERY TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Charges for services	\$ 7,322	\$ 4,194	\$ 3,128
Miscellaneous	(7,612)	28,442	(36,054)
<b>Total Revenues</b>	<u>(290)</u>	<u>32,636</u>	<u>(32,926)</u>
<b>Expenditures</b>			
Physical environment	11,225	66,717	55,492
<b>Total Expenditures</b>	<u>11,225</u>	<u>66,717</u>	<u>55,492</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(11,515)</u>	<u>(34,081)</u>	<u>22,566</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	(127,613)	(127,613)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(127,613)</u>	<u>(127,613)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (139,128)</u>	<u>\$ (161,694)</u>	<u>\$ 22,566</u>

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
SCHOOL CROSSING GUARD TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Fines and forfeitures	\$ 38,366	\$ 40,000	\$ (1,634)
Miscellaneous	(560)	-	(560)
<b>Total Revenues</b>	<u>37,806</u>	<u>40,000</u>	<u>(2,194)</u>
<b>Expenditures</b>			
Public safety	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>37,806</u>	<u>40,000</u>	<u>(2,194)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	(50,000)	(50,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (12,194)</u>	<u>\$ (10,000)</u>	<u>\$ (2,194)</u>

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
ART IN PUBLIC PLACES TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	\$ (417)	\$ -	\$ (417)
<b>Total Revenues</b>	<u>(417)</u>	<u>-</u>	<u>(417)</u>
<b>Expenditures</b>			
Culture and recreation	37,224	110,685	73,461
<b>Total Expenditures</b>	<u>37,224</u>	<u>110,685</u>	<u>73,461</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(37,641)</u>	<u>(110,685)</u>	<u>73,044</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	68,100	68,100	
Transfers (out)	(5,000)	(5,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>63,100</u>	<u>63,100</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 25,459</u>	<u>\$ (47,585)</u>	<u>\$ 73,044</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**DOWNTOWN REDEVELOPMENT TAX INCREMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 1,378,088	\$ 1,378,088	\$ -
Charges for services	8,973	-	8,973
Miscellaneous	105,399	-	105,399
<b>Total Revenues</b>	<u>1,492,460</u>	<u>1,378,088</u>	<u>114,372</u>
<b>Expenditures</b>			
Current:			
Economic environment	895,344	5,363,041	4,467,697
Capital outlay	303	-	(303)
<b>Total Expenditures</b>	<u>895,647</u>	<u>5,363,041</u>	<u>4,467,394</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>596,813</u>	<u>(3,984,953)</u>	<u>4,581,766</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	789,861	789,861	-
Transfers (out)	(626,214)	(626,214)	-
<b>Total Other Financing Sources (Uses)</b>	<u>163,647</u>	<u>163,647</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 760,460</u>	<u>\$ (3,821,306)</u>	<u>\$ 4,581,766</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FIFTH AVENUE/PLEASANT STREET TAX INCREMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 411,835	\$ 411,835	\$ -
Miscellaneous	48,108	-	48,108
<b>Total Revenues</b>	<u>459,943</u>	<u>411,835</u>	<u>48,108</u>
<b>Expenditures</b>			
Economic environment	230,088	1,368,541	1,138,453
<b>Total Expenditures</b>	<u>230,088</u>	<u>1,368,541</u>	<u>1,138,453</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>229,855</u>	<u>(956,706)</u>	<u>1,186,561</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	236,046	236,046	-
Transfers (out)	(230,778)	(230,778)	-
<b>Total Other Financing Sources (Uses)</b>	<u>5,268</u>	<u>5,268</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 235,123</u>	<u>\$ (951,438)</u>	<u>\$ 1,186,561</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**COLLEGE PARK/UNIVERSITY HEIGHTS TAX INCREMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 2,100,947	\$ 2,100,947	\$ -
Miscellaneous	84,464	-	84,464
<b>Total Revenues</b>	<u>2,185,411</u>	<u>2,100,947</u>	<u>84,464</u>
<b>Expenditures</b>			
Current:			
Economic environment	162,572	-	(162,572)
Capital outlay	4,337,568	9,011,846	4,674,278
<b>Total Expenditures</b>	<u>4,500,140</u>	<u>9,011,846</u>	<u>4,511,706</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(2,314,729)</u>	<u>(6,910,899)</u>	<u>4,596,170</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	2,100,947	2,100,947	-
Transfers (out)	(946,255)	(947,255)	1,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,154,692</u>	<u>1,153,692</u>	<u>1,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,160,037)</u>	<u>\$ (5,757,207)</u>	<u>\$ 4,597,170</u>

**CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
EASTSIDE TAX INCREMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 372,812	\$ 372,812	\$ -
Miscellaneous	42,876	-	42,876
<b>Total Revenues</b>	<u>415,688</u>	<u>372,812</u>	<u>42,876</u>
<b>Expenditures</b>			
Current:			
Economic environment	430,993	1,134,500	703,507
Capital outlay	183,455	-	(183,455)
<b>Total Expenditures</b>	<u>614,448</u>	<u>1,134,500</u>	<u>520,052</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(198,760)</u>	<u>(761,688)</u>	<u>562,928</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	213,803	213,803	-
Transfers (out)	(198,713)	(198,713)	-
<b>Total Other Financing Sources (Uses)</b>	<u>15,090</u>	<u>15,090</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (183,670)</u>	<u>\$ (746,598)</u>	<u>\$ 562,928</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**PENSION OBLIGATION BOND SERIES 2003A**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	\$ 2,148,191	\$ 2,324,557	\$ (176,366)
Miscellaneous	41,980	5,000	36,980
<b>Total Revenues</b>	<u>2,190,171</u>	<u>2,329,557</u>	<u>(139,386)</u>
<b>Expenditures</b>			
Debt Service:			
Principal	945,400	945,400	-
Interest	2,645,375	2,645,375	-
<b>Total Expenditures</b>	<u>3,590,775</u>	<u>3,590,775</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,400,604)</u>	<u>(1,261,218)</u>	<u>(139,386)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,434,116	1,446,027	(11,911)
<b>Total Other Financing Sources (Uses)</b>	<u>1,434,116</u>	<u>1,446,027</u>	<u>(11,911)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 33,512</u>	<u>\$ 184,809</u>	<u>\$ (151,297)</u>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**PENSION OBLIGATION BOND SERIES 2003B**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	\$ 30,627	\$ 5,000	\$ 25,627
<b>Total Revenues</b>	<u>30,627</u>	<u>5,000</u>	<u>25,627</u>
<b>Expenditures</b>			
Debt Service:			
Principal	1,005,000	1,005,000	-
Interest	2,097,525	2,097,525	-
<b>Total Expenditures</b>	<u>3,102,525</u>	<u>3,102,525</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(3,071,898)</u>	<u>(3,097,525)</u>	<u>25,627</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>3,102,525</u>	<u>3,102,525</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>3,102,525</u>	<u>3,102,525</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 30,627</u>	<u>\$ 5,000</u>	<u>\$ 25,627</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GPD ENERGY CONSERVATION**  
**MASTER CAPITAL LEASE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 899	\$ -	\$ 899
<b>Total Revenues</b>	<u>899</u>	<u>-</u>	<u>899</u>
<b>Expenditures</b>			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>899</u>	<u>-</u>	<u>899</u>
<b>Net Change in Fund Balance</b>	<u>\$ 899</u>	<u>\$ -</u>	<u>\$ 899</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) - SERIES 2009**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ (4,133)	\$ 1,000	\$ (5,133)
<b>Total Revenues</b>	<u>(4,133)</u>	<u>1,000</u>	<u>(5,133)</u>
<b>Expenditures</b>			
Debt Service:			
Principal	552,875	554,459	1,584
Interest	14,653	14,653	-
<b>Total Expenditures</b>	<u>567,528</u>	<u>569,112</u>	<u>1,584</u>
<b>(Deficiency) of Revenues</b>			
<b>(Under) Expenditures</b>	<u>(571,661)</u>	<u>(568,112)</u>	<u>(3,549)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	567,112	567,112	-
<b>Total Other Financing Sources (Uses)</b>	<u>567,112</u>	<u>567,112</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,549)</u>	<u>\$ (1,000)</u>	<u>\$ (3,549)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE BOND (CIRB) - SERIES 2010**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 4,675	\$ 2,000	\$ 2,675
<b>Total Revenues</b>	<u>4,675</u>	<u>2,000</u>	<u>2,675</u>
<b>Expenditures</b>			
Debt Service:			
Principal	139,628	182,973	43,345
Interest	82,689	41,344	(41,345)
<b>Total Expenditures</b>	<u>222,317</u>	<u>224,317</u>	<u>2,000</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(217,642)</u>	<u>(222,317)</u>	<u>4,675</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>222,317</u>	<u>222,317</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>222,317</u>	<u>222,317</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4,675</u>	<u>\$ -</u>	<u>\$ 4,675</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**REVENUE REFUNDING NOTE SERIES 2011**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 7,040	\$ 2,000	\$ 5,040
<b>Total Revenues</b>	<u>7,040</u>	<u>2,000</u>	<u>5,040</u>
<b>Expenditures</b>			
Debt Service:			
Principal	630,000	630,000	-
Interest	62,013	61,596	(417)
<b>Total Expenditures</b>	<u>692,013</u>	<u>691,596</u>	<u>(417)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(684,973)</u>	<u>(689,596)</u>	<u>4,623</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	691,596	691,596	-
<b>Total Other Financing Sources (Uses)</b>	<u>691,596</u>	<u>691,596</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 6,623</u>	<u>\$ 2,000</u>	<u>\$ 4,623</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE NOTE SERIES 2011A**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 5,269	\$ 2,000	\$ 3,269
<b>Total Revenues</b>	<u>5,269</u>	<u>2,000</u>	<u>3,269</u>
<b>Expenditures</b>			
Debt Service:			
Principal	405,000	420,725	15,725
Interest	28,698	14,557	(14,141)
<b>Total Expenditures</b>	<u>433,698</u>	<u>435,282</u>	<u>1,584</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(428,429)</u>	<u>(433,282)</u>	<u>4,853</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	433,282	433,282	-
<b>Total Other Financing Sources (Uses)</b>	<u>433,282</u>	<u>433,282</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4,853</u>	<u>\$ -</u>	<u>\$ 4,853</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**REVENUE REFUNDING NOTE SERIES 2014**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 19,462	\$ 2,000	\$ 17,462
<b>Total Revenues</b>	<u>19,462</u>	<u>2,000</u>	<u>17,462</u>
<b>Expenditures</b>			
Debt Service:			
Principal	1,390,000	1,517,043	127,043
Interest	251,337	125,877	(125,460)
<b>Total Expenditures</b>	<u>1,641,337</u>	<u>1,642,920</u>	<u>1,583</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,621,875)</u>	<u>(1,640,920)</u>	<u>19,045</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,640,920	1,640,920	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,640,920</u>	<u>1,640,920</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 19,045</u>	<u>\$ -</u>	<u>\$ 19,045</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE BOND SERIES 2014**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 13,404	\$ 1,500	\$ 11,904
<b>Total Revenues</b>	<u>13,404</u>	<u>1,500</u>	<u>11,904</u>
<b>Expenditures</b>			
Debt Service:			
Principal	487,635	689,308	201,673
Interest	399,346	199,673	(199,673)
<b>Total Expenditures</b>	<u>886,981</u>	<u>888,981</u>	<u>2,000</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(873,577)</u>	<u>(887,481)</u>	<u>13,904</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	886,981	886,981	-
<b>Total Other Financing Sources (Uses)</b>	<u>886,981</u>	<u>886,981</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 13,404</u>	<u>\$ (500)</u>	<u>\$ 13,904</u>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE SERIES 2016A**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 478	\$ 1,489	\$ (1,011)
<b>Total Revenues</b>	<u>478</u>	<u>1,489</u>	<u>(1,011)</u>
<b>Expenditures</b>			
Debt Service:			
Principal	409,261	409,222	(39)
Interest	240,175	241,180	1,005
<b>Total Expenditures</b>	<u>649,436</u>	<u>650,402</u>	<u>966</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(648,958)</u>	<u>(648,913)</u>	<u>(45)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	649,019	649,020	(1)
<b>Total Other Financing Sources (Uses)</b>	<u>649,019</u>	<u>649,020</u>	<u>(1)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 61</u>	<u>\$ 107</u>	<u>\$ (46)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE NOTE SERIES 2016B**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ (3,352)	\$ -	\$ (3,352)
<b>Total Revenues</b>	<u>(3,352)</u>	<u>-</u>	<u>(3,352)</u>
<b>Expenditures</b>			
Debt Service:			
Principal	380,000	380,000	-
Interest	145,977	147,560	1,583
<b>Total Expenditures</b>	<u>525,977</u>	<u>527,560</u>	<u>1,583</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(529,329)</u>	<u>(527,560)</u>	<u>(1,769)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	525,560	525,560	-
<b>Total Other Financing Sources (Uses)</b>	<u>525,560</u>	<u>525,560</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,769)</u>	<u>\$ (2,000)</u>	<u>\$ (1,769)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE BOND 2017**  
**FOR THE YEAR ENDED SEPTEMBER 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$ 9,851	\$ -	\$ 9,851
<b>Total Revenues</b>	<u>9,851</u>	<u>-</u>	<u>9,851</u>
<b>Expenditures</b>			
Debt Service:			
Principal	410,000	380,000	(30,000)
Interest	275,963	147,560	(128,403)
<b>Total Expenditures</b>	<u>685,963</u>	<u>527,560</u>	<u>(158,403)</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(676,112)</u>	<u>(527,560)</u>	<u>(148,552)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	685,963	525,560	160,403
<b>Total Other Financing Sources (Uses)</b>	<u>685,963</u>	<u>525,560</u>	<u>160,403</u>
<b>Net Change in Fund Balance</b>	<u>\$ 9,851</u>	<u>\$ (2,000)</u>	<u>\$ 11,851</u>

## **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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City maintains the following non-major Enterprise Funds:

**Regional Transit System Fund** - to account for the operations of the City's mass transit system, funded by user fees and state and federal grants.

**Stormwater Management Utility Fund** - to account for the operations of a program designed to maintain, replace and expand the City's stormwater-related infrastructure, funded by user fees.

**Ironwood Golf Course Fund** - to account for the operations of the City owned golf course, funded by user fees and transfer from the General Fund.

**Florida Building Code Enforcement Fund** – to account for the operations of the City's code enforcement operations, funded by building permit revenues.

**Solid Waste Fund** - to account for the City's refuse and recycling collection program. The refuse and recycling collections are performed by private contractors and are funded through user fees.

