

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
City of Gainesville, Florida  
Fiscal Year Ended September 30, 2012**

**Prepared By  
The Budget & Finance Department**

**ELECTED OFFICIALS**

<i>Craig Lowe</i>	<i>Mayor</i>
<i>Lauren Poe</i>	<i>Mayor-Commissioner Pro-Tem</i>
<i>Susan Bottcher</i>	<i>Commissioner</i>
<i>Todd Chase</i>	<i>Commissioner</i>
<i>Thomas Hawkins</i>	<i>Commissioner</i>
<i>Yvonne Hinson-Rawls</i>	<i>Commissioner</i>
<i>Randy Wells</i>	<i>Commissioner</i>

**APPOINTED OFFICIALS**

<i>Russ Blackburn</i>	<i>City Manager</i>
<i>Robert Hunzinger</i>	<i>General Manager for Utilities</i>
<i>Nicolle Shalley</i>	<i>City Attorney</i>
<i>Kurt M. Lannon</i>	<i>Clerk of the Commission</i>
<i>Brent Godshalk</i>	<i>City Auditor</i>
<i>Cecil Howard</i>	<i>Equal Opportunity Director</i>

**BUDGET & FINANCE PROGRAM STAFF**

<i>Mark S. Benton</i>	<i>Finance Director</i>
<i>April Shuping</i>	<i>Assistant Finance Director</i>
<i>Daniel Smierciak</i>	<i>Accounting Supervisor</i>
<i>Alisa Tolbert</i>	<i>Grants Fiscal Coordinator</i>
<i>Lynn Thigpen</i>	<i>Property Control Specialist</i>
<i>Sandra Frankenberger</i>	<i>Accountant II</i>
<i>Karen Ward</i>	<i>Accountant II</i>
<i>Belinda Morris</i>	<i>Account Clerk, Sr.</i>

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March 22, 2013

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

**Dear Mayor, Commissioners, and Citizens:**

**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, 2012. 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 Carr, Riggs & Ingram and Ernst & Young. 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, 2012, 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 unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' 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, 2012, the official population estimate was 123,903.

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 Administrative Services Director, Assistant General Managers for Utilities, and numerous department heads.

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

- **building inspections**
- **codes enforcement**
- **community development**
- **cultural affairs**
- **economic development**
- **electrical power**
- **golf course**
- **mass transit**
- **natural gas distribution**
- **parks and recreation**
- **police and fire protection**
- **refuse collection**
- **small business development**
- **stormwater management**
- **street maintenance, traffic engineering and parking**
- **water and wastewater**
- **telecommunications and data transfer**

Internal support services include the following:

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

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** and the **Gainesville Enterprise Zone Development Agency**. 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 reappropriated 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.

**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 is 6.9%, which is significantly lower than the state and national averages and is a decrease from 8.1% at the same time last year. Enrollment at the University of Florida, the engine for the area's economy, has remained steady with a 2012 fall enrollment of 48,975 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. The Florida legislature and electorate have passed two initiatives which have resulted in reduced property tax revenues. This has been exacerbated by the recession which has caused the decline or stagnation of the other major revenue sources. The City has responded to this trend by diversifying the revenue base by adding a Fire Assessment Fee and with significant cuts in expenditure budgets during the five year period spanning fiscal years 2007 through 2011.

A significant expenditure facing the City is long-term pension costs. During fiscal year 2012, the City successfully negotiated modifications to its General Pension Plan which reduced projected contributions for the City and Utility over the next five years by \$10.3 million. The City is currently negotiating pension modifications to the Consolidated Pension Plan.

**Long-term financial planning.** Both General Government and the City-owned Utility develop multi-year financial forecasts, including capital improvement plans. Some of the key projects in these capital improvement plans are:

- Construction and remediation of the Depot Park Downtown Stormwater Basin.
- Construction of a centralized fleet garage for use by both General Government and the Utility.
- Renovation and relocation of an existing fire station (#1).
- Construction of a one-stop homeless center.
- Fleet Maintenance Facility for the Regional Transit System (RTS).
- Demolition and reconstruction of the Police Department's headquarters building.
- Land acquisition and park improvements related to the Wild Spaces Public Places initiative.
- Implementation of recurring annual funding for three new areas:
  - Equipment replacement internal service fund
  - Facilities maintenance internal service fund
  - Road resurfacing funds
- The Utility currently forecasts the need for a new electric supply by about 2022. Details on this project can be found in the accompanying Management's Discussion and Analysis on page MDA-11

**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 8.33% of the proposed General Fund revenue budget. During the FY12 budget process, the City Commission directed staff to change the policy to increase the percentage to 10% in FY13 with the intent to raise this level to 12.5% within the next three years as financially feasible.
- **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, 2011. 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, 2010. 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.

The City was one of the first to receive recognition by the Government Finance Officers Association for its 1990 Popular (Citizen's) Report. In addition, the City has received the Award for Outstanding Achievement in Popular Annual Reporting from the Government Finance Officers Association since 1992.

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,



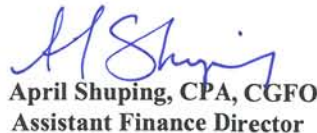
**Russ Blackburn**  
City Manager



**Becky Rountree, CPA**  
Administrative Services Director



**Mark S. Benton**  
Finance Director



**April Shuping, CPA, CGFO**  
Assistant Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

*Jeffrey R. Enev*

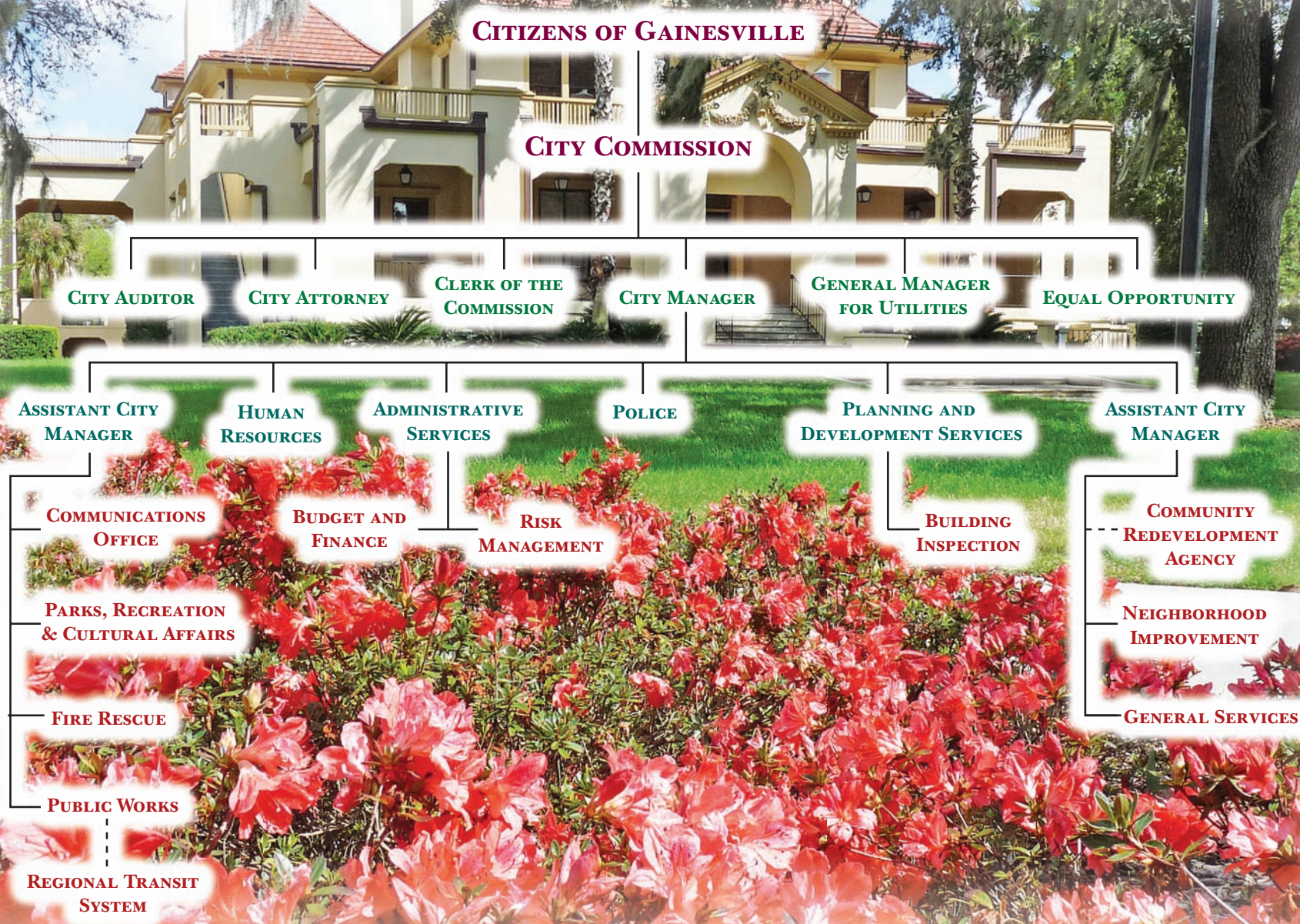
Executive Director



# City of Gainesville

## 2012 Organization Chart

Legislative No. 120980









## Independent Auditor's Report

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Gainesville, Florida (the "City"), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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, a major fund, which represent 96 percent and 88 percent, respectively, of the assets and deferred outflows and the revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Utility Fund, are based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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 discretely presented component unit and remaining fund information of the City as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control

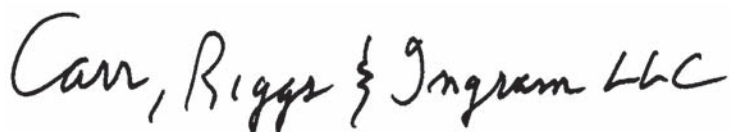
Honorable Mayor and City Commissioners  
City of Gainesville, Florida  
Page 2

over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note 18 to the financial statements, the City changed its method of reporting the Community Redevelopment Agency (CRA) from a discretely presented component unit to a blended component unit in 2012.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



March 22, 2013  
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, 2012. 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 vi - xii of this report, and the City's financial statements which begin on page 1.

### 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 \$776,492,030 (*net position*). Of this amount, \$127,152,371 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$29,711,830 as a result of fiscal year 2012 operations.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$96,867,233, a decrease of \$3,084,005 in comparison with the prior year. Of the total ending fund balances, \$28,672,276 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 \$12,087,485.
- The City's total bonded debt decreased by \$25 million (2.1%) during the current fiscal year. The components of this change are discussed in detail in the bonded debt section below.

### 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 & deferred outflows of resources and liabilities & 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.

The government-wide financial statements include not only the City itself, but also a legally separate enterprise zone development agency (discretely reported component unit), and a legally separate redevelopment agency (blended component unit) for which the City is financially accountable. Financial information for the *discretely reported component unit* is reported separately from the financial information presented for the primary government itself. 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 1-2 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 seventy-one 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 seventy governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 3-6 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: electric power generation, transmission and distribution, natural gas distribution, water and wastewater treatment, 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. Because 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 nonmajor 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 7-12 of this report.

**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 13-14 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 15-59 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 60-66 of this report.

The combining statements referred to earlier in connection with nonmajor 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 67-132 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 \$776,492,030 at the close of the most recent fiscal year.

	City of Gainesville's Net Position					
	Governmental Activities		Business-type Activities		Total	
	FY12	FY11	FY12	FY11	FY12	FY11
Current and other assets	\$ 203,694,305	\$ 209,298,560	\$ 458,490,999	\$ 568,064,868	\$ 662,185,304	\$ 777,363,428
Capital assets	175,371,800	169,924,047	1,252,650,116	1,215,600,102	1,428,021,916	1,385,524,149
Total assets	379,066,105	379,222,607	1,711,141,115	1,783,664,970	2,090,207,220	2,162,887,577
Deferred outflows	-	-	76,433,187	-	76,433,187	-
Long-term liabilities	150,380,920	157,034,537	988,464,451	1,016,511,951	1,138,845,371	1,173,546,488
Other liabilities	15,451,831	14,232,792	234,865,425	228,328,097	250,317,256	242,560,889
Total liabilities	165,832,751	171,267,329	1,223,329,876	1,244,840,048	1,389,162,627	1,416,107,377
Deferred inflows	-	-	985,750	-	985,750	-
Net position:						
Invested in capital assets,						
net of related debt	133,198,609	127,383,906	368,031,597	350,932,231	501,230,206	478,316,137
Restricted	63,041,610	66,834,959	85,067,843	84,940,717	148,109,453	151,775,676
Unrestricted	16,993,135	13,736,413	110,159,236	102,951,974	127,152,371	116,688,387
Total net position	\$ 213,233,354	\$ 207,955,278	\$ 563,258,676	\$ 538,824,922	\$ 776,492,030	\$ 746,780,200

Approximately 65% 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.

An additional portion of the City's net position -- \$148,109,453 or 19% -- represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* -- \$127,152,371 -- may be used to meet the government's ongoing obligations to citizens and creditors.

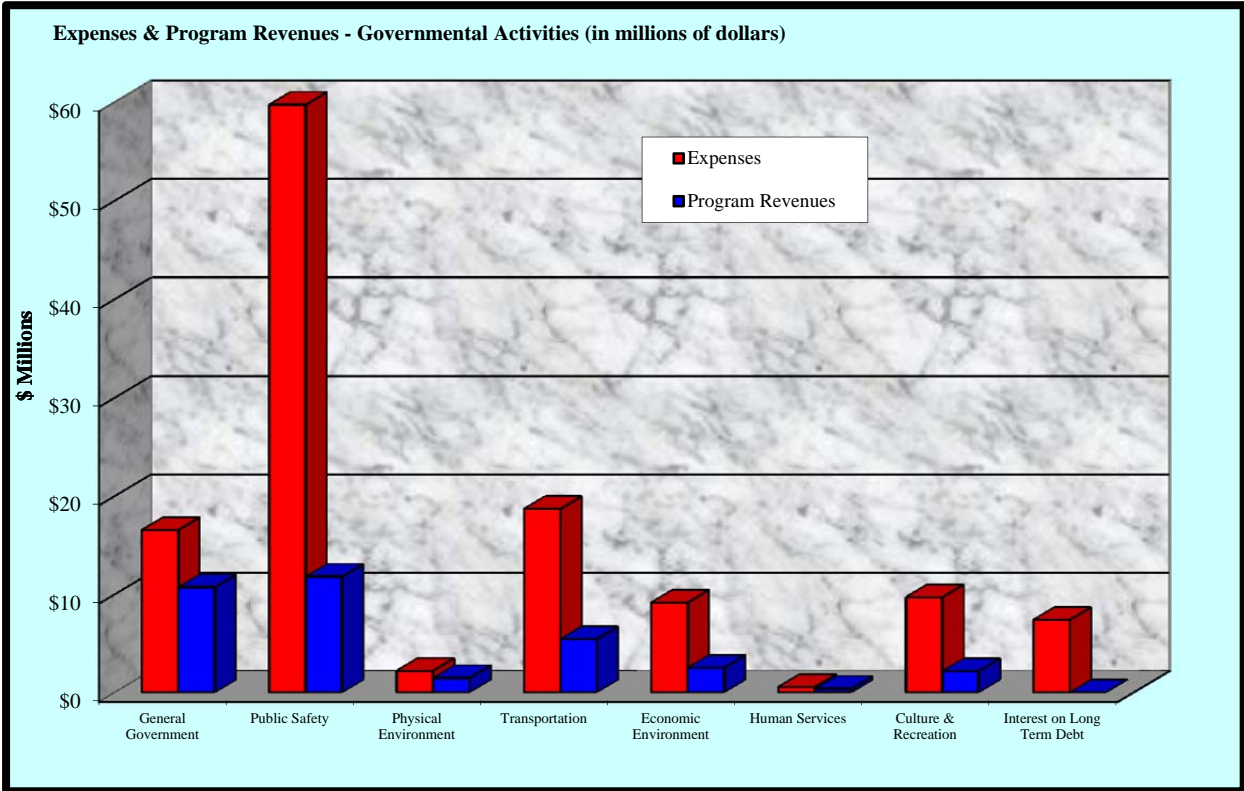
FY11 governmental activities have been restated above and below as detailed in Note 18, *Restatement*.

The City's net position increased by \$29,711,830 during the current fiscal year. This increase is explained further in the following sections.

City of Gainesville Changes in Net Position						
	Governmental activities		Business-type activities		Total	
	FY12	FY11	FY12	FY11	FY12	FY11
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 23,147,640	\$ 22,559,409	\$ 359,938,176	\$ 381,788,696	\$ 383,085,816	\$ 404,348,105
Operating grants and contrib.	8,537,676	8,405,085	6,384,981	5,886,603	14,922,657	14,291,688
Capital grants and contrib.	2,862,493	7,130,480	7,148,130	5,146,531	10,010,623	12,277,011
<b>General revenues:</b>						
Property taxes	25,871,976	26,833,852	-	-	25,871,976	26,833,852
Other taxes	21,952,397	25,444,169	-	-	21,952,397	25,444,169
State revenue sharing	3,712,905	3,653,017	-	-	3,712,905	3,653,017
Interest	3,556,870	2,322,224	9,234,751	9,242,257	12,791,621	11,564,481
Other revenues	2,993,407	4,803,042	23,308,136	19,357,072	26,301,543	24,160,114
<b>Total revenues</b>	<b>92,635,364</b>	<b>101,151,278</b>	<b>406,014,174</b>	<b>421,421,159</b>	<b>498,649,538</b>	<b>522,572,437</b>
<b>Expenses:</b>						
General government	16,546,820	18,698,649	-	-	16,546,820	18,698,649
Public safety	59,735,600	57,166,952	-	-	59,735,600	57,166,952
Physical environment	2,218,153	1,116,462	-	-	2,218,153	1,116,462
Transportation	18,686,598	13,982,396	-	-	18,686,598	13,982,396
Economic environment	9,164,986	8,357,289	-	-	9,164,986	8,357,289
Human services	581,239	1,250,715	-	-	581,239	1,250,715
Culture & recreation	9,705,943	8,433,374	-	-	9,705,943	8,433,374
Interest on long-term debt	7,390,511	7,580,944	-	-	7,390,511	7,580,944
Electric	-	-	221,494,502	228,544,484	221,494,502	228,544,484
Gas	-	-	21,898,283	24,336,197	21,898,283	24,336,197
Water	-	-	24,458,151	22,945,996	24,458,151	22,945,996
Wastewater	-	-	27,072,938	27,068,964	27,072,938	27,068,964
GRUCom	-	-	11,160,732	10,907,359	11,160,732	10,907,359
Regional transit system	-	-	21,458,507	20,196,358	21,458,507	20,196,358
Stormwater management	-	-	6,376,271	5,030,742	6,376,271	5,030,742
Ironwood golf course	-	-	1,454,435	1,419,653	1,454,435	1,419,653
Florida building code enf.	-	-	2,156,163	2,263,325	2,156,163	2,263,325
Solid waste	-	-	7,377,876	7,320,642	7,377,876	7,320,642
<b>Total expenses</b>	<b>124,029,850</b>	<b>116,586,781</b>	<b>344,907,858</b>	<b>350,033,720</b>	<b>468,937,708</b>	<b>466,620,501</b>
<b>Increase(Decrease) in net position</b>						
before transfers	(31,394,486)	(15,435,503)	61,106,316	71,387,439	29,711,830	55,951,936
Transfers	36,672,562	35,627,995	(36,672,562)	(35,627,995)	-	-
<b>Increase in net position</b>	<b>5,278,076</b>	<b>20,192,492</b>	<b>24,433,754</b>	<b>35,759,444</b>	<b>29,711,830</b>	<b>55,951,936</b>
<b>Net position - October 1</b>	<b>207,955,278</b>	<b>187,762,786</b>	<b>538,824,922</b>	<b>503,065,478</b>	<b>746,780,200</b>	<b>690,828,264</b>
<b>Net position - September 30</b>	<b>\$ 213,233,354</b>	<b>\$ 207,955,278</b>	<b>\$ 563,258,676</b>	<b>\$ 538,824,922</b>	<b>\$ 776,492,030</b>	<b>\$ 746,780,200</b>

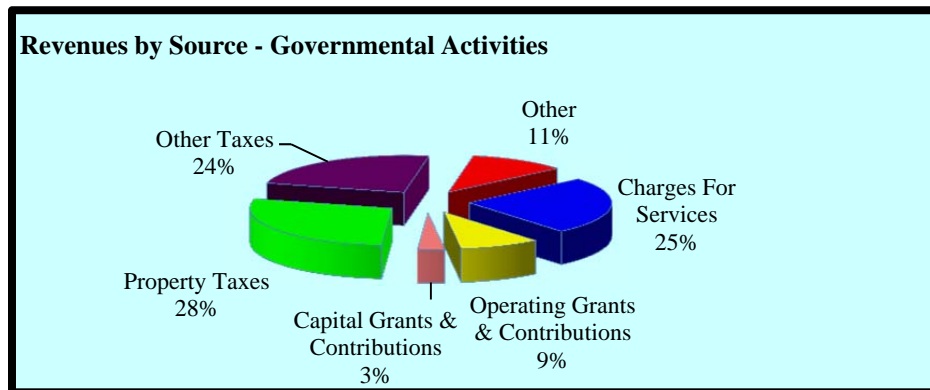
**Governmental activities.** Governmental activities' expense had an increase of \$7.4 million or 6.4%. Although general government expenses decreased by over \$2 million, significant increases were seen in public safety and transportation.