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**

	Regional Transit System Fund	Stormwater Management Utility Fund	Ironwood Golf Course Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 3,750	\$ -	\$ 3,400
Equity in pooled cash and investments	-	3,346,380	1
Receivables	9,180,338	720,068	1,400
Due from other funds	8,198	155,654	-
Inventories	1,291,838	-	29,275
Prepaid expense	-	-	36,127
Total current assets	<u>10,484,124</u>	<u>4,222,102</u>	<u>70,203</u>
Capital assets (net of accumulated depreciation):			
Buildings	35,124,517	1,347,174	286,122
Improvements other than buildings	2,657,237	-	768,284
Machinery and equipment	16,897,287	149,519	118,938
Infrastructure	-	30,902,443	-
Capital assets (not depreciated):			
Land	4,690,877	4,154,002	520,266
Construction in progress	-	1,164,446	-
Total non-current assets	<u>59,369,918</u>	<u>37,717,584</u>	<u>1,693,610</u>
<b>Total Assets</b>	<u>69,854,042</u>	<u>41,939,686</u>	<u>1,763,813</u>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to pensions	3,865,875	940,258	40,541
Deferred amounts related to OPEB	635,855	200,662	20,126
<b>Total Deferred Outflows of Resources</b>	<u>4,501,730</u>	<u>1,140,920</u>	<u>60,667</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	832,901	508,476	23,797
Due to other funds	13,305,145	653,983	1,261,831
Unearned revenue	534,360	-	13,604
Current portion of long-term debt	16,653	192,543	62,459
Total current liabilities	<u>14,689,059</u>	<u>1,355,002</u>	<u>1,361,691</u>
Non-current liabilities:			
Long-term debt	414,644	1,524,868	779,600
Net pension liability	19,952,161	4,852,761	209,236
Net OPEB liability	1,118,702	353,037	35,410
Total non-current liabilities	<u>21,485,507</u>	<u>6,730,666</u>	<u>1,024,246</u>
<b>Total Liabilities</b>	<u>36,174,566</u>	<u>8,085,668</u>	<u>2,385,937</u>
<b>Deferred Inflows of Resources</b>			
Deferred amounts related to pensions	348,225	84,695	3,651
Deferred amounts related to OPEB	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>348,225</u>	<u>84,695</u>	<u>3,651</u>
<b>Net Position</b>			
Net investment in capital assets	59,369,918	36,092,592	866,512
Restricted	-	-	-
Unrestricted	<u>(21,536,937)</u>	<u>(1,182,349)</u>	<u>(1,431,620)</u>
<b>Total Net Position</b>	<u>\$ 37,832,981</u>	<u>\$ 34,910,243</u>	<u>\$ (565,108)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Non-Major Enterprise Fund
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 7,150
Equity in pooled cash and investments	6,637,858	4,495,115	14,479,354
Receivables	-	1,449,615	11,351,421
Due from other funds	12,480	-	176,332
Inventories	4,143	-	1,325,256
Prepaid expense	-	-	36,127
<b>Total current assets</b>	<b>6,654,481</b>	<b>5,944,730</b>	<b>27,375,640</b>
Capital assets (net of accumulated depreciation):			
Buildings	-	431,846	37,189,659
Improvements other than buildings	-	-	3,425,521
Machinery and equipment	11,152	77,891	17,254,787
Infrastructure	-	-	30,902,443
Capital assets (not depreciated):			
Land	-	19,731	9,384,876
Construction in progress	-	-	1,164,446
<b>Total non-current assets</b>	<b>11,152</b>	<b>529,468</b>	<b>99,321,732</b>
<b>Total Assets</b>	<b>6,665,633</b>	<b>6,474,198</b>	<b>126,697,372</b>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to pensions	519,655	230,411	5,596,740
Deferred amounts related to OPEB	114,861	48,914	1,020,418
<b>Total Deferred Outflows of Resources</b>	<b>634,516</b>	<b>279,325</b>	<b>6,617,158</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	778,449	1,001,724	3,145,347
Due to other funds	434	199,792	15,421,185
Unearned revenue	-	-	547,964
Current portion of long-term debt	3,244	131,766	406,665
<b>Total current liabilities</b>	<b>782,127</b>	<b>1,333,282</b>	<b>19,521,161</b>
Non-current liabilities:			
Long-term debt	80,776	2,086,040	4,885,928
Net pension liability	2,681,989	1,189,176	28,885,323
Net OPEB liability	202,082	86,057	1,795,288
<b>Total non-current liabilities</b>	<b>2,964,847</b>	<b>3,361,273</b>	<b>35,566,539</b>
<b>Total Liabilities</b>	<b>3,746,974</b>	<b>4,694,555</b>	<b>55,087,700</b>
<b>Deferred Inflows of Resources</b>			
Deferred amounts related to pensions	46,809	20,754	504,134
Deferred amounts related to OPEB	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>46,809</b>	<b>20,754</b>	<b>504,134</b>
<b>Net Position</b>			
Net investment in capital assets	11,152	(1,649,815)	94,690,359
Restricted	3,495,214	-	3,495,214
Unrestricted	-	3,688,029	(20,462,877)
<b>Total Net Position</b>	<b>\$ 3,506,366</b>	<b>\$ 2,038,214</b>	<b>\$ 77,722,696</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Regional Transit System Fund</b>	<b>Stormwater Management Utility Fund</b>	<b>Ironwood Golf Course Fund</b>
<b>Operating Revenues</b>			
Sales and service charges	\$ 16,957,422	\$ 8,927,215	\$ 936,365
Other operating revenues	18,383	53,251	934
<b>Total Operating Revenues</b>	<u>16,975,805</u>	<u>8,980,466</u>	<u>937,299</u>
<b>Operating Expenses</b>			
Operations and maintenance	28,328,757	7,515,190	1,282,056
Administrative and general	1,861,453	1,157,211	256,194
Depreciation and amortization	5,704,753	1,577,364	175,896
<b>Total Operating Expenses</b>	<u>35,894,963</u>	<u>10,249,765</u>	<u>1,714,146</u>
<b>Operating Income (Loss)</b>	<u>(18,919,158)</u>	<u>(1,269,299)</u>	<u>(776,847)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Investment income/(loss)	(254,141)	98,473	(26,854)
Interest expense	-	(35,935)	(36,600)
Local option gas tax	2,300,770	-	-
Operating grants	8,578,900	108,412	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>10,625,529</u>	<u>170,950</u>	<u>(63,454)</u>
<b>Income/(Loss) Before Capital Contributions and Transfers</b>	<u>(8,293,629)</u>	<u>(1,098,349)</u>	<u>(840,301)</u>
<b>Transfers</b>			
Transfers in	1,367,325	-	799,700
Transfers (out)	(487,514)	(427,501)	(6,082)
<b>Total Transfers</b>	<u>879,811</u>	<u>(427,501)</u>	<u>793,618</u>
<b>Change in Net Position</b>	<u>(7,413,818)</u>	<u>(1,525,850)</u>	<u>(46,683)</u>
<b>Net position - Beginning of Year, as Previously Reported</b>	45,433,627	36,630,830	(518,425)
Restatement	(186,828)	(194,737)	-
<b>Net Position - Beginning of Year, as Restated</b>	<u>45,246,799</u>	<u>36,436,093</u>	<u>(518,425)</u>
<b>Net Position - End of Year</b>	<u>\$ 37,832,981</u>	<u>\$ 34,910,243</u>	<u>\$ (565,108)</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Non-Major Enterprise Fund
<b>Operating Revenues</b>			
Sales and service charges	\$ 2,905,036	\$ 10,429,707	\$ 40,155,745
Other operating revenues	-	-	72,568
<b>Total Operating Revenues</b>	<u>2,905,036</u>	<u>10,429,707</u>	<u>40,228,313</u>
<b>Operating Expenses</b>			
Operations and maintenance	3,060,297	7,408,736	47,595,036
Administrative and general	329,413	497,993	4,102,264
Depreciation and amortization	5,581	19,964	7,483,558
<b>Total Operating Expenses</b>	<u>3,395,291</u>	<u>7,926,693</u>	<u>59,180,858</u>
<b>Operating Income (Loss)</b>	<u>(490,255)</u>	<u>2,503,014</u>	<u>(18,952,545)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Investment income/(loss)	161,222	122,291	100,991
Interest expense	-	(78,864)	(151,399)
Local option gas tax	-	-	2,300,770
Operating grants	-	-	8,687,312
<b>Total Non-Operating Revenues (Expenses)</b>	<u>161,222</u>	<u>43,427</u>	<u>10,937,674</u>
<b>Income/(Loss) Before Capital Contributions and Transfers</b>	<u>(329,033)</u>	<u>2,546,441</u>	<u>(8,014,871)</u>
<b>Transfers</b>			
Transfers in	-	6,400	2,173,425
Transfers (out)	(50,304)	(1,832,617)	(2,804,018)
<b>Total Transfers</b>	<u>(50,304)</u>	<u>(1,826,217)</u>	<u>(630,593)</u>
<b>Change in Net Position</b>	<u>(379,337)</u>	<u>720,224</u>	<u>(8,645,464)</u>
<b>Net position - Beginning of Year, as Previously Reported</b>	3,885,703	1,317,990	86,749,725
Restatement	-	-	(381,565)
<b>Net Position - Beginning of Year, as Restated</b>	<u>3,885,703</u>	<u>1,317,990</u>	<u>86,368,160</u>
<b>Net Position - End of Year</b>	<u>\$ 3,506,366</u>	<u>\$ 2,038,214</u>	<u>\$ 77,722,696</u>



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Regional Transit System Fund</b>	<b>Stormwater Management Utility Fund</b>	<b>Ironwood Golf Course Fund</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 16,452,166	\$ 9,013,209	\$ 937,299
Cash received from other governments	10,879,670	108,412	-
Cash paid to suppliers	(29,254,686)	(7,817,354)	(1,342,688)
Cash paid to employees	(36,210)	(309,737)	(247,211)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(1,959,060)</u>	<u>994,530</u>	<u>(652,600)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Interfund borrowing	3,687,284	(120,677)	(19,340)
Transfers from other funds	1,367,325	-	799,700
Transfers to other funds	(487,514)	(427,501)	(6,082)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<u>4,567,095</u>	<u>(548,178)</u>	<u>774,278</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal repayments on long-term debt	31,978	(185,847)	(58,223)
Proceeds from sale of capital assets	-	25,450	-
Interest paid on long-term debt	-	(35,935)	(36,600)
Acquisition and construction of capital assets	(2,385,872)	(1,259,727)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(2,353,894)</u>	<u>(1,456,059)</u>	<u>(94,823)</u>
<b>Cash Flows from Investing Activities</b>			
Interest received	-	96,889	(26,854)
Proceeds from investment maturities	(254,141)	-	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(254,141)</u>	<u>96,889</u>	<u>(26,854)</u>
<b>Net Increase (Decrease) in Cash</b>	-	(912,818)	1
<b>Cash - Beginning of Year</b>	<u>3,750</u>	<u>4,259,198</u>	<u>3,400</u>
<b>Cash - End of Year</b>	<u>\$ 3,750</u>	<u>\$ 3,346,380</u>	<u>\$ 3,401</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Non-Major Enterprise Fund
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 2,905,036	\$ 9,706,444	\$ 39,014,154
Cash received from other governments	-	-	10,988,082
Cash paid to suppliers	(2,927,683)	(7,011,119)	(48,353,530)
Cash paid to employees	33,648	(338,129)	(897,639)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>11,001</u>	<u>2,357,196</u>	<u>751,067</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Interfund borrowing	(12,078)	(563,930)	2,971,259
Transfers from other funds	-	6,400	2,173,425
Transfers to other funds	(50,304)	(1,832,617)	(2,804,018)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<u>(62,382)</u>	<u>(2,390,147)</u>	<u>2,340,666</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal repayments on long-term debt	(2,268)	(141,370)	(355,730)
Proceeds from sale of capital assets	-	-	25,450
Interest paid on long-term debt	-	(78,864)	(151,399)
Acquisition and construction of capital assets	-	(54,971)	(3,700,570)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(2,268)</u>	<u>(275,205)</u>	<u>(4,182,249)</u>
<b>Cash Flows from Investing Activities</b>			
Interest received	161,230	122,291	353,556
Proceeds from investment maturities	-	-	(254,141)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>161,230</u>	<u>122,291</u>	<u>99,415</u>
<b>Net Increase (Decrease) in Cash</b>	107,581	(185,865)	(991,101)
<b>Cash - Beginning of Year</b>	<u>6,530,277</u>	<u>4,680,980</u>	<u>15,477,605</u>
<b>Cash - End of Year</b>	<u>\$ 6,637,858</u>	<u>\$ 4,495,115</u>	<u>\$ 14,486,504</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**  
*(Continued)*

	<b>Regional Transit System Fund</b>	<b>Stormwater Management Utility Fund</b>	<b>Ironwood Golf Course Fund</b>
<b><u>Cash and Cash Equivalents Classified as:</u></b>			
Cash and cash equivalents	\$ 3,750	\$ -	\$ 3,400
Equity in pooled cash and investments	-	3,346,380	1
<b>Total</b>	<b><u>\$ 3,750</u></b>	<b><u>\$ 3,346,380</u></b>	<b><u>\$ 3,401</u></b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u></b>			
<b>Operating Income (loss)</b>	<b>\$ (18,919,158)</b>	<b>\$ (1,269,299)</b>	<b>\$ (776,847)</b>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Intergovernmental revenues	10,879,670	108,412	-
Depreciation and amortization	5,704,753	1,577,364	175,896
(Increase)/decrease in receivables	(523,639)	32,743	-
(Increase)/decrease in inventories	81,843	-	-
Increase/(decrease) in accounts payable and accrued liabilities	(1,007,772)	(302,163)	(60,842)
Pension expense adjustment	1,806,180	805,230	1,811
OPEB expense adjustment	19,063	42,243	7,382
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ (1,959,060)</u></b>	<b><u>\$ 994,530</u></b>	<b><u>\$ (652,600)</u></b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

	<b>Florida Building Code Enforcement Fund</b>	<b>Solid Waste Fund</b>	<b>Total Non-Major Enterprise Fund</b>
<b><u>Cash and Cash Equivalents Classified as:</u></b>			
Cash and cash equivalents	\$ -	\$ -	\$ 7,150
Equity in pooled cash and investments	6,637,858	4,495,115	14,479,354
<b>Total</b>	<b><u>\$ 6,637,858</u></b>	<b><u>\$ 4,495,115</u></b>	<b><u>\$ 14,486,504</u></b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u></b>			
<b>Operating Income (loss)</b>	<b>\$ (490,255)</b>	<b>\$ 2,503,014</b>	<b>\$ (18,952,545)</b>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Intergovernmental revenues	-	-	10,988,082
Depreciation and amortization	5,581	19,964	7,483,558
(Increase)/decrease in receivables	-	(723,263)	(1,214,159)
(Increase)/decrease in inventories	-	-	81,843
Increase/(decrease) in accounts payable and accrued liabilities	132,613	397,616	(840,548)
Pension expense adjustment	340,158	150,084	3,103,463
OPEB expense adjustment	22,904	9,781	101,373
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 11,001</u></b>	<b><u>\$ 2,357,196</u></b>	<b><u>\$ 751,067</u></b>

## **INTERNAL SERVICE FUNDS**

*Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

The City maintains the following Internal Service Funds:

**General Insurance Fund** - to account for costs associated with administering a self-insurance plan for worker's compensation, automobile, and general liability benefits. The plan is externally administered.

**Employees Health and Accident Benefits Fund** - to account for costs associated with administering a self-insurance plan for employees' and retirees' health and accident claims. The plan is externally administered for an annually contracted amount, which is based upon volume of claims.

**Fleet Management Fund** - to account for the costs of vehicle acquisition and replacements and operating a maintenance facility for vehicles used by various City departments.

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2019**

	General Insurance Fund	Employees Health and Accident Benefits Fund	Fleet Management Fund	Totals
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 400,000	\$ 122,000	\$ -	\$ 522,000
Equity in pooled cash and investments	9,315,416	11,374,609	4,477,712	25,167,737
Receivables	-	129	1,597	1,726
Due from other funds	767,109	-	1,103,236	1,870,345
Inventories	-	-	192,724	192,724
Prepaid expenses	23,204	-	-	23,204
<b>Total current assets</b>	<b>10,505,729</b>	<b>11,496,738</b>	<b>5,775,269</b>	<b>27,777,736</b>
Non-current assets:				
Capital assets (net of accumulated depreciation):				
Buildings	-	-	2,920,036	2,920,036
Improvements other than buildings	-	-	951,834	951,834
Machinery and equipment	-	-	12,514,217	12,514,217
Infrastructure	-	-	232,217	232,217
Capital assets (non-depreciable):				
Land	-	-	631,563	631,563
Construction in progress	-	-	621,416	621,416
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>17,871,283</b>	<b>17,871,283</b>
<b>Total Assets</b>	<b>10,505,729</b>	<b>11,496,738</b>	<b>23,646,552</b>	<b>45,649,019</b>
<b>Deferred Outflows of Resources</b>				
Deferred amounts related to pensions	321,348	23,410	488,417	833,175
Deferred amounts related to OPEB	74,855	4,614	106,316	185,785
<b>Total Deferred Outflows of Resources</b>	<b>396,203</b>	<b>28,024</b>	<b>594,733</b>	<b>1,018,960</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	7,377,156	1,312,948	211,754	8,901,858
Current portion of long-term debt	2,141	61	3,098	5,300
<b>Total current liabilities</b>	<b>7,379,297</b>	<b>1,313,009</b>	<b>214,852</b>	<b>8,907,158</b>
Non-current liabilities:				
Long-term debt	53,361	1,508	77,214	132,083
Pension liability	1,658,512	120,819	2,520,770	4,300,101
OPEB liability	131,697	8,118	187,049	326,864
<b>Total Liabilities</b>	<b>9,222,867</b>	<b>1,443,454</b>	<b>2,999,885</b>	<b>13,666,206</b>
<b>Deferred Inflows of Resources</b>				
Deferred amounts related to pensions	28,946	2,109	43,995	75,050
<b>Total Deferred Inflows of Resources</b>	<b>28,946</b>	<b>2,109</b>	<b>43,995</b>	<b>75,050</b>
<b>Net Position</b>				
Net investment in capital assets	-	-	17,871,283	17,871,283
Unrestricted	1,650,119	10,079,199	3,326,122	15,055,440
<b>Total Net Position</b>	<b>\$ 1,650,119</b>	<b>\$ 10,079,199</b>	<b>\$ 21,197,405</b>	<b>\$ 32,926,723</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2019**

	<b>General Insurance Fund</b>	<b>Employees Health and Accident Benefits Fund</b>	<b>Fleet Management Fund</b>	<b>Totals</b>
<b>Operating Revenues</b>				
Sales and service charges	\$ 5,994,680	\$ 6,212,852	\$ 9,263,911	\$ 21,471,443
Employer contributions	-	12,729,347	-	12,729,347
Employee contributions	-	6,694,070	-	6,694,070
Other operating revenues	645,078	1,237,657	346,886	2,229,621
<b>Total Operating Revenues</b>	<b>6,639,758</b>	<b>26,873,926</b>	<b>9,610,797</b>	<b>43,124,481</b>
<b>Operating Expenses</b>				
Operations and maintenance	7,085,295	66,503	6,486,175	13,637,973
Administrative and general	-	182,485	-	182,485
Depreciation and amortization	451	-	2,770,918	2,771,369
Benefits paid and other expenses	-	24,186,703	-	24,186,703
<b>Total Operating Expenses</b>	<b>7,085,746</b>	<b>24,435,691</b>	<b>9,257,093</b>	<b>40,778,530</b>
<b>Operating Income (Losses)</b>	<b>(445,988)</b>	<b>2,438,235</b>	<b>353,704</b>	<b>2,345,951</b>
<b>Non-Operating Revenues</b>				
Investment income	214,077	201,895	109,772	525,744
Gain (Loss) on disposal of capital assets	-	-	40,447	40,447
<b>Total Non-Operating Revenues</b>	<b>214,077</b>	<b>201,895</b>	<b>150,219</b>	<b>566,191</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>(231,911)</b>	<b>2,640,130</b>	<b>503,923</b>	<b>2,912,142</b>
<b>Transfers</b>				
Transfers in	-	-	-	-
Transfers (out)	(48,466)	(3,264)	(49,648)	(101,378)
<b>Total Transfers</b>	<b>(48,466)</b>	<b>(3,264)</b>	<b>(49,648)</b>	<b>(101,378)</b>
<b>Change in Net Position</b>	<b>(280,377)</b>	<b>2,636,866</b>	<b>454,275</b>	<b>2,810,764</b>
<b>Net Position - Beginning of Year</b>	<b>1,930,496</b>	<b>7,442,333</b>	<b>20,743,130</b>	<b>30,115,959</b>
<b>Net Position - End of Year</b>	<b>\$ 1,650,119</b>	<b>\$ 10,079,199</b>	<b>\$ 21,197,405</b>	<b>\$ 32,926,723</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<b>General Insurance Fund</b>	<b>Employees Health and Accident Benefits Fund</b>	<b>Fleet Management Fund</b>	<b>Totals</b>
<b>Cash Flow from Operating Activities</b>				
Cash received from customers	\$ 5,995,235	\$ 26,873,966	\$ 9,265,097	\$ 42,134,298
Cash paid to suppliers	(6,804,332)	(24,447,399)	(6,655,811)	(37,907,542)
Cash paid to employees	(61,098)	(212,250)	287,454	14,106
Other operating receipts	645,078		346,886	991,964
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(225,117)</u>	<u>2,214,317</u>	<u>3,243,626</u>	<u>5,232,826</u>
<b>Cash Flows from Non-Capital and Related Financing Activities</b>				
Interfund borrowing	(311,751)	-	(851,776)	(1,163,527)
Transfers from other funds	-	-	-	-
Transfers to other funds	(48,466)	(3,264)	(49,648)	(101,378)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>(360,217)</u>	<u>(3,264)</u>	<u>(901,424)</u>	<u>(1,264,905)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal repayments on long-term debt	(7,742)	1,067	2,737	(3,938)
Capital contributions	-	-	-	-
Acquisition and construction of capital assets	-	-	(3,429,657)	(3,429,657)
Proceeds from sale of capital assets	-	-	147,743	147,743
<b>Net Cash Flows Used by Capital and Related Financing Activities</b>	<u>(7,742)</u>	<u>1,067</u>	<u>(3,279,177)</u>	<u>(3,285,852)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received	-	-	-	-
Proceeds from investment maturities	214,077	201,895	109,772	525,744
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>214,077</u>	<u>201,895</u>	<u>109,772</u>	<u>525,744</u>
<b>Net Increase (Decrease) in Cash</b>	(378,999)	2,414,015	(827,203)	1,207,813
<b>Cash - Beginning of Year</b>	<u>10,094,415</u>	<u>9,082,594</u>	<u>5,304,915</u>	<u>24,481,924</u>
<b>Cash - End of Year</b>	<u>\$ 9,715,416</u>	<u>\$ 11,496,609</u>	<u>\$ 4,477,712</u>	<u>\$ 25,689,737</u>



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**  
*(Concluded)*

	<b>General Insurance Fund</b>	<b>Employees Health and Accident Benefits Fund</b>	<b>Fleet Management Fund</b>	<b>Totals</b>
<b><u>Cash and Cash Equivalents Classified as:</u></b>				
Cash and cash equivalents	\$ 400,000	\$ 122,000	\$ -	\$ 522,000
Equity in pooled cash and investments	9,315,416	11,374,609	4,477,712	25,167,737
<b>Total</b>	<b>\$ 9,715,416</b>	<b>\$ 11,496,609</b>	<b>\$ 4,477,712</b>	<b>\$ 25,689,737</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u></b>				
<b>Operating Income (Loss)</b>	\$ (445,988)	\$ 2,438,235	\$ 353,704	\$ 2,345,951
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation and amortization	451	-	2,770,918	2,771,369
(Increase)/decrease in receivables	555	40	1,186	1,781
(Increase)/decrease in inventories	-	-	(14,067)	(14,067)
Increase/(decrease) in accounts payable and accrued liabilities	280,963	(194,193)	(155,569)	(68,799)
Pension and OPEB expense adjustment	(61,098)	(29,765)	287,454	196,591
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (225,117)</b>	<b>\$ 2,214,317</b>	<b>\$ 3,243,626</b>	<b>\$ 5,232,826</b>

## **FIDUCIARY FUNDS**

### **TRUST FUNDS**

*Trust Funds* are used to account for public employee retirement systems and the other post-employment benefit trust fund.

The City maintains the following Trust Funds:

**Employees' Pension Fund** - to account for the accumulation of resources to be used for pension and disability payments to participants of the City's Employees' Pension Plan.

**Police Officers' and Firefighters' Consolidated Retirement Fund** - to account for the accumulation of resources to be used for pension and disability payments to participants of the City's Consolidated Police Officers' and Firefighters' Retirement Plan.

**Other Post-Employment Benefits (OPEB) Fund** - to account for the accumulation of resources to be used for the City's portion of the premium cost for providing health insurance to the City's retired employees participating in the OPEB plan.

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OPEB TRUST FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Employees' Pension Fund</b>	<b>Police Officers' and Firefighters' Consolidated Retirement Fund</b>	<b>Other Post- Employment Benefits (OPEB) Fund</b>	<b>Totals</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 4,249,495	\$ 10,695,083	\$ 1,859,905	\$ 16,804,483
Equity in pooled cash and investments	2,044,094	2,673,676	2,313,515	7,031,285
Investments, at fair value:				
Equities	212,116,082	157,673,382	49,163,610	418,953,074
Limited partnerships units	20,198,496	41,592,265	7,803,999	69,594,760
Real estate	44,034,774	24,768,920	-	68,803,694
Mutual funds	115,128,885	-	-	115,128,885
Fixed income:				
Government bonds	5,941,085	6,425,934	898,636	13,265,655
Corporate bonds	5,624,914	-	879,505	6,504,419
Mortgage and asset backed securities	6,022,587	-	762,181	6,784,768
Total investments, at fair value	<u>409,066,823</u>	<u>230,460,501</u>	<u>59,507,931</u>	<u>699,035,255</u>
<b>Total Assets</b>	<u>415,360,412</u>	<u>243,829,260</u>	<u>63,681,351</u>	<u>722,871,023</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	<u>73,395</u>	<u>409,729</u>	<u>755</u>	<u>483,879</u>
<b>Total Liabilities</b>	<u>73,395</u>	<u>409,729</u>	<u>755</u>	<u>483,879</u>
<b>Net Position Restricted for Pension and OPEB Benefits</b>	<u>\$ 415,287,017</u>	<u>\$ 243,419,531</u>	<u>\$ 63,680,596</u>	<u>\$ 722,387,144</u>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OPEB TRUST FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Employees' Pension Fund</b>	<b>Police Officers' and Firefighters' Consolidated Retirement Fund</b>	<b>Other Post- Employment Benefits (OPEB) Fund</b>	<b>Totals</b>
<b>Additions</b>				
Employer contributions	\$ 16,939,286	\$ 4,958,811	\$ 2,348,167	\$ 24,246,264
Employee contributions	4,723,900	4,088,825	3,173,162	11,985,887
<b>Total Contributions</b>	<b>21,663,186</b>	<b>9,047,636</b>	<b>5,521,329</b>	<b>36,232,151</b>
Investment income:				
Net appreciation/(depreciation) in fair value of investments	(8,876,082)	540,914	(2,623,453)	(10,958,621)
Dividends and interest	8,114,659	3,550,140	1,536,152	13,200,951
<b>Total investment income</b>	<b>(761,423)</b>	<b>4,091,054</b>	<b>(1,087,301)</b>	<b>2,242,330</b>
(Less investment expense)	(1,969,943)	(569,082)	(456,777)	(2,995,802)
Net investment income (loss)	(2,731,366)	3,521,972	(1,544,078)	(753,472)
<b>Total Additions</b>	<b>18,931,820</b>	<b>12,569,608</b>	<b>3,977,251</b>	<b>35,478,679</b>
<b>Deductions</b>				
Benefit payments	35,056,449	21,224,981	-	56,281,430
Refunds of contributions	512,458	467,507	7,676,868	8,656,833
Administrative expenses	584,034	679,417	19,078	1,282,529
<b>Total Deductions</b>	<b>36,152,941</b>	<b>22,371,905</b>	<b>7,695,946</b>	<b>66,220,792</b>
<b>Change in Net Position</b>	<b>(17,221,121)</b>	<b>(9,802,297)</b>	<b>(3,718,695)</b>	<b>(30,742,113)</b>
<b>Net Position - Beginning of Year</b>	<b>432,508,138</b>	<b>253,221,828</b>	<b>67,399,291</b>	<b>753,129,257</b>
<b>Net Position - End of Year</b>	<b>\$ 415,287,017</b>	<b>\$ 243,419,531</b>	<b>\$ 63,680,596</b>	<b>\$ 722,387,144</b>

## **STATISTICAL SECTION**

## STATISTICAL SECTION SUMMARY

This part of the City of Gainesville, Florida's comprehensive annual financial report presents additional information to assist users in understanding how the information provided in the financial statements, note disclosures, and required supplementary information impacts the City's overall financial health.

<b>Schedules</b>	<b>Page</b>
<u>Financial Trends</u> <i>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.</i>	209
<u>Revenue Capacity</u> <i>These schedules provide additional information about Property Tax and Utility Revenues, the City's most significant local revenue sources.</i>	214
<u>Debt Capacity</u> <i>These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.</i>	224
<u>Demographic and Economic Information</u> <i>These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.</i>	227
<u>Operating Information</u> <i>These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.</i>	229

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## **Financial Trends**

**City of Gainesville**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 116,698,998	\$ 127,383,906	\$ 133,198,609	\$ 147,982,728	\$ 163,117,931	\$ 167,469,862	\$ 190,440,482	\$ 195,530,215	\$ 209,229,131	\$ 231,629,237
Restricted	63,393,549	66,834,959	63,041,610	52,874,367	42,462,127	53,090,288	41,905,152	47,526,431	32,530,716	39,962,136
Unrestricted	10,754,370	17,050,427	16,993,135	11,105,349	17,334,531	(85,660,620)	(91,445,398)	(92,364,875)	(113,553,329)	(124,221,701)
Total governmental activities net position	\$ 190,846,917	\$ 211,269,292	\$ 213,233,354	\$ 211,962,444	\$ 222,914,589	\$ 134,899,530	\$ 140,900,236	\$ 150,691,771	\$ 128,206,518	\$ 147,369,672
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 373,193,617	\$ 350,932,231	\$ 368,031,597	\$ 362,258,572	\$ 387,916,136	\$ 379,583,536	\$ 361,120,054	\$ 326,814,049	\$ 369,448,747	\$ 336,512,272
Restricted	74,411,130	84,940,717	85,067,843	88,409,575	60,971,377	78,925,696	82,756,292	60,698,691	44,988,255	57,389,249
Unrestricted	55,460,731	102,951,974	110,159,236	113,807,653	134,105,632	115,418,059	131,653,410	149,330,297	113,101,904	124,163,666
Total business-type activities net position	\$ 503,065,478	\$ 538,824,922	\$ 563,258,676	\$ 564,475,800	\$ 582,993,145	\$ 573,927,291	\$ 575,529,756	\$ 536,843,037	\$ 527,538,906	\$ 518,065,187
<b>Total primary government:</b>										
Invested in capital assets, net of related debt	\$ 489,892,615	\$ 478,316,137	\$ 501,230,206	\$ 510,241,300	\$ 551,034,067	\$ 547,053,398	\$ 551,560,536	\$ 522,344,264	\$ 578,677,878	\$ 568,141,509
Restricted	137,804,679	151,775,676	148,109,453	141,283,942	103,433,504	132,015,984	124,661,444	108,225,122	77,518,971	97,351,385
Unrestricted	66,215,101	120,002,401	127,152,371	124,913,002	151,440,163	29,757,439	40,208,012	56,965,422	(451,425)	(58,035)
Total primary government net position	\$ 693,912,395	\$ 750,094,214	\$ 776,492,030	\$ 776,438,244	\$ 805,907,734	\$ 708,826,821	\$ 716,429,992	\$ 687,534,808	\$ 655,745,424	\$ 665,434,859



**City of Gainesville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities:					
General government	\$ 18,762,647	\$ 18,698,649	\$ 16,546,820	\$ 17,814,078	\$ 16,176,189
Public safety	56,238,741	57,166,952	59,735,600	62,938,271	64,021,054
Physical environment	1,510,055	1,116,462	2,218,153	3,799,039	2,871,836
Transportation	14,089,516	13,982,396	18,686,598	18,410,169	15,142,893
Economic environment	7,239,951	6,402,656	9,164,986	6,809,885	8,602,592
Human services	593,420	1,250,715	581,239	384,825	2,216,579
Culture & recreation	8,713,366	8,433,374	9,705,943	9,551,902	9,332,876
Interest on long-term debt	7,632,165	7,580,944	7,390,511	7,248,291	6,711,350
<b>Total governmental activities expenses</b>	<b>114,779,861</b>	<b>114,632,148</b>	<b>124,029,850</b>	<b>126,956,460</b>	<b>125,075,369</b>
Business-type activities:					
Electric	\$ 234,835,876	\$ 228,544,484	\$ 221,494,502	\$ 227,350,282	\$ 291,110,843
Gas	24,599,071	24,336,197	21,898,283	21,436,501	22,764,377
Water	22,290,808	22,945,996	24,458,151	24,988,038	25,516,070
Wastewater	24,925,561	27,068,964	27,072,938	27,618,138	27,740,855
GRUCOM	10,719,866	10,907,359	11,160,732	10,504,492	11,761,638
Regional transit system	20,299,166	20,196,358	21,458,507	23,167,649	24,279,240
Stormwater management	5,486,082	5,030,742	6,376,271	6,283,365	6,351,290
Ironwood golf course	1,304,741	1,419,653	1,454,435	1,401,017	1,456,632
Florida building code enforcement	2,362,379	2,263,325	2,156,163	2,042,119	2,306,430
Solid waste	7,101,229	7,320,642	7,377,876	7,237,205	7,594,037
<b>Total business-type activities expenses</b>	<b>353,924,779</b>	<b>350,033,720</b>	<b>344,907,858</b>	<b>352,028,806</b>	<b>420,881,412</b>
<b>Total primary government expenses</b>	<b>\$ 468,704,640</b>	<b>\$ 464,665,868</b>	<b>\$ 468,937,708</b>	<b>\$ 478,985,266</b>	<b>\$ 545,956,781</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 10,078,544	\$ 10,434,927	\$ 10,701,617	\$ 11,418,234	\$ 13,124,551
Public safety	2,692,994	8,696,812	7,945,799	8,238,633	8,399,721
Other charges for services	4,474,776	3,427,670	4,500,224	3,769,211	3,962,570
Operating grants and contributions	6,817,388	8,405,085	8,537,676	8,170,095	7,036,634
Capital grants and contributions	8,224,492	7,130,480	2,862,493	7,570,791	5,061,574
<b>Total governmental activities program revenues</b>	<b>32,288,194</b>	<b>38,094,974</b>	<b>34,547,809</b>	<b>39,166,964</b>	<b>37,585,050</b>
Business-type activities:					
Charges for services:					
Electric	262,530,880	250,057,292	230,805,656	228,822,572	268,774,902
Other utilities	95,053,793	101,100,900	96,875,398	97,083,057	99,880,653
Other charges for services	28,617,567	30,630,504	32,257,122	33,332,016	34,576,794
Operating grants and contributions	11,661,662	5,886,603	6,384,981	14,074,581	25,213,077
Capital grants and contributions	3,554,922	5,146,531	7,148,130	3,004,490	5,658,720
<b>Total business-type activities program revenues</b>	<b>401,418,824</b>	<b>392,821,830</b>	<b>373,471,287</b>	<b>376,316,716</b>	<b>434,104,146</b>
<b>Total primary government program revenues</b>	<b>\$ 433,707,018</b>	<b>\$ 430,916,804</b>	<b>\$ 408,019,096</b>	<b>\$ 415,483,680</b>	<b>\$ 471,689,196</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (82,491,667)	\$ (76,537,174)	\$ (89,482,041)	\$ (87,789,496)	\$ (87,490,319)
Business-type activities	47,494,045	42,788,110	28,563,429	24,287,910	13,222,734
<b>Total primary government net revenue</b>	<b>\$ (34,997,622)</b>	<b>\$ (33,749,064)</b>	<b>\$ (60,918,612)</b>	<b>\$ (63,501,586)</b>	<b>\$ (74,267,585)</b>
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 29,016,964	\$ 26,833,852	\$ 25,871,976	\$ 26,077,888	\$ 26,476,044
Other taxes	27,865,426	25,444,169	21,952,397	21,899,384	21,516,536
State revenue sharing	3,487,190	3,653,017	3,712,905	3,723,420	3,945,358
Investment gain (loss)	2,706,332	2,317,663	3,556,870	(4,908,204)	6,061,874
Other revenues	3,593,703	3,082,853	2,993,407	2,826,862	3,495,904
<b>Total governmental activities</b>	<b>66,669,615</b>	<b>61,331,554</b>	<b>58,087,555</b>	<b>49,619,350</b>	<b>61,495,716</b>
Business-type activities:					
Interest	7,176,761	9,242,257	9,234,751	6,653,021	6,871,499
Other revenues	9,962,727	19,357,072	23,308,136	7,175,429	39,459,939
<b>Total business-type activities</b>	<b>17,139,488</b>	<b>28,599,329</b>	<b>32,542,887</b>	<b>13,828,450</b>	<b>46,331,438</b>
<b>Total primary government</b>	<b>\$ 83,809,103</b>	<b>\$ 89,930,883</b>	<b>\$ 90,630,442</b>	<b>\$ 63,447,800</b>	<b>\$ 107,827,154</b>
<b>Changes in Net Position (including transfers, special items and extraordinary items)</b>					
Governmental activities	\$ 18,162,708	\$ 20,422,375	\$ 5,278,076	\$ (1,270,910)	\$ 12,751,251
Business-type activities	30,648,773	35,759,444	24,433,754	1,217,124	20,988,318
<b>Total primary government</b>	<b>\$ 48,811,481</b>	<b>\$ 56,181,819</b>	<b>\$ 29,711,830</b>	<b>\$ (53,786)</b>	<b>\$ 33,739,569</b>