- The \$2.6 million (4.5%) increase in public safety expenses is due, in part, to increases in the cost of operating supplies. Additionally, the City's pension contribution rate for the Consolidated Plan increased from 9.08% in FY11 to 11.77% in FY12. The Combined Communications Center costs for E-911 dispatch increased by 9.6% from FY11 to FY12.
- Transportation expenses increased by \$4.7 million (3.4%) due to large non-capital expenditures on road and road system projects.



Key elements of governmental activities revenues are as follows:

- Property taxes fell 3.6% due to a reduction in taxable property values experienced locally.
- A voter approved half-cent sales tax for recreation and conservation expired, resulting in a \$2.8 million decrease in other taxes.



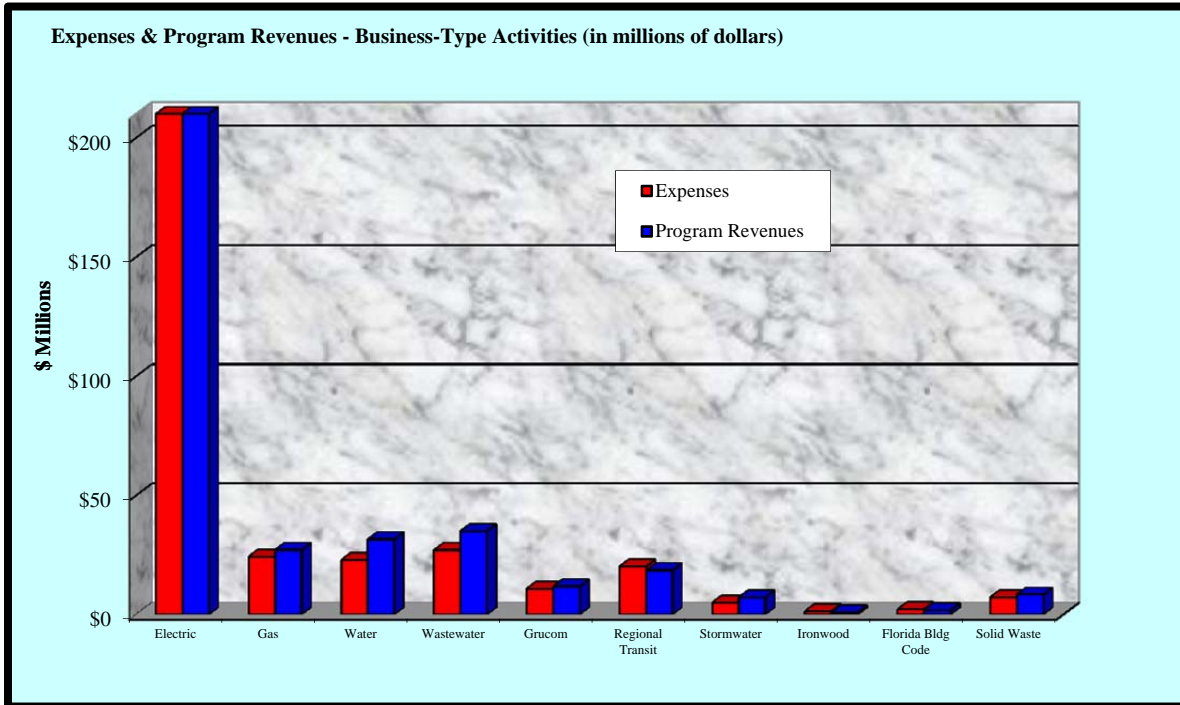
**Business-type activities.** Business-type activities' key elements for fiscal year 2012 are as follows:

- Utilities operating sales and service revenue decreased \$23.5 million, or approximately 6.7%. This decrease is the result of lower consumption offset by rate increases, along with a decrease



in fuel costs of approximately \$15.6 million. Fuel costs are passed directly through to customers as part of a fuel adjustment charge, which is recorded as revenue.

- The number of customers for electric increased 0.2%, for water and wastewater services increased 0.5% and 0.6%, respectively, and for gas services increased 0.2%.
- Gainesville Regional Utilities is in the process of remediation efforts at a former manufactured gas plant site. The costs incurred to date total \$26.7 million and the total costs of the project are estimated at \$28.5 million. However, to date, the Utility has recovered \$3.3 million from insurance. After recognizing collection fees paid, a net recovery of \$2.2 million has been realized which will directly reduce the amount to be recovered through customer billings. A regulatory asset and liability have been accrued to account for the cost and cost recovery of the expense, which is being amortized as costs are incurred and customer revenues are received. The City’s Stormwater Fund is also participating in the remediation of this property.



**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 \$96,867,233, a decrease of \$3,084,005 in comparison with the prior year adjusted balance. Approximately 3.5% (\$3,363,691) of this total amount constitutes *nonspendable fund balance*, which are amounts that are not in spendable form, primarily constituted of long-term receivables. An additional 66.9% (\$64,831,266) is *restricted*, indicating that funds can only be spent for specific purposes stipulated by external entities.

Approximately 20.3% (\$782,237 and \$18,869,723, respectively) are *committed and assigned* for spending at the government’s discretion. The remaining 9.3% (\$9,020,316) 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 \$12,087,485 in unassigned fund balance of the general fund, while total fund balance was \$17,687,725. 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 11.3% of total expenditures and transfers, while total fund balance represents 16.5% of that same amount.

The fund balance of the City's general fund decreased by \$3,281,163 during the current fiscal year. The key factor in this decrease from the prior year was a planned spend-down of the fund balance for two major projects. The first was the appropriation of \$3.5 million for the demolition and reconstruction of the Police Department headquarters building. The second was the appropriation of \$2.625 million for the acquisition and renovation of a vacated Utility building to repurpose it for commercial use in the newly established Power District. These planned uses of fund balance were partially offset by departmental budgetary savings of \$3.3 million during FY12.

The special revenue funds have a total fund balance of \$23,732,671, which represents a decrease of \$333,369 from last year's balance. The debt service funds have a total fund balance of \$656,806. The net increase in fund balance for the current year for these funds was \$103,133. Fund balance in the capital projects funds decreased by \$2,528,150 to end the fiscal year at \$54,790,031. This decrease is primarily due to the planned expenditures of bond funds on capital projects.

**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 approximately \$152,000 or 0.2%. The difference between the original and final general fund budget for expenditures was approximately \$304,255, or 0.3%. The only significant budget amendments were found in the transfers out, which increased by approximately \$7 million or 45%. These additional transfers were to move funds to the general capital projects fund for the Police Department headquarters building demolition and reconstruction project (\$3.5 million) and for the acquisition and renovation of the vacated Utility building for the Power District project (\$2.625 million).

There were no significant variance between the final budget and actual results for general fund revenues.

The most significant variances between final budget and actual expenditures are found in public safety (\$2,221,257) and transportation (\$646,473). Due to regular budget monitoring, most departments ended the fiscal year with expenditures below budgeted amounts. The largest savings were realized by Public Works (\$418,672), Police (\$870,041) and Fire (\$454,296). In addition, the shared Combined Communications Center ended the year \$278,926 under budget.

### **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, 2012 totals \$1,428,021,916 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, utility infrastructure, roads, bikepaths and sidewalks. Major capital asset events during the fiscal year include:

- Approximately \$3.4 million in road maintenance, repair and construction.
- Acquisition of about \$1.7 million in vehicles for the fleet. \$1 million of that total was spent on new, more fuel efficient police cruisers.
- \$1.3 million of improvements to the synchronized traffic management system.
- Parks and recreation projects totaling \$3.1 million, including Depot Park and Cone Park improvements.
- \$1.2 million for arsenic remediation of the Depot Park site.
- \$1.2 million for completion of the historic depot building restoration project.
- Regional Transit System expended approximately \$4.6 million for new buses.
- Electric transmission and distribution expansion was \$15.8 million, of which, \$7.4 million was pertaining to underground system improvements.

- Gas distribution plant was expanded \$3.5 million. This included \$1.2 million in gas distribution mains, \$1.1 million in residential gas services, and \$0.4 million in meter change outs.
- Telecommunication fiber cable and electronics expansion was \$2.2 million, which included approximately \$2 million in fiber and related infrastructure installation and approximately \$0.2 million in electronics upgrades.
- Energy supply capital expenses included approximately \$6 million, which marked the completion of the multi-year \$14.1 million Deerhaven 2 (DH2) turbine upgrade. In addition, an expenditure of \$0.5 million completed the multi-year \$5.6 million DH2 low burners project. Progress payments for the DH2 high temperature reheater project were approximately \$0.5 million, which are expected to be installed in FY13. Other significant capital expenditures were \$3.9 million for the DH2 cooling tower refurbishment project, \$2.4 million for the Deerhaven 1 cooling tower upgrades, \$1.8 million for DH2 boiler roof replacement and \$1.5 million for a DH2 simulator.
- In FY10, GRU made a decision to sell some parcels of land previously held for construction of a railspur in the future. When the first parcels were sold, the land was removed from plant held for future use and recorded in plant assets at its original book value. In FY12, GRU sold 14 of the 15 remaining parcels for \$0.8 million.

City of Gainesville's Capital Assets (net of depreciation)						
	Governmental activities		Business-type activities		Total	
	FY12	FY11	FY12	FY11	FY12	FY11
Land	\$ 28,821,334	\$ 28,536,867	\$ 5,899,513	\$ 5,163,458	\$ 34,720,847	\$ 33,700,325
Utility P&E	-	-	1,063,801,800	876,492,514	1,063,801,800	876,492,514
Buildings	34,696,595	29,369,743	5,324,855	5,072,851	40,021,450	34,442,594
Improvements	7,807,143	4,942,549	2,086,605	2,254,594	9,893,748	7,197,143
Mach & equip	10,374,538	11,123,667	19,746,852	15,949,812	30,121,390	27,073,479
Infrastructure	61,833,256	61,224,340	9,247,763	9,010,318	71,081,019	70,234,658
Const in prog	31,838,934	34,726,881	146,542,728	301,656,555	178,381,662	336,383,436
Total	<u>\$ 175,371,800</u>	<u>\$ 169,924,047</u>	<u>\$ 1,252,650,116</u>	<u>\$ 1,215,600,102</u>	<u>\$ 1,428,021,916</u>	<u>\$ 1,385,524,149</u>

Additional information on the City's capital assets can be found in Note 6 on pages 51-52 of this report.