**City of Gainesville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

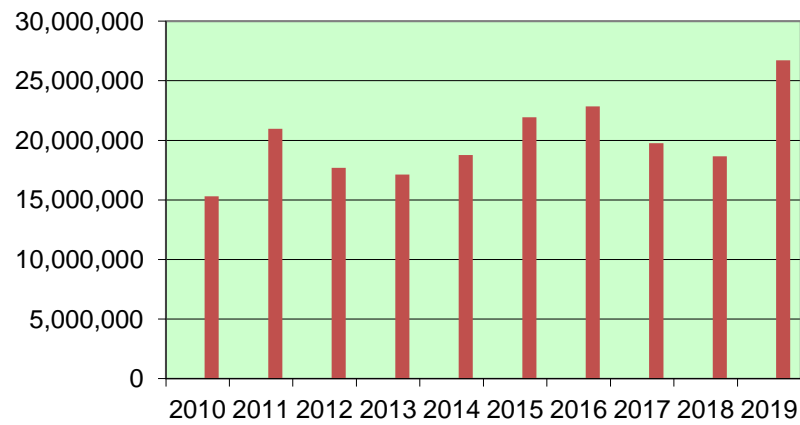
	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities:					
General government	\$ 20,042,296	\$ 23,812,563	\$ 13,257,529	\$ 25,465,285	\$ 25,208,259
Public safety	58,122,081	72,097,913	60,307,834	71,976,020	66,448,738
Physical environment	1,007,994	637,207	1,820,004	7,357,915	924,738
Transportation	18,412,980	5,723,450	17,941,779	12,199,628	20,935,955
Economic environment	5,930,125	1,393,939	1,340,199	7,124,462	6,355,726
Human services	1,726,374	7,397,884	8,879,794	2,106,170	2,085,523
Culture & recreation	11,042,060	7,113,163	6,374,794	12,246,783	12,885,544
Interest on long-term debt	7,216,312	8,802,512	17,049,901	7,216,512	6,677,648
Total governmental activities expenses	123,500,222	126,978,631	126,971,834	145,692,775	141,522,131
Business-type activities:					
Electric	\$ 313,776,108	\$ 322,959,616	\$ 331,139,770	\$ 289,184,679	\$ 285,520,258
Gas	23,086,959	21,999,919	21,284,174	21,446,131	21,562,120
Water	25,990,135	28,179,472	32,390,604	31,361,404	34,949,820
Wastewater	27,852,572	32,454,104	37,417,260	38,837,153	39,832,387
GRUCOM	13,733,955	12,491,683	12,358,447	12,158,575	12,953,026
Regional transit system	26,170,257	28,302,063	33,640,219	26,146,856	35,586,285
Stormwater management	6,574,131	7,504,695	8,877,317	7,865,590	10,209,606
Ironwood golf course	1,573,460	1,701,930	1,632,760	1,692,189	1,740,464
Florida building code enforcement	2,324,819	2,661,425	2,656,233	2,436,169	3,350,486
Solid waste	8,623,125	9,002,895	8,099,106	7,289,508	7,982,318
Total business-type activities expenses	449,705,521	467,257,802	489,495,890	438,418,254	453,686,770
Total primary government expenses	<b>\$ 573,205,743</b>	<b>\$ 594,236,433</b>	<b>\$ 616,467,724</b>	<b>\$ 584,111,029</b>	<b>\$ 595,208,901</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 12,900,012	\$ 10,423,187	\$ 11,795,746	\$ 11,697,361	\$ 12,862,527
Public safety	9,105,760	8,464,495	7,640,035	11,390,344	11,191,303
Other charges for services	6,233,296	5,180,923	4,892,481	4,416,822	5,177,764
Operating grants and contributions	7,169,569	8,809,447	6,822,748	4,818,258	6,993,144
Capital grants and contributions	3,999,209	1,698,750	2,634,365	712,441	1,258,828
Total governmental activities program revenues	39,407,846	34,576,802	33,785,375	33,035,226	37,483,566
Business-type activities:					
Charges for services:					
Electric	277,077,555	276,623,151	293,065,520	272,311,406	293,883,795
Other utilities	101,823,558	103,207,375	108,125,440	111,687,076	113,920,161
Other charges for services	36,298,907	37,515,391	37,606,459	38,921,856	40,155,745
Operating grants and contributions	9,435,118	5,828,801	10,315,741	13,120,255	8,687,312
Capital grants and contributions	1,962,901	5,305,542	13,089,525	1,484,306	3,970,981
Total business-type activities program revenues	426,598,039	428,480,260	462,202,685	437,524,899	460,617,994
Total primary government program revenues	<b>\$ 466,005,885</b>	<b>\$ 463,057,062</b>	<b>\$ 495,988,060</b>	<b>\$ 470,560,125</b>	<b>\$ 498,101,560</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (84,092,376)	\$ (92,401,829)	\$ (93,186,459)	\$ (112,657,549)	\$ (104,038,565)
Business-type activities	(23,107,482)	(38,777,542)	(27,293,205)	(893,355)	6,931,224
Total primary government net revenue	<b>\$ (107,199,858)</b>	<b>\$ (131,179,371)</b>	<b>\$ (120,479,664)</b>	<b>\$ (113,550,904)</b>	<b>\$ (97,107,341)</b>
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 28,558,490	\$ 29,161,493	\$ 31,116,558	\$ 34,925,769	\$ 35,133,195
Other taxes	21,359,992	21,670,989	22,105,551	31,468,891	34,820,642
State revenue sharing	4,214,442	4,316,493	4,648,650	4,841,716	5,055,719
Investment gain (loss)	4,712,920	4,176,684	443,618	2,332,544	2,963,042
Other revenues	3,849,507	3,567,795	8,127,699	4,584,282	2,983,670
Total governmental activities	62,695,351	62,893,454	66,442,076	78,153,202	80,956,268
Business-type activities:					
Interest	12,109,749	19,569,675	5,234,036	8,324,132	11,262,279
Other revenues	51,373,445	56,319,413	61,488,630	21,858,387	4,875,231
Total business-type activities	63,483,194	75,889,088	66,722,666	30,182,519	16,137,510
Total primary government	<b>\$ 126,178,545</b>	<b>\$ 138,782,542</b>	<b>\$ 133,164,742</b>	<b>\$ 108,335,721</b>	<b>\$ 97,093,778</b>
<b>Changes in Net Position (including transfers, special items and extraordinary items)</b>					
Governmental activities	\$ 14,225,269	\$ 6,000,706	\$ 9,791,535	\$ 2,741,338	\$ 6,662,395
Business-type activities	4,753,418	1,602,465	2,893,543	(8,752,107)	(3,137,278)
Total primary government	<b>\$ 18,978,687</b>	<b>\$ 7,603,171</b>	<b>\$ 12,685,078</b>	<b>\$ (6,010,769)</b>	<b>\$ 3,525,117</b>

(concluded)

**City of Gainesville**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General fund:</b>										
Nonspendable	\$ -	\$ 3,474,278	\$ 3,363,691	\$ 2,959,587	\$ 2,753,498	\$ 2,487,568	\$ 2,238,498	\$ 1,959,310	\$ 1,647,816	\$ 1,359,332
Assigned	-	1,060,672	2,236,549	772,730	1,494,098	1,985,914	3,551,786	1,607,428	-	432,146
Unassigned	-	16,433,938	12,087,485	13,408,146	14,520,395	17,476,507	17,050,156	16,199,506	17,023,490	24,926,872
Reserved *	4,051,937	-	-	-	-	-	-	-	-	-
Unreserved *	11,264,725	-	-	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 15,316,662</b>	<b>\$ 20,968,888</b>	<b>\$ 17,687,725</b>	<b>\$ 17,140,463</b>	<b>\$ 18,767,991</b>	<b>\$ 21,949,989</b>	<b>\$ 22,840,440</b>	<b>\$ 19,766,244</b>	<b>\$ 18,671,306</b>	<b>\$ 26,718,350</b>
<b>All other governmental funds:</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 973,501	\$ 973,501	\$ 973,501	\$ 973,501	\$ 973,501
Restricted	-	70,813,952	64,831,266	56,363,125	45,981,942	40,819,050	36,886,125	42,831,122	50,287,279	43,861,891
Committed	-	782,237	782,237	901,448	1,361,332	2,714,703	3,684,544	4,186,209	4,284,750	4,943,264
Assigned	-	10,370,993	16,633,174	12,555,440	9,632,021	31,481,786	29,243,195	25,434,776	12,633,618	12,550,970
Unassigned	-	(29,288)	(3,067,169)	(2,499,106)	(2,121,436)	(1,734,610)	(1,571,393)	(1,815,726)	(1,469,819)	(1,620,060)
Reserved *	12,066,838	-	-	-	-	-	-	-	-	-
Unreserved, reported in: *										
Special revenue funds	17,677,648	-	-	-	-	-	-	-	-	-
Capital projects funds	54,624,332	-	-	-	-	-	-	-	-	-
Debt service funds	965,256	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 85,334,074</b>	<b>\$ 81,937,894</b>	<b>\$ 79,179,508</b>	<b>\$ 67,320,907</b>	<b>\$ 54,853,859</b>	<b>\$ 74,254,430</b>	<b>\$ 69,215,972</b>	<b>\$ 71,609,882</b>	<b>\$ 66,709,329</b>	<b>\$ 60,709,566</b>

### General Fund - Fund Balance



\* GASB 54 was implemented in FY11, which changed the presentation of fund balance components.

**City of Gainesville**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 55,238,898	\$ 49,781,834	\$ 45,404,192	\$ 45,099,581	\$ 44,949,416	\$ 46,728,963	\$ 45,455,100	\$ 51,600,589	\$ 60,430,912	\$ 63,906,128
Licenses and permits	745,274	832,814	866,236	899,441	950,644	965,536	943,444	5,901,029	7,371,636	7,385,069
Intergovernmental	26,966,627	28,665,033	24,685,016	29,719,620	27,502,531	26,925,019	26,204,076	26,303,362	25,320,730	24,745,097
Charges for services	9,134,011	13,375,534	15,054,350	14,389,653	15,533,253	17,043,277	16,977,893	12,076,001	12,574,128	15,834,004
Fines and forfeitures	1,726,229	2,629,506	1,796,110	1,985,956	1,824,055	2,145,183	1,483,244	1,160,249	1,345,009	1,170,166
Miscellaneous	4,727,669	3,936,894	4,450,048	(1,599,295)	7,020,464	7,224,161	5,592,138	3,186,221	4,606,410	3,586,821
<b>Total revenues</b>	<b>98,538,708</b>	<b>99,221,615</b>	<b>92,255,952</b>	<b>90,494,956</b>	<b>97,780,363</b>	<b>101,032,139</b>	<b>96,655,895</b>	<b>100,227,451</b>	<b>111,648,825</b>	<b>116,627,285</b>
<b>Expenditures</b>										
General government	\$ 16,110,505	\$ 14,707,657	\$ 14,999,927	\$ 14,857,602	\$ 15,191,905	\$ 15,432,428	\$ 16,769,826	\$ 17,882,912	\$ 18,721,311	\$ 20,828,242
Public safety	52,936,750	54,085,573	55,405,967	57,644,637	60,050,160	57,211,291	58,725,485	60,949,388	63,611,488	60,845,007
Physical environment	949,027	746,462	1,020,714	3,422,270	2,345,811	728,714	179,148	1,638,851	390,832	610,720
Transportation	12,669,257	13,165,523	12,481,951	12,117,326	13,493,390	14,799,718	14,357,357	13,506,968	12,199,626	13,101,026
Economic environment	9,710,604	9,040,688	7,961,882	7,324,538	8,322,502	5,679,667	6,110,015	8,449,753	5,448,127	5,600,703
Human services	593,420	1,123,442	554,740	390,769	819,536	1,379,014	1,354,828	1,342,820	1,725,801	2,020,873
Culture and recreation	8,813,164	7,683,761	7,998,869	8,282,530	8,138,572	8,758,008	10,795,803	9,697,565	9,266,636	10,437,575
Debt service:										
Principal	8,511,383	9,192,493	10,332,810	9,886,531	12,884,423	6,084,283	6,205,471	7,512,126	8,200,392	7,856,848
Interest	7,472,387	7,489,706	7,283,092	7,127,610	6,803,431	6,946,531	6,963,319	6,129,579	7,216,512	6,307,227
Advance refunding escrow	-	-	-	-	-	-	2,027,758	-	-	-
Bond issuance costs	84,974	-	67,243	-	41,837	242,746	78,691	-	-	-
Capital outlay	13,410,389	15,369,816	17,741,445	21,958,840	18,682,145	10,242,908	19,494,913	10,296,971	38,501,041	24,878,392
<b>Total expenditures</b>	<b>131,261,860</b>	<b>132,605,121</b>	<b>135,848,640</b>	<b>143,012,653</b>	<b>146,773,712</b>	<b>127,505,308</b>	<b>143,062,614</b>	<b>137,406,933</b>	<b>165,281,766</b>	<b>152,486,613</b>
Excess of revenues under expenditures	(32,723,152)	(33,383,506)	(43,592,688)	(52,517,697)	(48,993,349)	(26,473,169)	(46,406,719)	(37,179,482)	(53,632,941)	(35,859,328)
<b>Other Financing Sources (Uses)</b>										
Debt issuance	3,036,907	-	9,960,000	-	14,715,000	12,435,000	18,600,000	-	10,365,000	-
Bond premium/(discount)	(15,320)	-	-	-	-	947,278	-	-	-	-
Transfers in	54,268,164	54,072,623	67,533,715	61,955,075	59,810,683	71,442,628	63,795,920	59,041,563	75,105,237	77,418,056
Transfers out	(20,130,326)	(18,433,071)	(30,755,032)	(21,843,241)	(21,656,854)	(35,769,168)	(28,212,063)	(22,542,367)	(37,832,787)	(38,401,084)
Payments to refunded bond escrow agent	-	-	(6,230,000)	-	(14,715,000)	-	(11,925,145)	-	-	-
<b>Total other financing sources (uses)</b>	<b>37,159,425</b>	<b>35,639,552</b>	<b>40,508,683</b>	<b>40,111,834</b>	<b>38,153,829</b>	<b>49,055,738</b>	<b>42,258,712</b>	<b>36,499,196</b>	<b>47,637,450</b>	<b>39,016,972</b>
<b>Net change in fund balances</b>	<b>\$ 4,436,273</b>	<b>\$ 2,256,046</b>	<b>\$ (3,084,005)</b>	<b>\$ (12,405,863)</b>	<b>\$ (10,839,520)</b>	<b>\$ 22,582,569</b>	<b>\$ (4,148,007)</b>	<b>\$ (680,286)</b>	<b>\$ (5,995,491)</b>	<b>\$ 3,157,644</b>
Debt service as a percentage of noncapital expenditures	14.26%	14.80%	14.33%	13.22%	15.92%	11.22%	11.47%	10.88%	10.06%	10.08%

## **Revenue Capacity**

**City of Gainesville  
Assessed Value of Taxable Property  
Last Ten Fiscal Years**

<b>Fiscal Year Ended September 30,</b>	<b>Tax Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Centrally Assessed Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value<sup>1</sup></b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
<b>2010</b>	<b>2009</b>	\$ 10,599,500,250	\$ 1,732,004,529	\$ 1,149,322	\$ 6,666,317,022	\$ 5,666,337,079	4.3963	\$ 12,332,654,101	45.95%
<b>2011</b>	<b>2010</b>	10,001,618,912	2,241,373,073	987,726	6,635,759,183	5,608,220,528	4.2544	12,243,979,711	45.80%
<b>2012</b>	<b>2011</b>	10,365,540,710	2,305,791,865	1,095,688	7,270,189,966	5,402,238,297	4.2544	12,672,428,263	42.63%
<b>2013</b>	<b>2012</b>	10,167,342,922	2,384,662,208	1,073,991	7,389,420,410	5,163,658,711	4.4946	12,553,079,121	41.13%
<b>2014</b>	<b>2013</b>	10,137,347,950	2,585,758,997	2,138,554	7,550,586,266	5,174,659,235	4.5780	12,725,245,501	40.66%
<b>2015</b>	<b>2014</b>	10,267,624,130	2,940,131,808	2,210,823	7,566,649,601	5,643,317,160	4.5079	13,209,966,761	42.72%
<b>2016</b>	<b>2015</b>	10,470,875,230	2,874,527,289	2,251,700	7,578,125,546	5,769,528,673	4.5079	13,347,654,219	43.23%
<b>2017</b>	<b>2016</b>	10,703,714,054	3,131,399,275	2,303,808	7,818,781,757	6,018,635,380	4.5079	13,837,417,137	43.50%
<b>2018</b>	<b>2017</b>	11,228,542,921	3,015,426,727	2,335,112	7,743,555,435	6,502,749,325	4.7474	14,246,304,760	45.65%
<b>2019</b>	<b>2018</b>	11,896,134,467	3,047,796,037	2,424,391	8,245,149,844	6,701,205,051	4.7474	14,946,354,895	44.84%

Source: Alachua County Property Appraiser

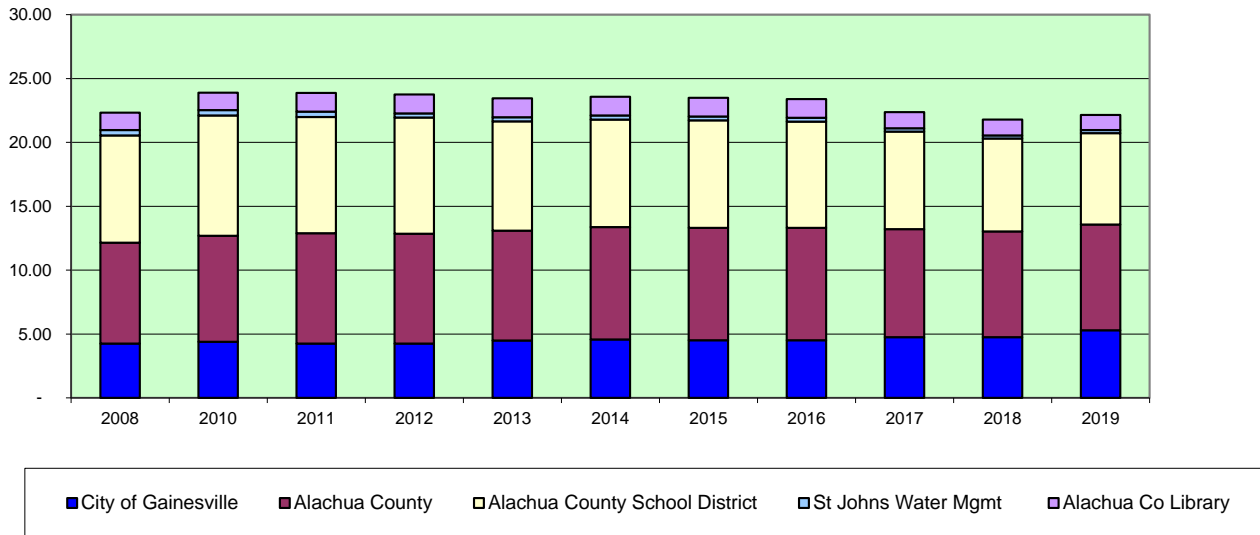
Notes:

<sup>1</sup> Total assessed values less exemptions

**City of Gainesville  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(rate per \$1,000 assessed value)**

Fiscal Year	Tax Year	City of Direct Rate	Overlapping Rates				Total Overlapping Rates
			Alachua County	Alachua School District	St. Johns Management District	Alachua Library District	
2008	2007	4.2544	7.8968	8.3950	0.4158	1.3560	22.3180
2010	2009	4.3963	8.2995	9.4080	0.4158	1.3771	23.8967
2011	2010	4.2544	8.6263	9.1070	0.4158	1.4736	23.8771
2012	2011	4.2544	8.5956	9.0920	0.3313	1.4790	23.7523
2013	2012	4.4946	8.5956	8.5490	0.3313	1.4768	23.4473
2014	2013	4.5780	8.7990	8.4020	0.3283	1.4588	23.5661
2015	2014	4.5079	8.7990	8.4100	0.3164	1.4588	23.4921
2016	2015	4.5079	8.7950	8.3240	0.3023	1.4538	23.3830
2017	2016	4.7474	8.4648	7.6250	0.2724	1.2655	22.3751
2018	2017	4.7474	8.2829	7.2640	0.2562	1.2303	21.7808
2019	2018	5.2974	8.2729	7.1440	0.2414	1.1825	22.1382

**Overlapping Millage Rates  
(for City Residents)**



Source: Alachua County Property Appraiser

Notes: The City's direct property tax rate is limited to a maximum rate of 10.0.

Overlapping rates are those of other local and county governments that apply to property owners within the City.

**City of Gainesville  
Principal Property Taxpayers  
Current Year and Ten Years Ago**

	2019			2009		
	Total Assessed	Percentage of Total Taxable Assessed		Total Assessed	Percentage of Total Taxable Assessed	
LM Gainesville LLC	\$ 109,551,000	1	0.79%	\$ -	n/a	
Oaks Mall Gainesville LTD	92,600,000	2	0.67%	132,224,700	1	2.33%
HCA Health Services of Florida, Inc.	82,655,351	3	0.60%	66,626,900	2	1.18%
SNH Medical Office Properties Trust	70,486,419	4	0.51%	-		n/a
Stanley Robert E	68,907,539	5	0.50%			n/a
Wal-Mart Stores East LP	56,635,446	6	0.41%	-		n/a
Oak Hammock at the Univ of Florida, Inc.	52,360,942	7	0.38%	62,020,600	3	1.09%
Florida Power Corp	52,134,288	8	0.38%	34,289,670	9	0.61%
Shands Teaching Hospital & Clinic	49,643,728	9	0.36%			n/a
CL Gainesville Borrower LLC	47,272,900	10	0.34%	-		n/a
Bellsouth Telecommunication, Inc.	-		n/a	47,917,484	4	0.85%
S Clark Butler Properties land, Trust	-		n/a	46,532,100	5	0.82%
Cox Communications Inc	-		n/a	45,103,846	6	0.80%
ELPF Gainesville LLP LIC, Gville	-		n/a	42,296,300	7	0.75%
Gainesville Place LLC	-		n/a	34,909,000	8	0.62%
Inland American Lodging, Gville, LLC	-		n/a	33,533,600	10	0.59%
Total	<u>\$ 682,247,613</u>		<u>4.94%</u>	<u>\$ 545,454,200</u>		<u>9.64%</u>

Source: Alachua County Property Appraiser



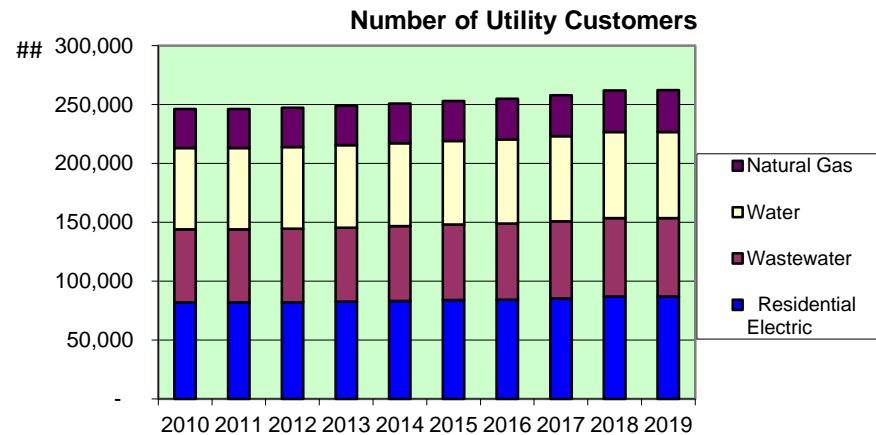
**City of Gainesville  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year Ended September 30,</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
<b>2010</b>	\$ 25,782,262	\$ 24,912,341	96.6%	\$ 86,362	\$ 24,998,703	97.0%
<b>2011</b>	23,802,971	23,007,885	96.7%	34,674	23,042,559	96.8%
<b>2012</b>	22,865,258	22,085,295	96.6%	65,772	22,151,067	96.9%
<b>2013</b>	23,067,467	22,259,404	96.5%	101,709	22,361,113	96.9%
<b>2014</b>	23,448,285	22,573,803	96.3%	141,706	22,715,509	96.9%
<b>2015</b>	25,246,211	24,342,225	96.4%	78,800	24,421,025	96.7%
<b>2016</b>	25,841,246	24,924,172	96.5%	57,299	24,981,471	96.7%
<b>2017</b>	26,983,821	26,030,596	96.5%	34,581	26,065,177	96.6%
<b>2018</b>	30,871,988	29,766,402	96.4%	32,023	29,798,425	96.5%
<b>2019</b>	31,835,258	30,675,142	96.4%	n/a	30,675,142	96.4%

Source: Alachua County Tax Collector

**City of Gainesville  
Utility Base  
Number of Customers and Sales Quantities  
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>Number of Customers</u></b>										
Residential Electric	82,038	81,900	82,039	82,440	83,117	83,796	84,069	85,229	86,952	86,917
Non-residential Electric	10,383	10,372	10,422	10,467	10,602	10,677	10,726	11,043	11,220	11,244
Water	68,819	68,952	69,329	69,847	70,300	70,903	71,546	72,136	73,043	73,078
Wastewater	61,999	62,164	62,536	63,001	63,501	64,121	64,781	65,591	66,483	66,638
Natural Gas	33,202	33,208	33,264	33,465	33,780	34,152	34,496	34,942	35,389	35,622
<b><u>Sales</u></b>										
Electric (gigawatt hours):										
Residential Electric	857	821	754	752	772	793	819	797	822	844
Non-residential Electric	994	967	945	930	942	951	978	963	989	1,151
Gallons of Water (million gallons)	7,371	7,775	7,369	6,964	6,822	6,786	6,837	7,211	6,922	7,096
Gallons of Wastewater (million gallons)	4,696	4,666	4,706	4,603	4,528	4,491	4,510	4,657	4,969	4,692
Therms of Natural Gas (million therms)	23	22	18	19	21	21	20	20	23	21



Source: GRU Annual Reports

**City of Gainesville  
Utility Rates  
Last Ten Fiscal Years**

		2010	2011	2012	2013
<b>Electric:</b>					
<b>Residential Service - Standard</b>					
Customer Charge	per month	\$ 8.45	\$ 8.45	\$ 8.67	\$ 8.67
Energy Charge <sup>2</sup>	per kWh				
0-250 kWh		0.02800	0.03200	0.03400	0.03400
250-750 kWh		0.06700	0.06800	0.06800	0.06800
over 750 kWh		0.10200	0.10200	0.10200	0.10200
	Since 2015				
0-850 kWh					
over 850 kWh					
<b>Residential Service - Peak Periods</b>					
Customer Charge	per month	17.60	17.60	17.60	17.60
Energy Charge <sup>2</sup>	per kWh				
On-Peak		0.13900	0.13900	0.13900	0.13900
Off-Peak		0.03500	0.03500	0.03500	0.03500
<b>General Service Non-Demand &amp; Demand &lt; 50 kW</b>					
Customer Charge	per month	25.50	26.00	26.00	26.00
Energy Charge <sup>2</sup>	per kWh				
0-1500 kWh		0.07000	0.08000	0.08000	0.08000
over 1500 kWh		0.10300	0.10800	0.10800	0.10800
Business Partner Discount Rate		0%	0%	0%	0%
<b>General Service Demand - 50kW &gt; Demand &lt; 1000 kW</b>					
Customer Charge	per month	45.00	50.00	50.00	50.00
Demand Charge	per kW	9.25	9.25	9.25	9.25
Energy Charge <sup>2</sup>	per kWh	0.04200	0.05100	0.05100	0.05100
Business Partner Discount Rate		0%	0%	2%	2%
<b>Large Power Service - Demand &gt; 1000 kW</b>					
Customer Charge	per month	300.00	300.00	300.00	300.00
Demand Charge	per kW	9.25	9.25	9.25	9.25
Energy Charge <sup>2</sup>	per kWh	0.03900	0.04600	0.04600	0.04600
Business Partner Discount Rate		0%	0%	2%	2%
<b>Water:</b>					
<b>Residential Service</b>					
Customer Charge <sup>5</sup>	per month	7.30	7.75	8.65	8.70
Usage Charge <sup>3</sup>	per kGal				
1,000 - 4,000		1.65	1.99	2.05	2.20
5,000 - 16,000		3.30	3.65	3.65	3.75
Over 17,000		6.00	6.00	6.00	6.00
<b>Non-Residential Service</b>					
Customer Charge <sup>5</sup>	per month	7.30	7.75	8.65	8.70
Usage Charge	per kGal	3.30	3.40	3.65	3.75
<b>Irrigation Service</b>					
Customer Charge <sup>4,5</sup>	per month	7.30	7.75	8.65	8.70
Usage Charge	per kGal				
1,000 - 12,000		3.30	3.65	3.65	3.75
13,000 or more		6.00	6.00	6.00	6.00
Non-residential		4.35	4.40	4.40	4.45
<b>University of Florida</b>					
Customer Charge <sup>5</sup>	per month	7.30	7.75	8.65	8.70
Usage Charge	per kGal				
On-Campus		1.92	1.67	2.17	2.16
Off-Campus		2.67	2.57	3.21	3.13
<b>City of Alachua</b>					
Customer Charge <sup>5</sup>	per month	7.30	7.75	8.65	8.70
Usage Charge	per kGal	1.51	1.62	1.62	1.62
<b>Fire Hydrant History of Monthly Charges</b>					
Installed, Maintained, Supported					
Maintained, Supported					
Supported only (UF)					

**City of Gainesville  
Utility Rates  
Last Ten Fiscal Years**

		2014	2015	2016	2017	2018	2019
<b>Electric:</b>							
<b>Residential Service - Standard</b>							
Customer Charge	per month	\$ 11.90	\$ 12.75	\$ 14.25	\$ 14.25	\$ 14.25	\$ 14.25
Energy Charge <sup>2</sup>	per kWh						
0-250 kWh		0.03900	0.03100				
250-750 kWh		0.05000	0.04200				
over 750 kWh		0.09400	0.08400				
	Since 2015						
0-850 kWh				0.04300	0.04300	0.04400	0.07020
over 850 kWh				0.06400	0.06400	0.06600	0.09300
<b>Residential Service - Peak Periods</b>							
Customer Charge	per month	17.60	n/a	n/a	n/a	n/a	n/a
Energy Charge <sup>2</sup>	per kWh						
On-Peak		0.13900	n/a	n/a	n/a	n/a	n/a
Off-Peak		0.03500	n/a	n/a	n/a	n/a	n/a
<b>General Service Non-Demand &amp; Demand &lt; 50 kW</b>							
Customer Charge	per month	30.00	29.50	29.50	29.50	29.50	29.50
Energy Charge <sup>2</sup>	per kWh						
0-1500 kWh		0.07600	0.06900	0.06900	0.06900	0.07000	0.09260
over 1500 kWh		0.10600	0.10000	0.10000	0.10000	0.10300	0.12320
Business Partner Discount Rate		0%	0%	0%	0%	0%	0%
<b>General Service Demand - 50kW &gt; Demand &lt; 1000 kW</b>							
Customer Charge	per month	100.00	100.00	100.00	100.00	100.00	100.00
Demand Charge	per kW	9.25	8.50	8.50	8.50	8.50	9.50
Energy Charge <sup>2</sup>	per kWh	0.04500	0.04000	0.04000	0.04000	0.04120	0.06170
Business Partner Discount Rate		2%	0%	0%	0%	0%	0%
<b>Large Power Service - Demand &gt; 1000 kW</b>							
Customer Charge	per month	350.00	350.00	350.00	350.00	350.00	350.00
Demand Charge	per kW	9.25	8.50	8.50	8.50	8.50	9.75
Energy Charge <sup>2</sup>	per kWh	0.04050	0.03600	0.03600	0.03600	0.03700	0.05770
Business Partner Discount Rate		2%	0%	0%	0%	0%	0%
<b>Water:</b>							
<b>Residential Service</b>							
Customer Charge <sup>5</sup>	per month	9.00	9.20	9.20	9.45	9.45	9.45
Usage Charge <sup>3</sup>	per kGal						
1,000 - 4,000		2.30	2.35	2.35	2.45	2.45	2.45
5,000 - 16,000		3.75	3.75	3.75	3.75	3.75	3.75
Over 17,000		6.00	6.00	6.00	6.00	6.00	6.00
<b>Non-Residential Service</b>							
Customer Charge <sup>5</sup>	per month	9.00	9.20	9.20	9.45	9.45	9.45
Usage Charge	per kGal	3.80	3.85	3.85	3.85	3.85	3.85
<b>Irrigation Service</b>							
Customer Charge <sup>4,5</sup>	per month	9.00	9.20	9.20	9.45	9.45	9.45
Usage Charge	per kGal						
1,000 - 12,000		3.75	3.75	3.75	3.75	3.75	3.75
13,000 or more		6.00	6.00	6.00	6.00	6.00	6.00
Non-residential		4.50	4.55	4.60	4.60	4.60	4.60
<b>University of Florida</b>							
Customer Charge <sup>5</sup>	per month	9.00	9.20	9.20	9.45	9.45	9.45
Usage Charge	per kGal						
On-Campus		2.18	2.22	2.30	2.84	2.29	2.43
Off-Campus		2.77	2.64	2.91	3.67	2.83	3.21
<b>City of Alachua</b>							
Customer Charge <sup>5</sup>	per month	9.00	9.20	9.20	9.45	9.45	9.45
Usage Charge	per kGal	1.62	1.62	1.62	1.62	1.62	1.62

**Fire Hydrant History of Monthly Charges**

Installed, Maintained, Supported  
Maintained, Supported  
Supported only (UF)

(continued)

**City of Gainesville  
Utility Rates  
Last Ten Fiscal Years**

		2010	2011	2012	2013
<b><u>Wastewater:</u></b>					
<b><i>Residential Service</i></b>					
Customer Charge	per month	6.00	6.50	7.40	7.40
Usage Charge	per kGal	5.07	5.29	5.50	5.80
<b><i>Residential not connected, but required to be by ordinance</i></b>		31.35	32.95	34.90	36.40
<b><i>Residential, on wells, flat rate</i></b>		31.35	32.95	34.90	36.40
<b><i>Multi-family</i></b>					
Customer Charge	per month	6.00	6.50	7.40	7.40
Usage Charge- flat rate	per month	25.35	26.45	27.50	29.00
<b><i>Non-Residential Service</i></b>					
Customer Charge <sup>5</sup>	per month	6.00	6.50	7.40	7.40
Usage Charge	per kGal	5.07	5.29	5.50	5.80
<b><i>Tacachale</i></b>					
Customer Charge	per month	n/a	n/a	n/a	n/a
Usage Charge	per kGal	n/a	n/a	n/a	n/a
<b><i>University of Florida - Maguire Village</i></b>					
Customer Charge	per month	n/a	n/a	n/a	n/a
Usage Charge	per kGal	n/a	n/a	n/a	n/a
<b><u>Natural Gas:</u></b>					
<b><i>Residential Service</i></b>					
Customer Charge	per month	9.52	9.52	9.52	9.52
Energy Charge <sup>1</sup>	per therm	0.48300	0.48300	0.48300	0.47370
MGP	per therm	0.03700	0.04340	0.05050	0.05050
<b><i>General Firm Service</i></b>					
Customer Charge	per month	\$ 30.00	\$ 35.00	\$ 35.00	\$ 35.00
Energy Charge <sup>1</sup>	per therm	\$ 0.30800	\$ 0.34300	\$ 0.34300	\$ 0.34300
MGP	per therm	\$ 0.03700	\$ 0.04340	\$ 0.05050	\$ 0.05050
<b><i>Interruptible Service</i></b>					
Customer Charge	per month	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge <sup>2</sup>	per therm	\$ 0.28600	\$ 0.31500	\$ 0.31500	\$ 0.31500
MGP	per therm	\$ 0.03700	\$ 0.04340	\$ 0.05050	\$ 0.05050
<b><i>Contract Interruptible Service</i></b>					
Customer Charge	per month	\$ 375.00	\$ 375.00	\$ 375.00	n/a
Energy Charge <sup>3</sup>	per therm				
MGP	per therm	\$ 0.03700	\$ 0.04340	\$ 0.05050	n/a
<b><i>Large Volume Interruptible Service</i></b>					
Customer Charge	per month	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge <sup>2</sup>	per therm	\$ 0.14268	\$ 0.15730	\$ 0.15730	\$ 0.20394
MGP	per therm	\$ 0.03700	\$ 0.04340	\$ 0.05050	\$ 0.05050
<b><i>Liquid Propane (LP) Service</i></b>					
Customer Charge	per month	\$ 9.52	\$ 9.52	\$ 9.52	\$ 9.52
Energy Charge <sup>4</sup>	per gallon				
3-yr recovery		\$ 0.64513	\$ 0.64513	\$ 0.64513	n/a
5-yr recovery		\$ 0.59513	\$ 0.59513	\$ 0.59513	n/a
7-yr recovery		\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.63846
> 7-yr recovery		\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.59346
Basic (no recovery)		n/a	n/a	n/a	\$ 0.56346
<b><i>Average Annual PGA</i></b>					
	per therm				

Notes:

1 Includes \$0.06906 per therm of fuel

2 Includes 6.5 mills/kWh of fuel

3 Effective October 1, 2013; previously 2011-2012 0-7,000,7001-20,000;

Source: GRU Annual Reports

October 1, 2013 previously 0-15,000, over 15,000  
October 1, 2015 monthly charge for 0.625"

(continued)