**Bonded debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,156,114,742. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds and notes) and excludes issuance premiums and discounts.

City of Gainesville's Outstanding Bonded Debt			
	Governmental activities	Business-type activities	Total
Pension and OPEB obligation bonds	\$ 94,470,641	\$ -	\$ 94,470,641
Revenue bonds & notes	<u>51,611,966</u>	<u>1,010,032,135</u>	<u>1,061,644,101</u>
Total	<u>\$ 146,082,607</u>	<u>\$ 1,010,032,135</u>	<u>\$ 1,156,114,742</u>

The City's total bonded debt decreased by approximately \$25 million, or 2.1% during the current fiscal year. In addition to the scheduled pay down of existing debt, the prominent components of this change were:

- In November 2011, the City issued \$6.23 million of Revenue Refunding Notes, Series 2011 to refinance the First Florida Governmental Finance Commission Series 2002 Bonds along with closing costs incurred.
- In December 2011, the City issued \$3.73 million of Revenue Notes, Series 2011A to renovate and reconstruct the Police Department headquarters, remediation improvements at Depot Park and other capital improvements.
- In August 2012, the Utility issued two series of 2012 Utilities System Revenue Bonds.
  - The 2012 Series A Bonds in the amount of \$81.9 million were issued to: (a) provide funds to refund \$1.6 million in aggregate principal amount of the 2003 Series A Bonds; (b) provide funds to refund \$78.7 million in aggregate principal amount of the 2005 Series A Bonds; and (c) pay costs of issuance of the 2012 Series A Bonds.
  - The 2012 Series B Bonds in the amount of \$100.5 million were issued to: (a) provide funds to refund \$31.6 million in aggregate principal amount of the 2005 Series B Bonds; (b) provide funds to refund \$17.6 million in aggregate principal amount of the 2005 Series C Bonds; (c) provide funds to refund \$25.9 million in aggregate principal amount of the 2006 Series A Bonds; (d) provide funds to refund \$14.4 million in aggregate principal amount of the 2008 Series A Bonds; and (e) pay costs of issuance of the 2012 Series B Bonds.

The City's utility system debt is rated Aa2, AA, and AA- by Moody's Investors Services, Standard & Poor's, and Fitch Ratings, respectively for its revenue bonds. The utility system has ratings of VMG-1, A-1+ and F1+ with Moody's Investors Services, Standard & Poor's (S&P), and Fitch Ratings, respectively for its commercial paper. The Moody's underlying rating on the General Government First Florida Governmental Financing Commission Loans are A2.

The Fitch rating on the City's pension and OPEB bonds was increased in fiscal year 2005 from A to A+ and the City's implied underlying general obligation bond rating was also increased from A+ to AA-.

Additional information on the City's long-term debt can be found in Note 5 on pages 40-49 of this report.

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

Some of the significant factors considered in preparing the City's fiscal year 2013 budget were:

- The transfer to the General Fund from the Utility accounts for approximately 35% of General Fund revenues, and is based on formulas approved by the City Commission. The former transfer formula allowed for variability related to the effectiveness of the Utility's demand-side management efforts and the lagging economy, which combined to significantly reduce the projected growth of the transfer. To provide budgetary stability and cash-flow certainty, the transfer was set at fixed amounts for FY 2011 through FY 2014, with an average growth rate of 2.84% over that period. Any difference greater than \$500,000 in either direction between the previous formula amount and the fixed dollar transfer will be shared equally by the Utility and General Government.
- Property tax revenues have flattened due to a combination of legislative action and a soft real estate market, which have reduced taxable property values by approximately 4.44% from FY 2012 to FY 2013. The City Commission also approved increasing the millage rate from 4.2544 to 4.4946.
- Two significant revenues which are expected to stabilize are State Revenue Sharing and Half Cent Sales Tax which combined are projected to generate slightly more revenue in FY2013.
- 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 56% of the value of property exempt. The fire assessment broadens the base of those who pay for services delivered by the City. This is expected to generate approximately \$5 million in FY 2013.

- 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 financial market turbulence experienced in 2008 and 2009 resulted in losses to the plans, which will impact the FY 2013 budget in the form of increased employer contributions to the plan. The City has negotiated and implemented pension reform for the General Pension Plan effective October 1, 2012 to mitigate these increased contributions. The City is in negotiations with its public safety union representatives to modify the Consolidated Plan pension provisions to moderate the growth in this cost.
- In order to balance the 2011 budget, the City Commission approved \$3.6 million in expenditure cuts for the General Fund, including the elimination of 36.5 full time equivalent positions. For the FY13 budget, four of these positions were returned to the budget. These include a Police Service Technician, the Innovation and Economic Development Director, a Paralegal and the Legislative and Grants Coordinator.
- The FY 13-17 capital improvement plan includes over \$23 million in new funding to address infrastructure and other capital needs.
- 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:
  - The UF Health Science Center and Shands Healthcare have announced a five-year, \$580 million plan with the goal of adding 300 faculty positions. This will result in the infusion of new jobs and the expansion of physical facilities, expanding the local economy.
  - Ground was broken on the Florida Innovation Hub (the Hub) at UF in June 2010. The Hub is a 45,000 square foot "super incubator" to be constructed on the existing Shands AGH site that has the capacity to house 15-20 startup technology companies and six to eight service providers. In addition to tech startups, the Hub is home to UF's Office of Technology Licensing and UF Tech Connect. Both assist with getting emerging technologies on the market. This project is projected to drive job creation and economic development as well as functioning as a bridge between downtown Gainesville and the UF campus along 2<sup>nd</sup> Avenue. It is expected to produce 3,000 jobs in growing industries such as health technologies and green energy.

Utility highlights for the 2013 fiscal year budget are as follows:

- The primary factors affecting the utility industry include environmental regulations, restructuring of the wholesale energy market, the formation of independent bulk power transmission systems and the increasing strategic and price differences among various types of fuels.
- Utilities, and particularly electric utilities, are subject to increasing federal, state and local statutory and regulatory requirements with respect to the location and licensing of facilities, safety and security, air and water quality, land use and other environmental factors.
- EPA's Cross State Air Pollution Rule has been stayed pending litigation, which has resulted in the reinstatement of the Clean Air Interstate Rule (CAIR). Facilities are currently in place at the Deerhaven and JR Kelly generating stations, which will enable them to comply with these rules at a known cost for operations and reagents. EPA has recently promulgated the Mercury Air Toxics Rule (MATS). The potential effect of this rule on the capital, operating and reagent costs for the Deerhaven 2 plant are pending the results for operational testing of the co-benefits of the new air quality control systems at Deerhaven 2. These tests have not been scheduled and costs for additional mercury control may be significant.
- Restructuring of wholesale markets and the formation of independent transmission systems has slowed considerably. No state legislation is pending or proposed at this time for retail competition in Florida. Any such restructuring of the Florida retail electric utility industry would be expected to affect the Utility. Currently, there is no initiative concerning retail electric deregulation in Florida or nationwide.
- Legislation and regulation at a 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 intention to purchase power from a 100 MW biomass fueled power plant will hedge against these uncertainties as well as achieve other local policy objectives.

- On October 1, 2012, the Utility implemented a 3.5% increase in the revenue requirement for the water system and a 3.00% increase for the wastewater system. There was no increase in the rates for the electric or gas systems.
- To meet increased costs of service, the Utility increased residential water connection fees by 2.72% and residential wastewater connection fees by 11.83%.
- The Utility's long term energy supply strategy is to aggressively pursue the maximum cost-effective energy conservation and renewable energy while managing potential regulatory requirements. Based on the most recent forecasts, which include the effects of aggressive conservation programs, the Utility has adequate reserves of generating capacity to meet forecasted loads plus a 15% reserve margin through 2022. This forecast incorporates additional generation capacity, new population forecasts, and changed economic circumstances. Additional capacity includes 19.0 megawatts (MW) of distributed generation (4.0 MW combined heat and power and 15.0 MW renewable). GRU implemented the first Solar Feed-In-Tariff in the United States in 2009, under which solar developers own and install solar systems that feed directly to GRU's grid. The Utility purchases the power under a 20-year contract and GRU retains all of the renewable energy credits accrued by the system. The program allows for additional capacity of up to 4 MW per year and has been a resounding success, receiving commitment from developers for the full 4 MW of capacity in each year through 2016, adding a growing renewable resource to the Utility's supply portfolio. Management bases its forecast of future energy needs upon the population forecast for Gainesville produced annually by the Bureau of Economic and Business Research at the University of Florida. GRU management, with the approval of the City Commission, has negotiated a long term contract to secure the output from a 100 megawatt biomass fueled power plant. The proposed facility will be located on a portion of land leased from the Utility's Deerhaven power plant site, but owned by a third party. Construction of the plant is scheduled to be completed by the end of 2013, with GRU selling the excess system capacity to other utilities until the capacity is needed by GRU. The project is expected to provide a long term hedge against volatile fossil fuel costs and potential federal and state renewable energy requirements and/or carbon regulations.
- The Utility has a possible environmental liability related to an oil contamination at the Kelly Generating Station. In July of 2006, the Utility was notified by the Florida Department of Environmental Protection (FDEP) that provisions of Chapter 62-780, F.A.C. must be complied with on this site. This Rule is currently being utilized to establish a process and time schedule for assessment and remediation of the site. The Utility's liability utilizing this Rule is unknown and cannot be reasonably estimated at this time.
- GRU has potential additional financial liability due to its partial ownership of the Crystal River Unit 3 nuclear power plant. The Utility may be required to fund additional decommissioning costs of the unit. See Note 17, *Subsequent Events*, for more information.