**City of Gainesville  
Utility Rates  
Last Ten Fiscal Years**

		2014	2015	2016	2017	2018	2019
<b><u>Wastewater:</u></b>							
<b><i>Residential Service</i></b>							
Customer Charge	per month	7.85	8.40	9.00	9.10	9.10	9.10
Usage Charge	per kGal	5.85	6.05	6.20	6.30	6.30	6.30
<b><i>Residential not connected, but required to be by ordinance</i></b>		37.10	38.65	40.00	40.60	40.60	40.60
<b><i>Residential, on wells, flat rate</i></b>		37.10	38.65	40.00	40.60	40.60	40.60
<b><i>Multi-family</i></b>							
Customer Charge	per month	7.85	8.40	9.00	9.10	9.10	9.10
Usage Charge- flat rate	per month	29.25	30.25	31.00	n/a	n/a	n/a
<b><i>Non-Residential Service</i></b>							
Customer Charge <sup>5</sup>	per month	7.85	8.40	9.00	9.10	9.10	9.10
Usage Charge	per kGal	5.85	6.05	6.20	6.30	6.30	6.30
<b><i>Tacachale</i></b>							
Customer Charge	per month	n/a	n/a	n/a	n/a	n/a	n/a
Usage Charge	per kGal	n/a	n/a	n/a	n/a	n/a	n/a
<b><i>University of Florida - Maguire Village</i></b>							
Customer Charge	per month	n/a	n/a	n/a	n/a	n/a	n/a
Usage Charge	per kGal	n/a	n/a	n/a	n/a	n/a	n/a
<b><u>Natural Gas:</u></b>							
<b><i>Residential Service</i></b>							
Customer Charge	per month	9.52	9.75	9.75	9.75	9.75	9.75
Energy Charge <sup>1</sup>	per therm	0.48200	0.50200	0.54000	0.63000	0.63000	0.63000
MGP	per therm	0.05050	0.05660	0.05660	0.05560	0.05560	0.05560
<b><i>General Firm Service</i></b>							
Customer Charge	per month	\$ 40.00	\$ 40.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Energy Charge <sup>1</sup>	per therm	\$ 0.34300	\$ 0.36500	\$ 0.38000	\$ 0.44000	\$ 0.44000	\$ 0.44000
MGP	per therm	\$ 0.05000	\$ 0.05560	\$ 0.05560	\$ 0.05560	\$ 0.05560	\$ 0.05560
<b><i>Interruptible Service</i></b>							
Customer Charge	per month	n/a	n/a	n/a	n/a	n/a	n/a
Energy Charge <sup>2</sup>	per therm	n/a	n/a	n/a	n/a	n/a	n/a
MGP	per therm	n/a	n/a	n/a	n/a	n/a	n/a
<b><i>Contract Interruptible Service</i></b>							
Customer Charge	per month	n/a	n/a	n/a	n/a	n/a	n/a
Energy Charge <sup>3</sup>	per therm	n/a	n/a	n/a	n/a	n/a	n/a
MGP	per therm	n/a	n/a	n/a	n/a	n/a	n/a
<b><i>Large Volume Interruptible Service</i></b>							
Customer Charge	per month	\$ 375.00	\$ 375.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Energy Charge <sup>2</sup>	per therm	\$ 0.20394	\$ 0.20500	\$ 0.23000	\$ 0.27000	\$ 0.27000	\$ 0.27000
MGP	per therm	\$ 0.05050	\$ 0.05560	\$ 0.05560	\$ 0.05560	\$ 0.05560	\$ 0.05560
<b><i>Liquid Propane (LP) Service</i></b>							
Customer Charge	per month	\$ 9.52	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75
Energy Charge <sup>4</sup>	per gallon						
3-yr recovery		n/a	n/a	n/a	n/a	n/a	n/a
5-yr recovery		n/a	n/a	n/a	n/a	n/a	n/a
7-yr recovery		\$ 0.64676	\$ 0.66676	\$ 0.70476	n/a	n/a	n/a
> 7-yr recovery		\$ 0.60176	\$ 0.62176	\$ 0.65976	n/a	n/a	n/a
Basic (no recovery)		\$ 0.57176	\$ 0.59176	\$ 0.62976	n/a	n/a	n/a
<b>Average Annual PGA</b>	per therm						

Notes:

1 Includes \$0.06906 per therm of fuel

2 Includes 6.5 mills/kWh of fuel

3 Effective October 1, 2013; previously

2011-2012 0-7,000,7001-20,000;

Source: GRU Annual Reports

(concluded)

**City of Gainesville**  
**Principal Utility Revenue Contributors**  
**Current Year and Ten Years Ago**

	2019			2009		
	Total Payments	Rank	Percentage of Total Utility Value	Total Payments	Rank	Percentage of Total Utility Value
City of Gainesville	\$ 9,444,474	1	2.90%	\$ 11,476,464	1	3.32%
University of Florida	8,723,730	2	2.10%	6,165,008	3	1.78%
Alachua County School Board	7,380,685	3	1.80%	6,390,102	2	1.85%
Shands Teaching Hospital and Clinics	6,540,088	4	1.60%	-	-	-
North Florida Regional Medical CTR	5,873,290	5	1.40%	4,228,325	7	1.22%
VA Medical Center	5,804,792	6	1.40%	5,068,886	4	1.47%
Publix Super Markets INC	4,754,689	7	1.20%	4,353,376	6	1.26%
Alachua County Board of County Comm	3,210,232	8	0.80%	4,996,953	5	1.44%
Sivance LLC	2,440,420	9	0.60%	-	-	-
Santa Fe College	2,256,328	10	0.60%	-	-	-
Shands Healthcare	-	-	-	3,909,008	8	1.13%
Shands @ AGH	-	-	-	2,204,188	9	0.64%
<b>Total</b>	<b>\$ 56,428,728</b>		<b>14.40%</b>	<b>\$ 50,761,703</b>		<b>14.68%</b>

Source: GRU Annual Reports

## **Debt Capacity**



**City of Gainesville**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Presented by Governmental and Business-Type Activities**

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Total	
	Bonds	Notes	Lease	Bonds	Notes	Lease		% of Personal Income	Per Capita
2010	149,961,998	11,500,000	669,111	841,502,667	66,036,166	-	1,069,669,942	22.80%	8,090
2011	141,168,262	11,128,468	594,846	946,381,178	65,690,256	-	1,164,963,010	25.41%	9,365
2012	125,440,277	20,643,225	517,414	918,731,703	65,337,135	-	1,130,669,754	23.99%	9,125
2013	117,168,774	19,326,461	436,681	923,700,771	64,974,623	-	1,125,607,310	23.86%	9,049
2014	92,086,614	32,562,746	352,505	896,179,836	66,181,064	99,410,828	1,186,773,593	24.55%	9,444
2015	100,957,376	30,991,592	264,740	924,958,029	70,811,880	977,280,085	2,105,263,702	42.35%	16,453
2016	93,276,839	38,508,036	173,550	907,065,208	65,189,668	959,678,852	2,063,892,153	40.90%	16,047
2017	88,616,606	35,650,967	78,141	888,442,387	64,254,397	941,269,071	2,018,311,569	38.44%	15,547
2018	84,326,481	42,091,460	-	1,618,098,385	93,000,000	-	1,837,516,326	35.34%	14,004
2019	81,461,956	37,907,275	-	1,789,681,008	4,593,326	-	1,913,643,565	35.21%	14,381

**Presented by City Government and Gainesville Regional Utilities (GRU)**

Fiscal Year	City Government	Utility (GRU)	Primary Government	City Government		Utility (GRU)	
				% of Personal Income	Per Capita	% of Personal Income	Per Customer
2010	162,131,109	907,538,833	1,069,669,942	3.46%	1,226	9.71%	3,446
2011	152,891,576	1,012,071,434	1,164,963,010	3.33%	1,229	10.43%	3,845
2012	146,600,916	984,068,838	1,130,669,754	3.11%	1,183	9.79%	3,724
2013	136,931,916	988,675,394	1,125,607,310	2.90%	1,101	9.79%	3,713
2014	125,001,865	1,061,771,728	1,186,773,593	2.59%	995	10.36%	3,984
2015	132,213,708	1,973,049,994	2,105,263,702	2.66%	1,033	18.83%	7,313
2016	131,958,425	1,931,933,728	2,063,892,153	2.62%	1,026	18.54%	7,273
2017	124,345,714	1,893,965,855	2,018,311,569	2.37%	958	16.95%	6,855
2018	126,417,941	1,794,274,334	1,920,692,275	2.43%	963	26.44%	10,478
2019	119,369,231	1,794,274,334	1,913,643,565	2.20%	897	16.06%	6,560.44

Sources: Personal income information was obtained from the Bureau of Economic Analysis.  
Population figures were obtained from the Bureau of Economic and Business Research.  
Customer information was obtained from GRU's Annual Report.

Notes: Details regarding the City's outstanding debt may be found in the Notes to the Financial Statements.

The debt ratios for the primary government include both General Government and GRU. These ratios are shown separately as well to provide more meaningful information.

**City of Gainesville**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2019**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Alachua County:			
Gas Tax Bank Note, 2016	\$ 4,233,000	97.65%	\$ 4,133,488
Capital Improvement Revenue Note, 2015A	2,747,000	97.65%	2,682,422
Public Improvement Revenue Note, 2014	6,184,000	97.65%	6,038,622
Public Improvement Revenue Note, 2017	2,581,000	97.65%	2,520,324
Pubic Improvement Revenue Refunding Noe, 2015B	11,118,000	97.65%	10,856,630
Pubic Improvement Revenue Refunding Noe, 2016	16,160,000	97.65%	15,780,099
Pubic Improvement Revenue Refunding Noe, 2017	1,720,000	97.65%	1,679,565
Local Option Gas Tax Revenue Note, 2018	9,240,000	97.65%	9,022,780
Capital Lease Payable, 2014	11,807	97.65%	11,529
Alachua County Library District:			
Bank loan	-	97.38%	-
General Obligation Bonds	-	97.38%	-
Alachua County School Board District			
State Motor Vehicle License Tax Revenue Bonds	16,000	86.54%	13,846
Certificates of Participation	44,772,818	86.54%	38,745,465
Quality Zone Academy Books	1,794,000	86.54%	<u>1,552,490</u>
Subtotal, Overlapping Debt			93,037,260
City of Gainesville Governmental Activities Direct Debt			<u>131,958,425</u>
			<u>\$ 224,995,685</u>
Total Direct and Overlapping Governmental Activities Debt			

**Notes:**

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

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by dividing the portion of another government unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

Sources: Alachua County Finance Department, Alachua County School Board and Alachua County Property Appraiser

**City of Gainesville  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	State Guaranteed Entitlement Revenue Bonds				Utilities System Revenue Bonds					
	State Guaranteed Entitlement Revenue	Debt Service			Utilities Revenues (1)	Less: Operating Expenses (2)	Net Available Revenues	Debt Service		
		Principal	Interest	Coverage				Principal	Interest	Coverage
2010	1,100,340	700,000	341,163	1.0568	376,339,759	234,351,801	141,987,958	35,045,000	27,123,819	2.2839
2011	1,100,340	735,000	309,362	1.0536	376,167,181	222,620,162	153,547,019	31,055,000	32,952,046	2.3989
2012	1,100,340	770,000	272,683	1.0553	356,680,648	207,130,769	149,549,879	31,900,000	31,855,940	2.3457
2013	1,100,340	810,000	234,813	1.0531	356,409,450	214,466,006	141,943,444	31,900,000	21,964,939	2.6352
2014	1,100,340	850,000	194,313	1.0536	412,169,722	255,797,502	156,372,220	26,845,000	23,392,328	3.1127
2015	1,100,340	890,000	151,813	1.0562	439,576,909	270,982,823	168,594,086	49,020,000	22,227,180	2.3663
2016	1,100,340	935,000	104,088	1.0589	453,177,915	280,634,777	172,543,138	16,805,000	21,544,385	4.4992
2017	1,100,340	1,000,000	55,000	1.0430	473,426,619	331,097,206	142,329,413	23,135,000	38,892,441	2.2946
2018	1,095,000	255,146	839,854	1.0000	409,003,588	293,014,320	115,989,268	24,020,000	46,618,627	1.6420
2019	1,095,000	240,265	854,735	1.0000	425,438,121	298,627,245	126,810,876	24,020,000	46,618,627	1.7952

Notes:

- (1) Utilities revenues include electric, gas, water, wastewater and telecommunications charges to customers, other utilities revenues (including fees for connection, installation and backflow prevention), rate stabilization transfers, and interest income (excluding interest income earned on construction funds). Source: GRU Annual Reports
- (2) Operating expenses exclude depreciation and debt service charges.

## **Demographic and Economic Information**

**City of Gainesville  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b><sup>(1)</sup> Population</b>	<b><sup>(2)</sup> Personal Income</b>	<b><sup>(2)</sup> Per Capita Personal Income</b>	<b><sup>(1)</sup> Median Age (Alachua County)</b>	<b><sup>(3)</sup> Public School Enrollment (Alachua County)</b>	<b><sup>(4)</sup> Unemployment Rate</b>
<b>2010</b>	132,217	8,706,501,000	35,488	30.1	28,581	8.30%
<b>2011</b>	124,397	9,386,000,000	36,858	30.5	28,085	8.10%
<b>2012</b>	123,903	9,819,000,000	38,045	30.8	27,491	6.90%
<b>2013</b>	124,391	10,514,601,000	37,929	25.8	27,506	5.30%
<b>2014</b>	125,661	10,255,284,000	38,462	25.8	27,390	4.90%
<b>2015</b>	127,955	10,619,747,010	38,847	25.8	27,802	4.50%
<b>2016</b>	128,612	10,725,944,480	39,235	25.7	27,343	4.20%
<b>2017</b>	129,816	11,352,822,000	40,444	26.6	26,881	3.50%
<b>2018</b>	131,217	11,863,698,990	40,848	31.3	28,836	2.70%
<b>2019</b>	133,068	11,983,398,000	44,390	33.2	29,460	2.50%

Note:

- (a) At the 2012 Year-end, the BEA published revised Personal Income and Per Capita Personal Income Statistics for years prior. The revised statistics are reflected in this publication.
- (b) 2012 Personal Income and Per Capital Personal Income are estimates based on a 1% growth rate from the 2011 BEA data published November 26, 2012.

Sources:

- (1) The Population and Median Age of Gainesville were obtained from the University of Florida Bureau of Economic and Business Research
- (2) Total Personal Income and Per Capita Personal Income amounts obtained from Bureau of Economic Analysis (BEA)
- (3) Public School Enrollment information obtained from Alachua County School Board
- (4) Unemployment Rates obtained from the United States Department of Labor

**City of Gainesville  
Principal Employers  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2019</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Florida	31,514	1	23.68%	14,723	1	12.41%
UF Health	12,959	2	9.74%	12,588	2	10.61%
VA Medical Center	6,127	3	4.60%	4,317	3	3.64%
Alachua County School Board	3,936	4	2.96%	4,299	4	3.62%
City of Gainesville	1,514	5	1.14%	2,200	5	1.85%
North Florida Regional Medical Ctr.	1,935	6	1.45%	1,700	7	1.43%
Gator Dining Services	1,200	7	0.90%	625	10	0.53%
Nationwide Insurance	1,320	8	0.99%	1,300	8	1.10%
Alachua County	959	9	0.72%	1,120	9	0.94%
Publix Supermarkets	900	10	0.68%	2,056	6	n/a
<b>Total</b>	<b>62,364</b>		<b>46.86%</b>	<b>44,928</b>		<b>36.14%</b>

Source: Gainesville Area Chamber of Commerce

Note:

(1) Alachua County employment includes employees of constitutional officers, such as the Sheriff's Office.

## **Operating Information**

**City of Gainesville**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Charter Offices:</b>										
City Commission	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Clerk of the Commission	6.50	6.50	5.50	5.50	5.50	5.00	5.00	5.00	6.00	9.00
Assistant City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager's Office	4.00	4.00	5.00	5.00	5.00	4.35	4.35	8.35	8.35	8.00
City Auditor's Office	4.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50	5.50	6.00
City Attorney's Office	15.00	15.00	17.00	17.00	18.00	17.00	17.00	17.00	16.00	16.00
Equal Opportunity Office	6.00	6.00	6.00	6.00	7.00	7.00	9.00	8.00	8.00	8.50
<b>General Government:</b>										
Administrative Services	4.00	4.00	4.00	4.00	4.00	3.70	3.70	3.65		-
Computer Services	19.00	17.00	-	-	-	-	-	-	5.00	10.00
Budget & Finance	36.00	37.00	37.00	37.00	37.00	37.00	36.50	38.50	40.50	42.50
Human Resources	15.00	15.00	16.00	16.00	17.00	16.00	16.00	25.00	25.00	27.00
Risk Management	15.00	15.00	16.00	16.00	16.50	16.50	16.50	16.50	16.50	16.50
Communications and Marketing	4.00	4.00	4.00	4.00	4.00	4.50	4.00	5.00	13.90	8.50
<b>Public Safety:</b>										
<b>Police</b>										
Officers	295.00	301.00	301.00	301.00	306.00	305.00	307.00	308.00	303.00	297.00
Civilians	80.00	80.00	80.00	80.00	85.00	83.00	86.00	89.00	94.00	104.00
<b>Fire Rescue</b>										
Officers	155.00	158.00	158.00	158.00	166.00	167.00	166.00	167.00	169.00	188.00
Civilians	10.00	7.00	7.00	7.00	8.00	7.00	8.00	7.00	10.00	9.00
<b>Physical Environment:</b>										
Codes Enforcement	16.00	16.00	16.08	16.08	16.02	16.02	16.30	16.30	16.70	18.70
Strategic Initiatives	-	-	-	-	-	-	-	-	-	8.00
Planning & Development Services	38.00	38.50	39.50	39.50	40.50	40.50	41.50	49.50	51.00	51.00
Community Development	-	-	-	-	-	-	-	-	-	-
Building Inspection	-	-	-	-	-	-	-	-	-	-
Public Works	160.38	161.87	163.38	163.38	162.38	157.38	158.75	159.00	164.00	155.00
Facilities Management	-	-	-	-	-	-	-	-	-	-
<b>Transportation:</b>										
Regional Transit System	238.00	262.50	272.50	269.50	289.50	289.50	296.50	298.50	304.25	303.00
Department of Mobility	-	-	-	-	-	-	-	-	-	26.00
General Services/Facilities Management	48.38	48.38	48.38	48.38	22.00	22.00	22.00	23.00	24.00	31.00
Fleet Management	-	-	-	-	25.38	25.38	25.00	26.00	26.00	29.00
<b>Economic Environment:</b>										
Housing	1.00	1.70	1.57	1.60	1.57	2.00	1.57	1.57	1.13	1.13
Community Development Block Grant	9.00	8.30	8.30	8.30	8.41	7.98	8.13	8.13	8.17	8.17
Community Redevelopment Agency	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Economic Development	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
<b>Culture &amp; Recreation:</b>										
Parks, Recreation and Cultural Affairs	80.50	80.50	78.50	78.50	79.50	77.00	83.25	89.25	88.13	115.25
Cultural Affairs	-	-	-	-	-	-	-	-	-	-
Recreation & Parks	-	-	-	-	-	-	-	-	-	-
General Manager for Utilities	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: City of Gainesville Budget Division, FTE Report

Notes: In 2014 the General Services Department was restructured into Facilities Management and Fleet Management.

In 2011 the General Government Computer Services department merged with that of Gainesville Regional Utility (GRU). These positions were absorbed by GRU and now provide support to the General Government as contract services.