### **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.



**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2012**

	Primary Government			Component Unit
	Governmental Activities	Business- Type Activities	Total	GEZDA
<b>ASSETS</b>				
Cash and cash equivalents	\$ 150,502	\$ 3,975	\$ 154,477	\$ -
Equity in pooled cash and investments	119,133,099	42,611,815	161,744,914	5,002
Investments	1,558,327	-	1,558,327	-
Receivables	6,857,408	54,453,314	61,310,722	-
Internal balances	(6,251,170)	6,251,170	-	-
Inventories	133,604	35,071,553	35,205,157	-
Prepays	17,006	-	17,006	-
Assets held for sale	189,823	-	189,823	-
Assets held for evidence	276,477	-	276,477	-
Deferred charges and other assets	1,784,591	40,721,137	42,505,728	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	279,378,035	279,378,035	-
Negative net pension obligation asset	60,578,407	-	60,578,407	-
Negative net OPEB obligation asset	19,266,231	-	19,266,231	-
Capital assets (net of accumulated depreciation):				
Utility plant and equipment	-	1,063,801,800	1,063,801,800	-
Buildings	34,696,595	5,324,855	40,021,450	-
Improvements other than buildings	7,807,143	2,086,605	9,893,748	-
Machinery and equipment	10,374,538	19,746,852	30,121,390	-
Infrastructure	61,833,256	9,247,763	71,081,019	-
Capital Assets (not depreciated):				
Land	28,821,334	5,899,513	34,720,847	-
Construction in progress	31,838,934	146,542,728	178,381,662	-
Total assets	<u>379,066,105</u>	<u>1,711,141,115</u>	<u>2,090,207,220</u>	<u>5,002</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated decrease in fair value of hedging derivatives	-	76,433,187	76,433,187	-
<b>LIABILITIES</b>				
Accounts payable	14,250,679	16,202,876	30,453,555	-
Accounts payable - payroll	-	2,497,968	2,497,968	-
Accrued interest payable	354,909	-	354,909	-
Unearned revenue	846,243	20,399,041	21,245,284	-
Liabilities payable from restricted assets:				
Accrued interest payable	-	18,326,542	18,326,542	-
Other liabilities payable from restricted assets	-	76,536,841	76,536,841	-
Long-term debt due within one year	10,031,117	32,431,536	42,462,653	-
Long-term debt due in more than one year	140,349,803	956,032,915	1,096,382,718	-
Other noncurrent liabilities	-	15,505,161	15,505,161	-
Fair value of derivative instruments	-	85,396,996	85,396,996	-
Total liabilities	<u>165,832,751</u>	<u>1,223,329,876</u>	<u>1,389,162,627</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Accumulated increase in fair value of hedging derivative	-	985,750	985,750	-
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	133,198,609	368,031,597	501,230,206	-
Restricted for:				
Debt service	-	35,138,172	35,138,172	-
Capital projects	44,833,842	-	44,833,842	-
Utility plant improvement	-	39,096,417	39,096,417	-
Nuclear decommissioning reserve	-	10,278,134	10,278,134	-
Tax increment zones	9,535,384	-	9,535,384	-
Federal and state grants	7,133,870	-	7,133,870	-
Cemetery care	1,538,514	-	1,538,514	-
Other purposes	-	555,120	555,120	-
Unrestricted	16,993,135	110,159,236	127,152,371	5,002
Total net position	<u>\$ 213,233,354</u>	<u>\$ 563,258,676</u>	<u>\$ 776,492,030</u>	<u>\$ 5,002</u>

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, 2012**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET(EXPENSE)REVENUE AND CHANGES IN NET POSITION			Component Unit GEZDA
	Expenses	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	\$ 16,546,820	\$ 10,701,617	\$ 17,204	\$ -	\$ (5,827,999)	\$ -	\$ (5,827,999)	\$ -
Public safety	59,735,600	7,945,799	3,697,687	151,223	(47,940,891)	-	(47,940,891)	-
Physical environment	2,218,153	46,181	75,569	1,366,091	(730,312)	-	(730,312)	-
Transportation	18,686,598	2,943,363	1,177,987	1,327,460	(13,237,788)	-	(13,237,788)	-
Economic environment	9,164,986	183,471	2,343,837	-	(6,637,678)	-	(6,637,678)	-
Human services	581,239	-	387,474	-	(193,765)	-	(193,765)	-
Culture & recreation	9,705,943	1,327,209	837,918	17,719	(7,523,097)	-	(7,523,097)	-
Interest on long-term debt	7,390,511	-	-	-	(7,390,511)	-	(7,390,511)	-
Total governmental activities	124,029,850	23,147,640	8,537,676	2,862,493	(89,482,041)	-	(89,482,041)	-
Business-type activities:								
Electric	221,494,502	230,805,656	-	-	-	9,311,154	9,311,154	-
Gas	21,898,283	21,633,032	-	-	-	(265,251)	(265,251)	-
Water	24,458,151	29,872,976	-	827,057	-	6,241,882	6,241,882	-
Wastewater	27,072,938	34,476,880	-	600,916	-	8,004,858	8,004,858	-
GRUCom	11,160,732	10,892,510	-	-	-	(268,222)	(268,222)	-
Regional Transit System	21,458,507	14,064,131	6,384,981	4,852,383	-	3,842,988	3,842,988	-
Stormwater Management	6,376,271	6,836,571	-	867,774	-	1,328,074	1,328,074	-
Ironwood Golf Course	1,454,435	1,000,105	-	-	-	(454,330)	(454,330)	-
Florida Building Code Enforcement	2,156,163	1,820,233	-	-	-	(335,930)	(335,930)	-
Solid Waste	7,377,876	8,536,082	-	-	-	1,158,206	1,158,206	-
Total business-type activities	344,907,858	359,938,176	6,384,981	7,148,130	-	28,563,429	28,563,429	-
Total primary government	\$ 468,937,708	\$ 383,085,816	\$ 14,922,657	\$ 10,010,623	(89,482,041)	28,563,429	(60,918,612)	-
<b>COMPONENT UNIT</b>								
Gainesville Enterprise Zone Development Agency	\$ -	\$ -	\$ -	\$ -	-	-	-	-
General revenues:								
Property taxes					25,871,976	-	25,871,976	-
Franchise & utility taxes					10,768,410	-	10,768,410	-
Communications services tax					4,987,133	-	4,987,133	-
Half cent sales tax					6,196,854	-	6,196,854	-
State revenue sharing (unrestricted)					3,712,905	-	3,712,905	-
Gain on sale of capital assets					11,500	10,169	21,669	-
Other unrestricted general revenues					2,981,907	23,297,967	26,279,874	-
Interest					3,556,870	9,234,751	12,791,621	114
Transfers					36,672,562	(36,672,562)	-	-
Total general revenues and transfers					94,760,117	(4,129,675)	90,630,442	114
Change in net position					5,278,076	24,433,754	29,711,830	114
Net position - beginning of year, as previously reported					211,269,292	538,824,922	750,094,214	4,888
Restatement					(3,314,014)	-	(3,314,014)	-
Net position - beginning of year					207,955,278	538,824,922	746,780,200	4,888
Net position - end of year					\$ 213,233,354	\$ 563,258,676	\$ 776,492,030	\$ 5,002

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



**CITY OF GAINESVILLE, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 62,502	\$ 62,502
Equity in pooled cash and investments	11,277,033	80,614,811	91,891,844
Investments	-	1,558,327	1,558,327
Receivables	2,731,123	4,125,037	6,856,160
Due from other funds	5,218,247	3,812	5,222,059
Advances to other funds	3,211,606	-	3,211,606
Inventories	18,991	-	18,991
Assets held for resale	-	189,823	189,823
Assets held for evidence	-	276,477	276,477
Total assets	<u>\$ 22,457,000</u>	<u>\$ 86,830,789</u>	<u>\$ 109,287,789</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable and accrued liabilities	\$ 4,211,279	\$ 1,634,802	\$ 5,846,081
Due to other funds	-	2,200,073	2,200,073
Advances from other funds	-	3,211,606	3,211,606
Deferred revenue	557,996	604,800	1,162,796
Total liabilities	<u>4,769,275</u>	<u>7,651,281</u>	<u>12,420,556</u>
Fund balances:			
Nonspendable Fund Balance	3,363,691	-	3,363,691
Restricted Fund Balance	-	64,831,266	64,831,266
Committed Fund Balance	-	782,237	782,237
Assigned Fund Balance	2,236,549	16,633,174	18,869,723
Unassigned Fund Balance	12,087,485	(3,067,169)	9,020,316
Total fund balances	<u>17,687,725</u>	<u>79,179,508</u>	<u>96,867,233</u>
Total liabilities and fund balances	<u>\$ 22,457,000</u>	<u>\$ 86,830,789</u>	<u>\$ 109,287,789</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, 2012**

Total fund balances: governmental funds balance sheet	\$	96,867,233
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$318,837,419 and the accumulated depreciation is \$151,381,093. This excludes internal service fund capital assets which are included in the internal service fund adjustment below.		167,456,325
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	146,082,607	
Capital lease payable	517,414	
Compensated absences	<u>3,661,057</u>	(150,261,078)
Governmental funds record debt issuance costs as expenditures when these costs are first incurred. Unamortized debt issuance costs must be included as a deferred charge in the government-wide financial statements.		1,784,591
Governmental funds record losses on debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings must be included as an adjustment to long-term debt in the government-wide financial statements.		268,159
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 financial statements.		(354,909)
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	47,204	
Premiums	<u>(316,258)</u>	(269,054)
Liabilities for earned but unavailable revenues are reported in the funds, but not in the statement of net position.		316,553
Negative net pension obligation and OPEB obligation assets created through treatment of Taxable Pension Obligation Bonds and OPEB Bonds as employer contributions to defined benefit pension and OPEB plans are not recognized in the funds.		
Negative net pension obligation asset	60,578,407	
Negative net OPEB obligation asset	<u>19,266,231</u>	79,844,638
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 \$7,915,475 and compensated absences liabilities of \$118,949, are included in governmental activities in the statement of net position.		<u>17,580,896</u>
Net position of governmental activities	<b>\$</b>	<b><u>213,233,354</u></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, 2012**

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>			
Taxes	\$ 39,824,185	\$ 5,580,007	\$ 45,404,192
Licenses and permits	866,236	-	866,236
Intergovernmental	10,932,673	13,752,343	24,685,016
Charges for services	12,771,921	2,282,429	15,054,350
Fines and forfeitures	1,297,877	498,233	1,796,110
Miscellaneous	1,402,320	3,047,728	4,450,048
Total revenues	<u>67,095,212</u>	<u>25,160,740</u>	<u>92,255,952</u>
<b>EXPENDITURES</b>			
Current:			
General government	14,648,665	351,262	14,999,927
Public safety	51,564,982	3,840,985	55,405,967
Physical environment	186,323	834,391	1,020,714
Transportation	10,707,514	1,774,437	12,481,951
Economic environment	348,052	7,613,830	7,961,882
Human services	96,404	458,336	554,740
Culture and recreation	6,717,019	1,281,850	7,998,869
Debt service:			
Principal	-	10,332,810	10,332,810
Interest and fiscal charges	-	7,283,092	7,283,092
Bond issuance costs	-	67,243	67,243
Capital outlay	-	17,741,445	17,741,445
Total expenditures	<u>84,268,959</u>	<u>51,579,681</u>	<u>135,848,640</u>
Excess of revenues over(under) expenditures	<u>(17,173,747)</u>	<u>(26,418,941)</u>	<u>(43,592,688)</u>
<b>OTHER FINANCING SOURCES(USES)</b>			
Debt issuance	-	9,960,000	9,960,000
Transfers in	36,636,843	30,896,872	67,533,715
Transfers out	(22,744,259)	(8,010,773)	(30,755,032)
Payment to refunded bond escrow agent	-	(6,230,000)	(6,230,000)
Total other financing sources(uses)	<u>13,892,584</u>	<u>26,616,099</u>	<u>40,508,683</u>
Net change in fund balances	<u>(3,281,163)</u>	<u>197,158</u>	<u>(3,084,005)</u>
Fund balances - beginning, as previously reported	20,968,888	81,937,894	102,906,782
Restatement	-	(2,955,544)	(2,955,544)
Fund balances - beginning, as restated	<u>20,968,888</u>	<u>78,982,350</u>	<u>99,951,238</u>
Fund balances - ending	<u>\$ 17,687,725</u>	<u>\$ 79,179,508</u>	<u>\$ 96,867,233</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, 2012**

Net changes in fund balances - total governmental funds	\$	<b>(3,084,005)</b>
<p>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.</p> <p style="padding-left: 40px;">This is the capital outlay recorded in the current period, excluding internal service fund activity. <span style="float: right;">12,891,325</span></p> <p style="padding-left: 40px;">This is the depreciation expense recorded in the current period, excluding internal service fund activity. <span style="float: right;">(6,828,495)</span></p>		
In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability.		(163,107)
Issuance of long-term debt provides current financial resources to governmental funds. These transactions have no effect on net position. This is the amount of long-term debt issued in the current period.		(9,960,000)
<p>Proceeds of pension obligation bonds issued during FY2003 and other post-employment benefit obligation bonds issued during FY2005 were contributed to the pension plans and the OPEB plan to retire the unfunded obligations. These transactions resulted in contributions in excess of the required amounts which result in the reporting of an asset on the Statement of Net Position. On the Statement of Activities, the impact is the amortization of the Negative NPO and Negative Net OPEB Obligation during the current fiscal year.</p> <p style="padding-left: 40px;">Amortization of Negative Net Pension Obligation <span style="float: right;">(3,753,470)</span></p> <p style="padding-left: 40px;">Amortization of Negative Net OPEB Obligation <span style="float: right;"><u>(382,743)</u></span> <span style="float: right;">(4,136,213)</span></p>		
The repayment of the principal 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 repayment of principal of long-term debt recorded in the current period. (Includes \$5,995,000 of refunded debt.)		16,327,810
<p>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.</p> <p style="padding-left: 40px;">Amortization of bond premiums <span style="float: right;">53,988</span></p> <p style="padding-left: 40px;">Amortization of bond discounts <span style="float: right;"><u>(40,827)</u></span> <span style="float: right;">13,161</span></p>		
<p>Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the effect of the difference in this treatment.</p> <p style="padding-left: 40px;">Amortization of debt issuance costs <span style="float: right;">(227,810)</span></p> <p style="padding-left: 40px;">Deferral of current year debt issuance costs <span style="float: right;"><u>67,243</u></span> <span style="float: right;">(160,567)</span></p>		
<p>Governmental funds report the loss on long-term debt refundings when the debt is refunded, whereas these losses are amortized over time in the statement of activities. This is the effect of the difference in this treatment.</p> <p style="padding-left: 40px;">Amortization of loss on refunding <span style="float: right;">(25,211)</span></p> <p style="padding-left: 40px;">Current year loss on refunding <span style="float: right;"><u>293,370</u></span> <span style="float: right;">268,159</span></p>		
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.		4,424
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 amount.		74,075
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>31,509</u>
Change in net position of governmental activities	<b>\$</b>	<b><u>5,278,076</u></b>

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

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2012**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL</b>
	<b>Utility</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>ACTIVITIES - Internal Service Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 3,975	\$ 3,975	\$ 88,000
Equity in pooled cash and investments	32,464,543	10,147,272	42,611,815	27,241,255
Receivables	47,860,432	6,592,882	54,453,314	1,248
Due from other funds	59,169	7,477,925	7,537,094	369,226
Inventories	34,077,462	994,091	35,071,553	114,613
Prepaid expenses	-	-	-	17,006
Deferred charges	2,944,549	-	2,944,549	-
Restricted assets - cash and investments	126,763,383	-	126,763,383	-
Total current assets	244,169,538	25,216,145	269,385,683	27,831,348
Noncurrent assets:				
Restricted assets - cash and investments	152,614,652	-	152,614,652	-
Other noncurrent assets	37,776,588	-	37,776,588	-
Capital assets (net of accumulated depreciation):				
Utility plant & equipment	1,063,801,800	-	1,063,801,800	-
Buildings	-	5,324,855	5,324,855	-
Improvements other than buildings	-	2,086,605	2,086,605	-
Machinery and equipment	-	19,746,852	19,746,852	6,445,634
Infrastructure	-	9,247,763	9,247,763	-
Capital assets (not depreciated):				
Land	-	5,899,513	5,899,513	1,027,479
Construction in progress	138,299,160	8,243,568	146,542,728	442,362
Total capital assets	1,202,100,960	50,549,156	1,252,650,116	7,915,475
Total noncurrent assets	1,392,492,200	50,549,156	1,443,041,356	7,915,475
Total assets	1,636,661,738	75,765,301	1,712,427,039	35,746,823
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated decrease in fair value of hedging derivatives	76,433,187	-	76,433,187	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	14,914,651	1,288,225	16,202,876	8,301,027
Accounts payable - payroll	1,790,956	707,012	2,497,968	103,569
Due to other funds	4,753,046	6,175,260	10,928,306	-
Current portion of long-term debt	146,500	385,036	531,536	4,575
Deferred credits	20,399,041	-	20,399,041	-
Current liabilities payable from restricted assets:				
Rate stabilization deferred credit	61,766,734	-	61,766,734	-
Accrued interest payable	18,326,542	-	18,326,542	-
Current portion of long-term debt	31,900,000	-	31,900,000	-
Other liabilities payable from restricted assets	14,770,107	-	14,770,107	-
Total current liabilities	168,767,577	8,555,533	177,323,110	8,409,171
Noncurrent liabilities:				
Long-term debt	952,495,232	3,537,683	956,032,915	114,374
Fair value of derivative instruments	85,396,996	-	85,396,996	-
Other noncurrent liabilities	15,505,161	-	15,505,161	-
Total noncurrent liabilities	1,053,397,389	3,537,683	1,056,935,072	114,374
Total liabilities	1,222,164,966	12,093,216	1,234,258,182	8,523,545
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Accumulated increase in fair value of hedging derivative	985,750	-	985,750	-
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	321,371,187	46,660,410	368,031,597	7,915,475
Restricted for:				
Debt service	35,138,172	-	35,138,172	-
Utility plant improvement	39,096,417	-	39,096,417	-
Other purposes	10,278,134	555,120	10,833,254	-
Unrestricted	84,060,299	16,456,555	100,516,854	19,307,803
Total net position	\$ 489,944,209	\$ 63,672,085	\$ 553,616,294	\$ 27,223,278

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

**CITY OF GAINESVILLE, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF NET POSITION OF PROPRIETARY FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2012**

Total net position of Enterprise Funds on the statement of net position of proprietary funds	\$	<b>553,616,294</b>
--	----	--------------------

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>9,642,382</u>
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Net position of business-type activities		<u><b>\$ 563,258,676</b></u>
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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, 2012**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL</b>
	<b>Utility</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>ACTIVITIES - Internal Service Funds</b>
Operating revenues:				
Sales and service charges	\$ 327,681,055	\$ 32,257,121	\$ 359,938,176	\$ 21,344,357
Employer contributions	-	-	-	7,742,935
Employee contributions	-	-	-	5,177,704
Other operating revenues	21,176,451	354,205	21,530,656	1,464,251
Total operating revenues	<u>348,857,506</u>	<u>32,611,326</u>	<u>381,468,832</u>	<u>35,729,247</u>
Operating expenses:				
Operations and maintenance	169,176,110	31,688,070	200,864,180	11,046,651
Administrative and general	37,964,486	3,168,084	41,132,570	2,010,279
Depreciation and amortization	55,382,057	3,617,915	58,999,972	1,908,692
Benefits paid and other expenses	-	-	-	21,567,093
Total operating expenses	<u>262,522,653</u>	<u>38,474,069</u>	<u>300,996,722</u>	<u>36,532,715</u>
Operating income (loss)	<u>86,334,853</u>	<u>(5,862,743)</u>	<u>80,472,110</u>	<u>(803,468)</u>
Nonoperating revenues (expenses):				
Investment income	8,950,716	284,035	9,234,751	542,515
Interest expense	(43,454,408)	(135,207)	(43,589,615)	-
Loss on disposal of capital assets	-	(324,591)	(324,591)	-
Local option gas tax	-	1,767,311	1,767,311	-
Operating grants	-	6,384,981	6,384,981	-
Total nonoperating revenue(expenses)	<u>(34,503,692)</u>	<u>7,976,529</u>	<u>(26,527,163)</u>	<u>542,515</u>
Income before capital contributions and transfers	51,831,161	2,113,786	53,944,947	(260,953)
Capital contributions	1,427,973	5,720,157	7,148,130	411,822
Transfers in	-	1,883,422	1,883,422	35,000
Transfers out	(36,004,958)	(2,551,026)	(38,555,984)	(141,121)
Change in net position	<u>17,254,176</u>	<u>7,166,339</u>	<u>24,420,515</u>	<u>44,748</u>
Net position - beginning of year	<u>472,690,033</u>	<u>56,505,746</u>	<u>529,195,779</u>	<u>27,178,530</u>
Net position - end of year	<u>\$ 489,944,209</u>	<u>\$ 63,672,085</u>	<u>\$ 553,616,294</u>	<u>\$ 27,223,278</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 PROPRIETARY FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Change in net position - Enterprise Funds	\$	24,420,515
<p>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 business-type activities.</p>		
Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.		13,239
Change in net position of business-type activities	\$	24,433,754