**City of Gainesville**  
**Operating Indicators by Functional Department**  
**Last Ten Fiscal Years**

	2010	2011	2012	2013	2014
<b>Fire &amp; EMS <sup>3</sup></b>					
Total incidents per 1,000 population served	27.80	99.60	114.30	118.01	143.92
Total Non-EMS incidents per 1,000 population served	92.70	27.90	23.15	24.74	17.19
Total arson incidents per 10,000 population served	0.54	-	1.13	1.29	1.84
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to EMS Incidents	-	1:08	1:18	1:27	1:34
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to Building Fires	-	1:26	1:27	1:28	1:41
90 <sup>th</sup> percentile Travel Time for Fire Apparatus to EMS Incidents	-	7:27	7:04	7:47	6:37
90 <sup>th</sup> percentile Travel Time for First Arriving Unit at Building Fires	-	6:21	6:20	6:33	6:24
<b>Fleet</b>					
Average age of police vehicles (months)	50	46	49	53	49
Average age of fire apparatus (months)	106	107	79	120	128
Hours billed as a percentage of hours available	79.9%	95.2%	82.7%	80.3%	78.0%
No. of work orders completed - police vehicles	1,822	1,063	1,362	1,220	1,243
No. of work orders completed - fire apparatus	279	235	160	174	190
Total vehicle and heavy equipment work orders	7,327	7,466	8,243	8,175	9,397
<b>Highway and Road Maintenance</b>					
Number of potholes repaired	16,375	10,940	2,630	2,360	6,094
% lane miles assessed as satisfactory or better	60.0%	71.5%	73.7%	72.0%	75.0%
Number of linear miles swept	14,016	11,998	13,668	14,337	14,337
<b>Housing</b>					
# of homes purchased or constructed	10	7	26	12	8
Number of properties rehabilitated	49	50	48	40	30
Number of families served through housing programs	558	314	367	344	210
<b>Police</b>					
Police 911 calls received	142,486	136,085	137,943	132,229	121,872
UCR Part I violent crimes reported per 1,000 pop	7.11	7.26	7.33	6.37	6.56
% of UCR Part I violent crimes cleared	66.60%	62.56%	62.22%	64.65%	63.83%
UCR Part I property crimes reported per 1,000 pop	43.05	42.17	42.08	40.88	37.70
% of UCR Part I property crimes cleared	29.85%	29.93%	30.42%	31.19%	31.07%
Injury-producing traffic accidents per 1,000 pop	5.67	6.42	6.80	11.21	6.77
Traffic fatalities per 1,000 population	0.05	0.05	0.07	0.02	0.08
Moving violation citations issued per 1,000 pop	216.00	215.89	214.18	208.44	198.72
DUI arrests per 1,000 population	3.06	3.88	2.50	2.93	2.38
<b>Purchasing</b>					
Dollar amount of purchasing card expenditures	\$ 4,001,232	\$ 3,898,638	\$ 4,167,550	\$ 4,450,648	\$ 4,139,136
Number of purchasing card transactions	13,815	14,971	14,917	15,191	14,586
Average number of days for a formal bid process	53	53	53	53	45
<b>Refuse &amp; Recycling</b>					
Avg # accounts served per on-route hour	138	138	133	133	139
Tons of refuse collected & disposed	19,189	18,274	19,856	20,081	20,522
Tons yard waste collected & composted <sup>2</sup>	8,099	7,814	8,325	8,576	9,079
Tons recycling materials collected	5,017	4,890	4,795	4,912	5,043
Complaints per 1,000 accounts	51	48	50	54	119
<b>Utility</b>					
Residential customers - Electric	82,038	81,900	82,039	82,440	83,117
Commercial & industrial - Electric	10,383	10,372	10,422	10,467	10,602
Customers - Natural Gas	33,202	33,208	33,264	33,465	33,780
Customers - Water	68,819	68,952	69,329	69,847	70,300
Customers - Wastewater	61,999	62,164	62,536	63,001	63,501

Sources:  
Gainesville Regional Utilities Annual Report; ICMA Center for Performance Measurement.

Note:  
<sup>1</sup> GASB Statement 44 was implemented in fiscal year 2005, in future years, additional years will be reported.  
<sup>1</sup> As of 2008 the yard trash situation has changed; it all still gets reused, but much of it becomes boiler fuel instead of being composted now. It depends on the markets for composted materials vs. boiler fuel.  
<sup>2</sup> In 2011 the Fire department adapted new reporting software for tracking operational indicators using the 90th percentile  
The 90<sup>th</sup> percentile is the performance baseline that indicates that 90% of the performance occurs below the time stated in

**City of Gainesville**  
**Operating Indicators by Functional Department**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019
<b>Fire &amp; EMS <sup>3</sup></b>					
Total incidents per 1,000 population served	147.66	147.79	143.43	145.70	142.50
Total Non-EMS incidents per 1,000 population served	17.84	28.34	26.37	24.18	24.00
Total arson incidents per 10,000 population served	1.02	1.02	0.77	1.16	0.15
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to EMS Incidents	1:21	1:15	1:20	1:21	1:13
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to Building Fires	1:34	1:31	1:32	1:31	1:22
90 <sup>th</sup> percentile Travel Time for Fire Apparatus to EMS Incidents	6:42	6:50	6:40	6:38	6:40
90 <sup>th</sup> percentile Travel Time for First Arriving Unit at Building Fires	5:59	5:26	5:21	5:22	4:20
<b>Fleet</b>					
Average age of police vehicles (months)	48	54	58	46	45
Average age of fire apparatus (months)	102	101	95	99	112
Hours billed as a percentage of hours available	83.0%	86.0%	84.0%	85.0%	78.6%
No. of work orders completed - police vehicles	1,159	1,246	1,179	1,195	1,618
No. of work orders completed - fire apparatus	213	217	236	214	360
Total vehicle and heavy equipment work orders	8,262	7,937	7,720	7,973	7,559
<b>Highway and Road Maintenance</b>					
Number of potholes repaired	4,609	1,358	1,279	2,835	1,478
% lane miles assessed as satisfactory or better	74.0%	73.7%	73.7%	73.7%	75.0%
Number of linear miles swept	13,894	13,894	3,473	14,042	4,007
<b>Housing</b>					
# of homes purchased or constructed	14	14	15	13	12
Number of properties rehabilitated	28	13	16	22	30
Number of families served through housing programs	175	164	263	203	292
<b>Police</b>					
Police 911 calls received	157,685	162,375	161,201	160,867	92,762
UCR Part I violent crimes reported per 1,000 pop	6.64	7.00	7.33	6.88	6.98
% of UCR Part I violent crimes cleared	76.44%	66.89%	55.46%	65.66%	42.70%
UCR Part I property crimes reported per 1,000 pop	34.88	38.51	36.81	36.97	35.41
% of UCR Part I property crimes cleared	36.54%	32.63%	20.69%	29.23%	26.60%
Injury-producing traffic accidents per 1,000 pop	14.23	7.63	8.07	9.23	12.63
Traffic fatalities per 1,000 population	0.11	0.12	0.12	0.11	0.12
Moving violation citations issued per 1,000 pop	159.43	117.31	179.89	153.75	56.26
DUI arrests per 1,000 population	2.37	1.40	1.76	1.83	0.84
<b>Purchasing</b>					
Dollar amount of purchasing card expenditures	\$ 4,159,386	\$ 4,491,334	\$ 4,364,407	\$ 4,308,507	\$ 5,377,610
Number of purchasing card transactions	15,888	17,341	16,227	16,011	17,716
Average number of days for a formal bid process	45	45	45	45	45
<b>Refuse &amp; Recycling</b>					
Avg # accounts served per on-route hour	136	134	101	126	100
Tons of refuse collected & disposed	20,827	20,679	20,688	20,679	19,751
Tons yard waste collected & composted <sup>2</sup>	9,127	9,886	8,612	9,176	8,471
Tons recycling materials collected	4,809	4,833	4,964	4,912	5,056
Complaints per 1,000 accounts	120	156	156	138	149
<b>Utility</b>					
Residential customers - Electric	83,796	85,229	86,952	86,952	86,917
Commercial & industrial - Electric	10,677	11,043	11,220	11,220	11,244
Customers - Natural Gas	34,152	34,942	35,389	35,389	35,622
Customers - Water	70,903	72,136	73,043	73,043	73,078
Customers - Wastewater	64,121	65,591	66,483	66,483	66,638

Sources:  
Gainesville Regional Utilities Annual Report; ICMA Center for Performance Measurement.

Note:

- <sup>1</sup> GASB Statement 44 was implemented in fiscal year 2005, in future years, additional years will be reported.
- <sup>2</sup> As of 2008 the yard trash situation has changed; it all still gets reused, but much of it becomes boiler fuel instead of being composted now. It depends on the markets for composted materials vs. boiler fuel.
- <sup>3</sup> In 2011 the Fire department adapted new reporting software for tracking operational indicators using the 90th percentile  
The 90<sup>th</sup> percentile is the performance baseline that indicates that 90% of the performance occurs below the time stated in

(concluded)

**City of Gainesville**  
**Capital Asset Statistics by Functional Department**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Fire &amp; EMS</b>										
Total number of fire apparatus	13	14	14	14	14	15	17	21	21	24
Average age of fire apparatus (in months)	106	107	79	120	128	102	101	95	95	112
Average annual mileage per fire apparatus	13,912	8,345	8,561	8,244	7,819	7,521	7,306	7,053	7,106	4,811
Number of fire stations	7	8	8	8	8	8	9	9	9	9
<b>Fleet</b>										
Light vehicles:										
Number	339	616	574	670	877	1,330	1,330	1,314	1,314	972
Number using alternative fuel	4	40	52	136	172	216	301	309	309	11
Average age (in months)	78	73	73	79	86	103	96	106	106	111
Medium-duty vehicles:										
Number	82	68	120	122	127	180	172	178	176	206
Average age (in months)	68	72	91	98	101	103	112	121	116	137
Heavy-duty vehicles:										
Number	107	90	96	46	47	48	58	46	46	132
Average age (in months)	89	103	78	72	88	99	95	112	112	129
Heavy equipment:										
Number	13	14	18	75	90	18	17	23	20	20
Average age (in months)	67	126	121	172	130	149	145	138	136	108
<b>Highway and Road Maintenance</b>										
Total paved lane miles maintained	773	773	777	857	778	789	789	789	789	789
Signalized Intersections LED	250	250	250	250	250	250	250	250	250	250
<b>Parks and Recreation</b>										
Park acres per 1,000 population	20.28	21.56	21.64	21.55	21.34	27.64	27.06	26.16	26.81	24.56
Total park acres	2,681	2,681	2,681	2,681	2,681	3,471	3,481	3,481	3,481	3,268
Recreation/community centers	8	8	8	8	8	8	8	8	8	10
Athletic fields	35	35	36	36	24	24	24	24	24	31
Play structures	98	98	98	98	96	96	96	96	96	96
Tennis courts	23	23	23	23	23	23	23	23	23	23
Basketball courts	23	23	23	23	23	23	23	23	23	25
Swimming pools	3	3	3	3	3	3	3	3	3	3
Miles of bike, walking, and hiking trails	37.4	49.8	50.9	50.9	51.0	52.4	52.4	31.4	31.4	39.5
<b>Police</b>										
Number of police vehicles - marked	210	227	232	222	239	238	250	265	265	251
Average age of police vehicles (in months)	50	46	49	53	49	48	54	58	58	45
Average annual mileage per police vehicle	8,472	9,087	10,783	9,180	9,411	8,396	7,764	7,070	7,268	6,960
<b>Regional Transit System</b>										
Number of buses	105	106	116	123	123	128	128	131	131	136
Number of buses using alternative fuel	3	-	-	-	-	-	-	-	-	-
Average age of buses (in months)	82	88	77	89	98	107	106	130	123	123
<b>Electricity</b>										
Combined system net capability (megawatts)	611	616	610	532	523	525	521	525	525	598
Distribution - overhead (circuit miles)	575	575	568	567	564	562	560	558	562	562
Distribution - underground (circuit miles)	838	849	846	850	852	857	866	871	857	857
Distribution substations	11	11	11	11	11	11	11		10	10
<b>Natural Gas</b>										
Distribution mains (miles)	742	747	752	758	766	774	781	789	774	774
Delivery points	6	5	5	6	6	6	6	6	6	6
<b>Water</b>										
FDEP permitted treatment capacity (mgd)	54	54	54	54	54	54	54	54	54	54
Storage capacity (million gallons)	19.5	19.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Consumptive Use Permit (mgd)	29.9	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Distribution mains (miles)	1,106	1,115	1,128	1,130	1,139	1,141	1,141	1,169	1,145	1,145
Supply wells	16	16	16	16	16	16	16	16	16	15
<b>Wastewater</b>										
Gravity mains (miles)	612	618	629	630	631	633	636	661	634	634
Force mains (miles)	137	139	139	139	139	140	142	153	141	141
Lift stations	164	164	165	165	165	167	168	170	168	168
Treatment capacity (million gallons per day)	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
<b>GRUCom</b>										
Fiber optic cable (miles)	351	389	420	449	438	473	513	528	528	526
Maximum bandwidth (2.5 gigabits/second)*10gbs	OC-192	OC-192	OC-192	OC-192*	OC-192*	OC-192*	OC-192*	OC-192*	OC-192*	OC-192*
On-net locations	454	524	503	523	555	577	625	752	752	752

Sources:  
Gainesville Regional Utilities Annual Report  
ICMA Center for Performance Measurement

Note:  
GASB Statement 44 was implemented in fiscal year 2005, in future years, additional years will be reported, cumulating in a ten year presentation.

**SINGLE AUDIT SECTION**

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

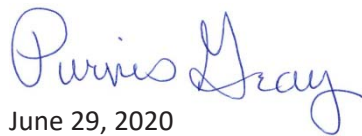
We have examined the City of Gainesville's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019.

This report is intended solely for the information and use of the Honorable Mayor and City Commissioners, management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



June 29, 2020  
Gainesville, Florida

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

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of City of Gainesville, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2020. Our report includes a reference to other auditors who audited the financial statements of the Utility, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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Honorable Mayor and City Commissioners  
City of Gainesville, Florida

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses, described in the accompanying schedule of findings and questioned costs as items 2018-01 and 2018-02 that we consider to be material weaknesses.

**Compliance and Other Matters**

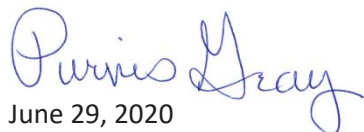
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect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

**City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying management's response. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



June 29, 2020  
Gainesville, Florida

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**SEPTEMBER 30, 2019**

Federal Grantor/Program Title	Federal CFDA NUMBER	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
<b>U.S. Department of Agriculture</b>						
Hurricane Irma - Erosion Control - Stabilization	10.923	NR184209XXXXC015	\$ 79,714			
<b>U.S. Department of Housing &amp; Urban Development</b>						
Community Development Block Grant - Entitlement Program	14.218	B-14-18/MC-12-0007	1,351,541			\$ 269,025
HOME Investment Partnership Grant	14.239	M-11-17/MC-12-0206	487,524			113,313
<b>U.S. Department of Justice</b>						
HEROES	16.540	10583	(262)			
2015 HERO Child Rescue - Enhancing Forensic Capacity	16.543	2015-MC-FX-K011	1,534			
2018 Internet Crimes Against Children	16.543	2018-MC-FX-K050	297,889	\$ 299,423		
OVW FY15 Grants To Encourage Arrests Policies and Enforcement of Protection Orders	16.590	2015-WE-AX-0033	115,617			86,834
FY18 Bulletproof Vest Partnership	16.607	2018-BO-BX-1809-2306	3,050			
Edward Byrne Memorial Justice Assistance - FY15	16.738	2015-DJ-BX-1035	694			66,116
Edward Byrne Memorial Justice Assistance - FY16	16.738	2016-DJ-BX-1078	6,469			
Edward Byrne Memorial Justice Assistance - FY17	16.738	2017-DJ-BX-0930	83,857			
Edward Byrne Memorial Justice Assistance - FY18	16.738	2018-DJ-BX-0799	38,198			
Passed Through Florida Department of Law Enforcement: 2019 Problem Oriented Police Grant (POP)	16.738	2017-JAGC-ALAC-6-N2-167	9,798	139,016		
US Marshalls Regional Fugitive Task Force	16.XXX	MOU	7,220			
DEA OT Reimbursement	16.XXX	MOU	39,673	46,893		
Federal Equitable Sharing Proceeds	16.922	N/A	278,847			
<b>U.S. Department of Transportation</b>						
Federal Transit Capital Investment Grants: FY12 State of Good Repair	20.500	FL-04-0175	1,520			
Federal Transit Formula Grants:						
FY13 Urbanized Area Formula Grant - Revised Apportionment	20.507	FL-2018-032-00	648,647			
FY15 Urbanized Area Formula Grant	20.507	FL-90-X889	150,195			
FY16 Urbanized Area Formula Grant	20.507	FL-2016-026	281,562			
FY16 Surface Transportation	20.507	FL-2017-008	52,616			
FY17 Urbanized Area Formula Grant	20.507	FL-2017-1084	47,646			
FY18 Urbanized Area Formula Grant	20.507	FL-2018-094	2,445,595			
FY19 Urbanized Area Formula Grant	20.507	FL-2019-091	1,800,000	5,426,261		
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs:						
FY17 Low or No-Emission Vehicles	20.526	FL-2018-041-00	80,158			
FY15 - Section 5339 Capital Assistance	20.526	FL-2018-016-00	254,723	334,881		
Total Federal Transit Cluster (20.500, 20.507, 20.526)					\$ 5,762,662	



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**SEPTEMBER 30, 2019**  
*(Continued)*