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, 2012**

	<b>BUSINESS-TYPE ACTIVITIES</b>			<b>GOVERNMENTAL</b>
	<b>ENTERPRISE FUNDS</b>			<b>ACTIVITIES</b>
	<b>UTILITY</b>	<b>OTHER</b>	<b>TOTAL</b>	<b>INTERNAL</b>
	<b>FUND</b>	<b>ENTERPRISE</b>	<b>ENTERPRISE</b>	<b>SERVICE</b>
		<b>FUNDS</b>	<b>FUNDS</b>	<b>FUNDS</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash Received from Customers	\$ 331,041,790	\$ 32,005,677	\$ 363,047,467	\$ 35,858,534
Cash Paid to Suppliers	(157,513,660)	(19,905,593)	(177,419,253)	(32,628,749)
Cash Paid to Employees	(56,469,098)	(14,879,859)	(71,348,957)	(2,728,161)
Cash Paid for Operating Transactions with Other Funds	(10,206,225)	-	(10,206,225)	-
Other Operating Receipts	21,176,451	-	21,176,451	512,419
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>128,029,258</u></b>	<b><u>(2,779,775)</u></b>	<b><u>125,249,483</u></b>	<b><u>1,014,043</u></b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Local Option Gas Tax	-	1,767,311	1,767,311	-
Operating Grants	-	664,824	664,824	-
Interest Paid	-	(102,144)	(102,144)	-
Transfers from Other Funds	-	1,883,422	1,883,422	35,000
Transfers to Other Funds	(36,004,958)	(2,551,026)	(38,555,984)	(141,121)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES</b>	<b><u>(36,004,958)</u></b>	<b><u>1,662,387</u></b>	<b><u>(34,342,571)</u></b>	<b><u>(106,121)</u></b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Principal Repayments on Long-Term Debt	(218,077,831)	(353,121)	(218,430,952)	-
Proceeds from Sale of Capital Assets	98,274	10,169	108,443	-
Interest Paid on Long-term Debt	(36,354,756)	(135,207)	(36,489,963)	-
Capital Contributions	-	5,720,157	5,720,157	-
Proceeds from Interest Rebate-Build America Bonds	5,766,086	-	5,766,086	-
Acquisition and Construction of Capital Assets	(72,079,688)	(4,782,993)	(76,862,681)	(881,795)
Proceeds from Debt Issued	182,330,000	-	182,330,000	-
Capitalized Connection Fees	2,085,602	-	2,085,602	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>(136,232,313)</u></b>	<b><u>459,005</u></b>	<b><u>(135,773,308)</u></b>	<b><u>(881,795)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest Received	1,887,173	386,179	2,273,352	542,515
Purchase of Investments	(653,895,910)	(5,394,290)	(659,290,200)	(14,481,451)
Investment in The Energy Authority	(1,437,151)	-	(1,437,151)	-
Distributions from The Energy Authority	1,711,166	-	1,711,166	-
Proceeds from Investment Maturities	732,236,975	6,687,620	738,924,595	17,121,151
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>80,502,253</u></b>	<b><u>1,679,509</u></b>	<b><u>82,181,762</u></b>	<b><u>3,182,215</u></b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>36,294,240</b>	<b>1,021,126</b>	<b>37,315,366</b>	<b>3,208,342</b>
<b>CASH - OCTOBER 1</b>	<b><u>17,337,734</u></b>	<b><u>3,735,831</u></b>	<b><u>21,073,565</u></b>	<b><u>9,639,462</u></b>
<b>CASH - SEPTEMBER 30</b>	<b><u>\$ 53,631,974</u></b>	<b><u>\$ 4,756,957</u></b>	<b><u>\$ 58,388,931</u></b>	<b><u>\$ 12,847,804</u></b>

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

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>BUSINESS-TYPE ACTIVITIES</b>			<b>GOVERNMENTAL</b>
	<b>ENTERPRISE FUNDS</b>			<b>ACTIVITIES</b>
	<b>UTILITY</b>	<b>OTHER</b>	<b>TOTAL</b>	<b>INTERNAL</b>
	<b>FUND</b>	<b>ENTERPRISE</b>	<b>ENTERPRISE</b>	<b>SERVICE</b>
		<b>FUNDS</b>	<b>FUNDS</b>	<b>FUNDS</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 86,334,853</b>	<b>\$ (5,862,743)</b>	<b>\$ 80,472,110</b>	<b>\$ (803,468)</b>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME</b>				
<b>(LOSS) TO NET CASH PROVIDED (USED) BY</b>				
<b>OPERATING ACTIVITIES:</b>				
Depreciation and Amortization	55,382,047	3,617,915	58,999,962	1,908,692
(Increase)/Decrease in Receivables	2,285,991	(605,649)	1,680,342	641,707
(Increase)/Decrease in Due from Other Funds	-	(502,554)	(502,554)	(126,063)
(Increase)/Decrease in Inventories	(14,743,993)	(192,573)	(14,936,566)	7,058
(Increase)/Decrease in Prepaid Expenses	(1,867,449)	-	(1,867,449)	(8,113)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(1,031,103)	460,113	(570,990)	38,028
Increase/(Decrease) in Due to Other Funds	(88,340)	305,716	217,376	(643,798)
Increase/(Decrease) in Deferred Credits	(166,218)	-	(166,218)	-
(Increase)/Decrease in Deferred Debits	848,726	-	848,726	-
Increase/(Decrease) in Utility Deposits	1,074,744	-	1,074,744	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 128,029,258</b>	<b>\$ (2,779,775)</b>	<b>\$ 125,249,483</b>	<b>\$ 1,014,043</b>
<b>RECONCILIATION OF CASH TO</b>				
<b>STATEMENT OF NET POSITION</b>				
Cash	\$ 53,631,974	\$ 4,756,957	\$ 58,388,931	\$ 12,847,804
Accrued Interest	283,658	-	283,658	-
CR3 Decommissioning Reserve	10,278,134	-	10,278,134	-
Investments	247,648,812	5,394,290	253,043,102	14,481,451
<b>TOTAL CASH, EQUITY IN POOL AND INVESTMENTS</b>	<b>\$ 311,842,578</b>	<b>\$ 10,151,247</b>	<b>\$ 321,993,825</b>	<b>\$ 27,329,255</b>
<b>PER STATEMENT OF NET POSITION</b>				
<b>NONCASH CAPITAL, INVESTING AND</b>				
<b>FINANCING ACTIVITIES</b>				
Contribution of Capital Assets	\$ 1,427,973	\$ -	\$ 1,427,973	\$ 411,822
Change in Fair Value of Investments	-	55,077	55,077	84,436

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

(CONCLUDED)

**CITY OF GAINESVILLE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2012**

	<b><u>PENSION AND OPEB TRUST FUNDS</u></b>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 12,449,093
Equity in Pooled Cash and Investments	2,976,588
Receivables	1,177,922
Investments, at fair value:	
Equities	405,083,033
Real Estate	48,683,676
Alternative Investments	19,117,916
Fixed Income:	
Government Bonds	1,701,663
Corporate Bonds	9,545,719
Mortgage & Asset Backed Securities	<u>2,888,042</u>
Total Investments, at fair value	487,020,049
Investment Adjustments:	
Dividends Receivable	186,776
Interest Receivable	143,459
Receivable for Investments Sold	886,148
Payable for Investments Purchased	<u>(616,644)</u>
Total Investment Adjustments	<u>599,739</u>
 <b>TOTAL ASSETS</b>	 <b><u>504,223,391</u></b>
 <b><u>LIABILITIES</u></b>	
Accounts Payable and Accrued Liabilities	<u>12,654</u>
 <b>TOTAL LIABILITIES</b>	 <b><u>12,654</u></b>
 <b>NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS</b>	 <b><u>\$ 504,210,737</u></b>

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, 2012**

	<b><u>PENSION AND OPEB TRUST FUNDS</u></b>
<b><u>ADDITIONS:</u></b>	
<b>Contributions:</b>	
Employer Contributions:	
Required	\$ 14,822,179
State on Behalf Payments, through General Fund	<u>1,177,922</u>
Total Employer Contributions	16,000,101
Employee Contributions	<u>13,973,702</u>
<b>Total Contributions</b>	<b><u>29,973,803</u></b>
<b>Investment Income:</b>	
Net Appreciation in Fair Value of Investments	88,199,063
Dividends & Interest	<u>6,234,527</u>
<b>Total Investment Income</b>	<b>94,433,590</b>
Less Investment Expense	<u>2,847,031</u>
<b>Net Investment Income</b>	<b><u>91,586,559</u></b>
<b>TOTAL ADDITIONS</b>	<b><u>121,560,362</u></b>
<b><u>DEDUCTIONS:</u></b>	
Benefit Payments	47,318,405
Refunds of Contributions	551,499
Administrative Expenses	<u>1,093,041</u>
<b>TOTAL DEDUCTIONS</b>	<b><u>48,962,945</u></b>
<b>CHANGE IN NET POSITION</b>	<b>72,597,417</b>
<b>NET POSITION - beginning</b>	<b><u>431,613,320</u></b>
<b>NET POSITION - ending</b>	<b><u>\$ 504,210,737</u></b>

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

## CITY OF GAINESVILLE, FLORIDA

*Index to Notes to Financial Statements*

September 30, 2012

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**CITY OF GAINESVILLE, FLORIDA*****Index to Notes to Financial Statements***

September 30, 2012

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**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**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 (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) or, where applicable, the Financial Accounting Standards Board (FASB). Gainesville Regional Utilities (GRU) has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners (NARUC).

**(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. The City does not provide educational, health care, court or detention facilities.

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 Units** - 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 nonmajor 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 Units** - The Gainesville Enterprise Zone Development Agency (GEZDA) 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 appoints the board of this organization and approves its budget. This organization has a September 30 year-end. Separate financial statements of this agency are not prepared.

The following entities are not included in the accompanying financial statements:

**Gainesville Housing Authority (GHA)** GHA is a public housing authority (dependent special district) created under Section 421.04 of the Florida Statutes. The GHA is considered a related organization because the City is responsible for appointing a voting majority of GHA's board members. The City is not financially accountable for the GHA.

**Gainesville-Alachua County Regional Airport Authority (GACRAA)** GACRAA is an independent special district created for the purpose of providing airport services for citizens of Gainesville and Alachua County, Florida and surrounding areas. The GACRAA is considered a related organization because the City is responsible for

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appointing a voting majority of GACRAA's board members. The City is not financially accountable for the GACRAA.

The only joint venture in which the City participated in fiscal year 2012 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in Note 12.

**(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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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** 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** 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

**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 Post-Employment 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.



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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:

<i>Ad Valorem Taxes</i>	<i>Intergovernmental Revenue</i>
<i>Sales &amp; Franchise Taxes</i>	<i>Interest Earned</i>

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:

<i>Fees</i>	<i>Licenses and Permits</i>
<i>Miscellaneous Charges</i>	<i>Rents and Concessions</i>

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The 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 nonoperating revenues and expenses. Substantially all of Gainesville Regional Utility's revenues are pledged to the repayment of revenue bonds.