Federal Grantor/Program Title	Federal CFDA NUMBER	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
<b>U.S. Department of Transportation (Concluded)</b>						
Passed Through Florida Department of Transportation:						
Highway Planning and Construction:						
LAP-PD&E Study SW 62nd Blvd/4 - Lane Arterial Connector	20.205	211365-6-28-01-03	\$ 309,809			
LAP-PD&E Norton Elementary Trail	20.205	435559-1-38-02/ GOM82	(90,670)			
NE 18th Ave - Metcalfe Sidewalk	20.205	439495-1-38.01	18,082			
LAP-PD&E SW Williston Rd to SW 35th Place	20.205	433989-1-38-02/ G0J43	333	\$ 237,554		
Formula Grants for Rural Areas and Tribal Transit Program:						
FY18/19 - Route 23	20.509	G0WQ4/427250-1-84-18	40,893			
FY18/19 Paratransit Trips in Rural Areas	20.509	G1712/427250-1-84-19	1,435			
Non-Urbanized Alachua County	20.509	GOK53	79,124	121,452		
Enhanced Mobility of Seniors and Individuals with Disabilities:						
NOGA Sec. 5310 - ADA Capital Assistance	20.513	435210-8-93-05	57,713			
NOGA Sec. 5310 - ADA Capital Assistance	20.513	435210-8-93-06	65,754			
FY18/19 - Enhanced Mobility for Seniors & Individuals with Disabilities	20.513	G1694/442577-1-84-02	9,650			
FY17/18 Sec. 5310 - Operating Assistance	20.513	GOV12/442577-1-84-01	5,464	138,581		
State and Community Highway Safety:						
FY19 Motorcycle/Scooter Safety and Education Program	20.600	G1044/MC-19-10-06	27,234			
FY19 Distracted Driver Program Protection	20.600	DD-19-04-05	2,462	30,056		
National Priority Safety Programs: Safe Gator Program	20.616	GOP46/M5HVE-18-06-04	295			
Passed Through Florida Department Transportation:						
FY18 Motorcycle/Scooter Safety and Education Program	20.600	GOP28/MC-18-10-06	360			
<b>National Endowment of the Humanities</b>						
Passed Through Florida Humanities Council:						
Synchronica: Framing Time	45.129	GR_0918_454_2495	5,000			
<b>Executive Office of the President - Office of National Drug Policy</b>						
Passed Through St. Johns County Sheriff Office:						
North Florida HIDTA-Highway Interdiction	95.001	G15/16NF0001A	8,182			
North Florida HIDTA-Cadet Initiative-via Alachua County Sheriff Office	95.001	G17NF0001A	65,920	74,102		
<b>Department of Homeland Security - Federal Emergency Management Agency</b>						
Passed Through State of Florida, Division of Emergency Management:						
Disaster Grants - Public Assistance Hurricane Irma Declaration	97.036	4337DR	2,017,700			
<b>Department of Homeland Security</b>						
FY19 Assistance to Firefighters	97.044	EMW-2017-FO-06496	65,355			
2017 State Homeland Security Grant Program	97.067	EMW-2017-SS-00061-S01	10,070			
2019 State Homeland Security Grant Program	97.067	EMW-2018-SS-00064-S01	6,563	16,633		
FY17 FEMA Safer Grant	97.083	EMW-2017-FH-00344	452,226			
<b>Total Expenditures of Federal Awards</b>			<u>\$ 11,722,979</u>			

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**SEPTEMBER 30, 2019**  
*(Concluded)*

State Grantor/Program Title	State CSFA NUMBER	Contract/Grant No.	Expenditures	Program Total
<b>Executive Office of the Governor</b>				
SDEM Residential Construction Mitigation Program	31.066	18HL-AG-03-11-02-375/HLMP2018-027	\$ 8,487	
<b>Florida Division of Emergency Management</b>				
Hurricane Loss Mitigation Project Shelter Retrofit	31.068	HLMPSR17-002/17-SR-3D-03-11-02	217,802	
<b>Florida Housing Finance Corporation</b>				
SHIP 2015/2016	40.901	N/A	54	
SHIP 2016/2017	40.901	N/A	787,002	
SHIP 2017/2018	40.901	N/A	108,648	\$ 895,704
<b>Department of State</b>				
Division of Cultural Affairs General Program Support	45.061	19.C.PS.500.405	7,592	
Division of Cultural Affairs General Program Support	45.061	20.C.PS.114.496	4,875	12,467
<b>Department of Transportation</b>				
FY16/17 vRide	55.007	G0D10/439185-1-84-18	115,062	
FY19/20 Commuter Assistance Program / Ride Share	55.007	G1B19/445622-1-84-19	6,847	121,909
County Incentive Grant Program: SW 40th Blvd	55.008	434594-1-54-01	1,067,540	
FY 18/19 Block Grant	55.010	G1086/411757-1-84-19	1,956,646	
Public Transit Service Development Program:				
FY16/17 Route 27 Yr.3	55.012	ARN04/435123-1-84-17	20,800	
FY15-FY18 Route 37 Yr. 2 & 3	55.012	G0636/437363-1-84-17/8	49,883	
FY17/18 Route 40 Yr.3	55.012	G0637/437364-1-84-18	94,894	
FY16/17 Holiday Bus Service	55.012	G0H55/439977-1-84-18	24,684	
FY17/18 Autonomous Bus	55.012	G0270/43307-6-1-84-01	3,900	
FY17/18 - Route 800	55.012	G0R17/441839-1-84-18	63,612	
FY17/18 - Route 33	55.012	G0R44/441702-1-84-18	72,715	330,488
<b>Florida Department of Health</b>				
FY17/18 Emergency Medical Services	64.005	C6001	16,145	
<b>Total Expenditures of State Awards</b>			<u>\$ 4,627,188</u>	

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019  
CITY OF GAINESVILLE, FLORIDA**

**Note 1 - Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Gainesville, Florida and is presented in accordance with the requirements of 2CFR Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; and the *Florida Single Audit Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule is prepared using the modified accrual basis of accounting.

**Note 2 - Sub Recipients**

The City provided federal awards to sub recipients as follows:

	<u>Federal CFDA</u>		
Community Development Block Grant – Entitlement Program	14.218	\$	269,025
Sub Recipients:			
Alachua Habitat for Humanity, Inc.			
Alachua Organization for Rural Needs, Inc.			
Black on Black Crime Task Force			
Central Florida Community Action Agency, Inc.			
Elder Care of Alachua County, Inc.			
Family Promise of Gainesville, Florida			
Gardenia Garden, Inc.			
Girl Scouts of Gateway Council, Inc.			
Girls Place, Inc.			
Helping Hands Clinic, Inc.			
Meridian Behavioral Healthcare, Inc.			
Neighborhood Housing & Development Corp.			
St. Francis House, Inc.			
Transitional Living of North Central Florida			
HOME Investment Partnership Grant	14.239	\$	113,313
Sub Recipients:			
Alachua Habitat for Humanity, Inc.			
Gainesville Housing Development and Management Corp.			
Neighborhood Housing & Development Corp.			
Rebuilding Together North Central Florida			
OVW FY 15 Grant	16.590	\$	86,834
Sub Recipients:			
Alachua County Board of County Commissioners			
Alachua County Sheriff's Office			
Black on Black Crime Task Force			
FY15 JAG Grant	16.738	\$	66,116
Sub Recipients:			
Alachua County Sheriff's Office			

**Note 3 - Indirect Costs**

The City has not elected to use the 10% de minimis cost rate as covered in the 200.414 indirect (F&A) costs.

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

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

**Report on Compliance for Each Major Federal Program and Each Major State Project**

We have audited the City of Gainesville, Florida’s (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services’ *State Projects Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs and state projects for the year ended September 30, 2019. The City’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and each major state project. However, our audit does not provide a legal determination of the City’s compliance.

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Honorable Mayor and City Commissioners  
City of Gainesville, Florida

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

**Opinion on Each Major Federal Program and Each Major State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and each of its major state projects for the year ended September 30, 2019.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

June 29, 2020  
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019  
CITY OF GAINESVILLE, FLORIDA**

**Part I – Summary of Auditor’s Results**

- 1) The auditor’s report on the basic financial statements contained unmodified opinions.
- 2) The audit disclosed significant deficiencies and material weaknesses in internal control over financial reporting.
- 3) No instances of non-compliance considered material to the financial statements were disclosed by the audit.
- 4) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the major federal programs and major state projects.
- 5) The auditor’s report on compliance for the major federal programs and major state projects was unmodified.
- 6) The audit did not disclose findings relative to the major federal programs and major state projects.
- 7) The City's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA No.</u>
Federal Transit Cluster	20.500, 20.507, 20.526
Disaster Grants – Public Assistance	97.036
<u>State Projects</u>	<u>CSFA No.</u>
Public Transit Block Grant Program	55.010
County Incentive Grant Program	55.008

- 8) A threshold of \$750,000 was used to distinguish between Type A and Type B programs for federal programs and \$750,000 was used for state projects.
- 9) The City did not qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

**Part II – Financial Statement Findings**

**2018-01 Bank Reconciliations**

**Condition:** During the year, bank reconciliations were not completed on a timely basis and included unreconciled differences. Additionally, we noted that certain transactions, such as credit card receipts, are not reconciled monthly, but rather unreconciled differences are carried forward and adjusted each month by the monthly net activity of those transactions, so discrepancies may exist that are not identified and investigated.

**Criteria:** Timely and accurate bank reconciliations are a key component of internal control over multiple financial reporting processes, including cash receipting, cash disbursements, and payroll functions, as one of the means of detecting potential errors or irregularities.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019  
CITY OF GAINESVILLE, FLORIDA**

**Effect of Condition:** Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected in a timely basis.

**Recommendation:** We recommend the City implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be properly investigated and corrected.

**2018-02 Financial Close and Reporting**

**Condition:** During our audit we identified several accounts which were materially misstated, including revenue and accounts receivable, expenditures/expenses and accounts payable, capital assets, and equity. Additionally, we assisted accounting staff with other material adjustments and reconciliations, including entries related to net pension liability, net OPEB liability, and various government-wide accrual adjustments.

**Criteria:** Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis. Auditors are prohibited from acting as a segment of the City's internal control over financial reporting.

**Cause of Condition:** Several account balances were not reconciled to subsidiary ledgers during the year or at year-end in preparation for the audit. The finance department has experienced significant turnover resulting in limited staff availability to perform the necessary reconciliations and a significant loss of institutional knowledge.

**Effect of Condition:** If the errors corrected by audit adjustments had not been detected during our audit, which is designed only to provide reasonable assurance the financial statements are fairly presented, the City's financial statements may have been materially misstated. The lack of reconciliations and loss of institutional knowledge also resulted in significant delays to the audit.

**Recommendation:** We recommend the City review the sufficiency of its current staffing within the finance department to ensure complete, accurate and timely financial information is available. In addition, we recommend that financial close and reporting processes be documented and periodically reviewed to ensure consistency in the implementation of those processes.

**Part III – Findings and Questioned Costs – Federal Programs and State Projects**

None reported



## MANAGEMENT LETTER

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

### Report on the Financial Statements

We have audited the basic financial statements of the City of Gainesville, Florida (the City), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 29, 2020. Our report on the basic financial statements included a reference to the report of other auditors who issued separate communications relative to Gainesville Regional Utilities.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 29, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Findings 2018-1, 2018-2 and 2018-4 were reported in the previous fiscal year.

### Official Title and Legal Authority

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

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## MANAGEMENT LETTER

### Financial Condition and Management

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

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

Section 10.554(1)(i).2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

#### ■ **2018-04 Segregation of Duties**

Effective internal controls over financial reporting require that the functions of authorizing transactions, custody of assets and recording of transactions be separated in order to provide reasonable assurance that assets are adequately safeguarded and transactions are properly authorized, executed and recorded in accordance with the assertions of management. During the year we noted the following financial reporting processes that lacked adequate segregation of incompatible duties:

- *Payroll*—Members of the payroll division are able to make corrections to an employees' time as may be necessary to ensure payroll is processed timely and accurately. However, there was no process in place to review changes made by members of the payroll division, making it possible for them to adjust their own time.
- *Payroll*—Departmental timekeepers enter employee time into the remote time entry system. A secondary review and approval of each batch is performed to ensure no timekeeper is able to approve his or her own time. However, during the year, there were no controls in place to prevent timekeepers from changing pay rates in the system within their department.
- *Journal Entries*—The City's internal control process over journal entry reporting properly includes a secondary review of journal entries before they are posted into the system. However, we noted that the system itself does not prevent one person from posting a journal entry, and there is no review of the entries posted to ensure that all were properly approved. We recommend the City implement procedures to either limit the ability of one person to post a journal entry without secondary review, or that all entries posted in the system be reviewed periodically to ensure all were properly reviewed.

We noted several mitigating controls exist. However, detection controls are not as effective as preventive controls. We recommend that the City review its processes and separate incompatible duties when possible.

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

## MANAGEMENT LETTER

### Special District Component Units

10.554(1)(i).5.a. and 10.556(7), *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unity of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

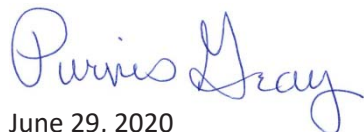
### Additional Matters

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

### Purpose of this Letter

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

Thank you for the cooperation and courtesies extended to us during the course of our audit. We have sincerely enjoyed our association with the City and look forward to a continuing relationship. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 29, 2020  
Gainesville, Florida



# City of Gainesville

Office of Budget and Finance

June 30, 2020

Honorable Sherrill F. Norman, CPA  
Auditor General, State of Florida  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman:

This letter is in response to the Independent Auditors' Report on Compliance for each Major Federal Program and State Project and on Internal Control over Compliance required by the Uniform Guidance and in Accordance with Chapter 10.550, *Rules of the Auditor General*, dated March 26, 2020. The audit report disclosed three findings from the 2018 audit that have yet to be cleared, as described below.

### 2018-01 Bank Reconciliations

*Condition:* During the year, bank reconciliations were not completed on a timely basis and included unreconciled differences. Additionally, we noted that certain transactions, such as credit card receipts, are not reconciled monthly, but rather unreconciled difference are carried forward and adjusted each month by the monthly net activity of those transactions, so discrepancies may exist that are not identified and investigated.

*Criteria:* Timely and accurate bank reconciliations are a key component of internal control over multiple financial reporting processes, including cash receipting, cash disbursements, and payroll functions, as one of the means of detecting potential errors or irregularities.

*Effect of Condition:* Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected in a timely basis.

*Recommendation:* We recommend the City implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be properly investigated and corrected.

*Management Response:* Management is aware of this issue and early in fiscal year 2020 filled two vacancies in the accounting area. A new accounting position is being added in late fiscal year 2020 or early fiscal year 2021, as budget allows. Additionally, we will be implementing



automated processes for timely reconciliation of bank statements in the new ERP which will remedy this issue in fiscal year 2021.

#### 2018-02 Financial Close and Reporting

*Condition:* During our audit we identified several accounts which were materially misstated, including revenue and accounts receivable, expenditures/expenses and accounts payable, capital assets, and equity. Additionally, we assisted accounting staff with other material adjustments and reconciliations, including entries related to net pension liability, net OPEB liability, and various government-wide accrual adjustments.

*Criteria:* Proper internal control over financial reporting should be designed to allow management or employees to prevent, or detect and correct, material misstatements on a timely basis. Auditors are prohibited from acting as a segment of the City's internal control over financial reporting.

*Cause of Condition:* Several account balances were not reconciled to subsidiary ledgers during the year or at year-end in preparation for the audit. The finance department has experienced significant turnover resulting in limited staff availability to perform the necessary reconciliations and a significant loss of institutional knowledge.

*Effect of Condition:* If the errors corrected by audit adjustments had not been detected during our audit, which is designed only to provide reasonable assurance the financial statements are fairly presented, the City's financial statements may have been materially misstated. The lack of reconciliations and loss of institutional knowledge also resulted in significant delays to the audit.

*Recommendation:* We recommend the City review the sufficiency of its current staffing within the finance department to ensure complete, accurate and timely financial information is available. In addition, we recommend that financial close and reporting processes be documented and periodically reviewed to ensure consistency in the implementation of those processes.

*Management Response:* Management is aware of this issue and early in fiscal year 2020 filled two vacancies in the accounting area. A new accounting position will be added in the next fiscal year. Workloads have been reassigned as a result of the updated staffing which will be reflected in the FY2020 audit showing this item has been addressed. Along with the updated work processes, staffing and assignments, revised business processes will be included in the implementation of WorkDay, the new financial system that will add an additional layer of system controls as well.

#### 2018-04 Segregation of Duties

Effective internal controls over financial reporting require that the functions of authorizing transactions, custody of assets and recording of transactions be separated in order to provide reasonable assurance that assets are adequately safeguarded and transactions are properly authorized, executed and recorded in accordance with the assertions of management. During the year we noted the following financial reporting processes that lacked adequate segregation of incompatible duties:



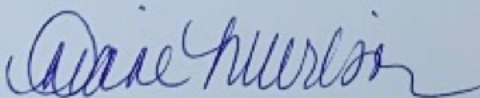
- *Payroll*—Members of the payroll division are able to make corrections to an employees' time as may be necessary to ensure payroll is processed timely and accurately. However, there was no process in place to review changes made by members of the payroll division, making it possible for them to adjust their own time.
- *Payroll*—Departmental timekeepers enter employee time into the remote time entry system. A secondary review and approval of each batch is performed to ensure no timekeeper is able to approve his or her own time. However, during the year, there were no controls in place to prevent timekeepers from changing pay rates in the system within their department.
- *Journal Entries*—The City's internal control process over journal entry reporting properly includes a secondary review of journal entries before they are posted into the system. However, we noted that the system itself does not prevent one person from posting a journal entry, and there is no review of the entries posted to ensure that all were properly approved. We recommend the City implement procedures to either limit the ability of one person to post a journal entry without secondary review, or that all entries posted in the system be reviewed periodically to ensure all were properly reviewed.

We noted several mitigating controls exist. However, detection controls are not as effective as preventive controls. We recommend that the City review its processes and separate incompatible duties when possible.

**Management Response:** Specific to payroll findings, Management is aware of these issues due to the inability to add these security levels within the current financial system; this issue will be corrected with the implementation of WorkDay. Regarding the finding related to journal entries, the WorkDay system will not allow for an employee to post a journal entry without approval of a reviewer so this issue will be resolved upon implementation. A review process has been put in place requiring all journal entries be reviewed by another accountant or the accounting manager before being posted.

Management added a Finance Operations Manager to oversee Billing and Collections and Accounts Payable/Payroll areas to fully implement appropriate internal controls through collaboration with the Internal Control Manager and the Accounting Manager. One of the accounting positions that was filled in early fiscal year 2020 is assigned to revenue management, which includes regular communication with the Finance Operations Manager and her staff to ensure proper posting and reconciliations are being done on a timely basis. These processes will continue to evolve as staffing increases and we look forward to implementation of a new system.

Sincerely,



Diane Wilson  
Interim Finance Director

# **PURVIS GRAY**

CERTIFIED PUBLIC ACCOUNTANTS

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