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.

The City has early implemented GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in FY 2012.

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**(D) Deposits with Financial Institutions and Investments****Deposits and Investments**

Deposits and investments as of September 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 154,477
Equity in pooled cash and investments	161,744,914
Investments	1,558,327
Restricted cash and cash equivalents	279,378,035

Statement of fiduciary net assets:

Cash and cash equivalents	12,449,093
Equity in pooled cash and investments	2,976,588
Investments:	
Equities	405,083,033
Real Estate	48,683,676
Alternative Investments	19,117,916
Government Bonds	1,701,663
Corporate Bonds	9,545,719
Mortgage & Asset Backed Securities	2,888,042

Total cash and investments	<u><u>\$ 945,281,483</u></u>
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Deposits and investments as of September 30, 2012 consist of the following:

Defined benefit pension:

Deposits with financial institutions	\$ 8,073,091
Investments	443,899,042

Other post employment benefit (OPEB):

Deposits with financial institutions	7,352,590
Investments	43,121,007

Other than defined benefit pension and OPEB:

Deposits with financial institutions	53,631,974
Investments	378,641,987
Utilities CR3 decommissioning reserve	10,278,134
Accrued interest receivable	283,658

Total cash and investments	<u><u>\$ 945,281,483</u></u>
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**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 \$443,899,042 of the City's total fair value of investments, and are exclusive of the \$8,073,091 held in cash by the Trustees.

These investments are reported at fair value. The fair value of this plan is derived through valuation efforts done by our investment managers in conjunction with our 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

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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 United States 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

*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

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- 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 Post Employment Benefit (OPEB) Investments***

These funds represent investments administered by the City's OPEB Fund Investment Managers. They comprise \$43,121,007 of the City's total fair value of investments, and are exclusive of the \$7,352,590 held in cash by the Trustees. These investments are reported at fair value. The fair value of this plan 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:

*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 United States 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

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*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

*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.

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- If commercial paper is used, it must be only of the highest quality (A-1 or P-1).
- Private placement debt is not permissible.

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

These funds comprise \$378,641,987 of the City's total fair value of investments. This figure excludes \$53,631,974 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 Gainesville Regional Utilities bond resolution, the 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 in accordance with *GASB Statement No. 31*. Fair value is based on market values.

State statutes, City ordinances and Gainesville Regional Utilities bond resolutions 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; and
- Domestic equity mutual funds rated four (4) stars or higher by Morningstar, Inc. and investment trusts rated AAA.

The City has a contractual relationship with a Qualified Public Depository in the State of Florida. Under the terms of the contract, essentially all bank balances are transferred into a sweep account at the close of each business day. The money market account underlying securities are AAA obligations of the United States Government and Corporations with maturities not exceeding 365 days.

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 investments in the Utility Plant Improvement Fund and Rate Stabilization Fund to five years.

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GRU's investment policy and bond resolution limits investments in state and local taxable or tax-exempt debt, corporate fixed income securities, and other corporate indebtedness to investments that are rated by a nationally recognized rating agency in its highest category, and at least one other nationally recognized rating agency in either of its two highest rating categories. At September 30, 2012, all of GRU's commercial paper investments were rated P-2 or better by Moody's Investor Services and/or A-2 or better by Standard and Poor's and/or F1 or better by Fitch.

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. Detailed information on the City's policies on custodial credit risk for deposits is described above in the subsection titled "Investment Policies", separately for each major investment category.

**Custodial Credit Risk - 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 Street name for the benefit of the City and are held by the counterparty's trust department or agent. Detailed information on the City's policies on custodial credit risk for investments is described above in the subsection titled "Investment Policies", separately for each major investment category.

**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***

<b>Investment Type</b>	<b>Fair Value</b>	<b>Unrated/ Exempt</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>
Common Stock	\$ 216,251,467	\$ 216,251,467	\$ -	\$ -	\$ -	\$ -
Mutual Funds	213,199,154	213,199,154	-	-	-	-
Real Estate Inv Trust	2,099,533	2,099,533	-	-	-	-
US Government Bonds	1,183,648	1,076,542	63,318	43,788	-	-
Corporate Bonds	9,545,719	-	79,104	918,589	6,052,342	2,495,684
Mortgage & Asset Backed	1,619,521	456,986	1,162,535	-	-	-
<b>Totals</b>	<b>\$ 443,899,042</b>	<b>\$ 433,083,682</b>	<b>\$ 1,304,957</b>	<b>\$ 962,377</b>	<b>\$ 6,052,342</b>	<b>\$ 2,495,684</b>

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**OPEB Investments**

Investment Type	Fair Value	Exempt from Disclosure	AAA
Common Stock	\$ 41,334,471	\$ 41,334,471	\$ -
US Government Bonds	518,015	-	518,015
Mortgage & Asset Backed	<u>1,268,521</u>	<u>-</u>	<u>1,268,521</u>
Totals	<u>\$ 43,121,007</u>	<u>\$ 41,334,471</u>	<u>\$ 1,786,536</u>

**Other than Defined Benefit Pension and OPEB Investments – Governmental Activities**

Investment Type	Fair Value	Exempt from Disclosure	AAA	AA
Money Market	\$ 49,170,177	\$ -	\$ 49,170,177	\$ -
Mutual Funds	1,558,326	1,558,326	-	-
US Government Bonds	<u>70,117,400</u>	<u>-</u>	<u>-</u>	<u>70,117,400</u>
Totals	<u>\$ 120,845,903</u>	<u>\$ 1,558,326</u>	<u>\$ 49,170,177</u>	<u>\$ 70,117,400</u>

**Other than Defined Benefit Pension and OPEB Investments – Business-Type Activities**

Investment Type	Fair Value	AAA	A-1
Money Market	\$ 10,147,272	\$ 10,147,272	\$ -
Commercial Paper	172,194,409	-	172,194,409
Government Agencies	58,658,379	58,658,379	-
Government Bonds	7,274,815	7,274,815	-
Corporate Bonds	<u>9,521,209</u>	<u>9,521,209</u>	<u>-</u>
Totals	<u>\$ 257,796,084</u>	<u>\$ 85,601,675</u>	<u>\$ 172,194,409</u>

**Concentration of Credit Risk**

Investments in any one issuer that represent 5% or more of the City's investments are reported below. This is presented by the three major categories described above, and is additionally shown using governmental and business type categories. 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.

***Other than Defined Benefit Pension and OPEB Investments – Governmental Activities***

Issuer	Investment Type	Fair Value	%
Federal Farm Credit Bureau	Federal Agency Securities	\$ 10,045,800	8.3%
Federal Home Loan Bank	Federal Agency Securities	10,005,700	8.3%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	10,052,100	8.3%
Federal National Mortgage Association	Federal Agency Securities	40,013,800	33.1%



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**Other than Defined Benefit Pension and OPEB Investments – Business-Type Activities**

Issuer	Investment Type	Fair Value	%
Federal National Mortgage Association	Federal Agency Securities	\$ 53,212,394	21.5%

**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 is the sensitivity of its fair value to changes in market interest rates. The City's investment policies do not provide specific restrictions as to maturity length of investments. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided below, using the segmented time distribution method:

**Defined Benefit Pension Investments**

Investment Type	Fair Value	< 2 years	2-5 years	5-10 yrs	> 10 yrs
Common Stock *	\$ 216,251,467	\$ -	\$ -	\$ -	\$ -
Mutual Funds *	213,199,154	-	-	-	-
Real Estate Inv Trust *	2,099,533	-	-	-	-
US Government Bonds	1,183,648	82	14,257	81,313	1,087,996
Corporate Bonds	9,545,719	2,469,367	2,513,548	2,697,761	1,865,043
Mortgage & Asset Backed	<u>1,619,521</u>	<u>-</u>	<u>7,603</u>	<u>347,066</u>	<u>1,264,852</u>
Totals	<u>\$ 443,899,042</u>	<u>\$ 2,469,449</u>	<u>\$ 2,535,408</u>	<u>\$ 3,126,140</u>	<u>\$ 4,217,891</u>

\* Included but not required to be presented by maturity date

**OPEB Investments**

Investment Type	Fair Value	n/a	< 5 years	5-10 years	> 10 years
Common Stock	\$ 41,334,471	\$ 41,334,471	\$ -	\$ -	\$ -
US Government Bonds	518,015	-	114,072	403,943	-
Mortgage & Asset Backed Securities	<u>1,268,521</u>	<u>-</u>	<u>65,126</u>	<u>101,454</u>	<u>1,101,941</u>
	<u>\$ 43,121,007</u>	<u>\$ 41,334,471</u>	<u>\$ 179,198</u>	<u>\$ 505,397</u>	<u>\$ 1,101,941</u>

**Other than Defined Benefit Pension and OPEB Investments – Governmental Activities**

Investment Type	Fair Value	n/a	< 1 year	1-5 years	> 5 years
Money Market	\$ 49,170,177	\$ 49,170,177	\$ -	\$ -	\$ -
Mutual Funds	1,558,326	1,558,326	-	-	-
US Government Bonds	<u>70,117,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,117,400</u>
Totals	<u>\$ 120,845,903</u>	<u>\$ 50,728,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,117,400</u>

**Other than Defined Benefit Pension and OPEB Investments – Business-Type Activities**

Investment Type	Fair Value	n/a	< 1 year	1-5 years
Money Market	\$ 10,147,272	\$ 10,147,272	\$ -	\$ -
Commercial Paper	172,194,409	-	172,194,409	-
US Agencies	58,658,379	-	-	58,658,379
US Government Bonds	7,274,815	-	-	7,274,815
Corporate Bonds	<u>9,521,209</u>	<u>-</u>	<u>4,693,560</u>	<u>4,827,649</u>
Totals	<u>\$ 257,796,084</u>	<u>\$ 10,147,272</u>	<u>\$ 176,887,969</u>	<u>\$ 70,760,843</u>

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**(E) 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). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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, 2012 according to the number of days applicable to the current fiscal year.

Receivables are reported net of an estimated allowance for uncollectible accounts. At September 30, 2012, the allowance was \$640,730 for the General Fund and \$732,746 for Enterprise Funds.

**(F) Inventories**

The City accounts for its General Fund inventory using the “consumption method”; that is, inventory is budgeted and recorded as items are consumed. Except for inventories of the General Fund, inventories are stated at the lower of cost or market. Cost is determined using the weighted average unit cost method except for fuel in Enterprise Funds, which is determined using the last-in, first-out (LIFO) method. Obsolete and unusable items are reduced to estimated salvage values. The cost of fuel used for electric generation is charged to expense as consumed. Inventory in the General Fund is recorded at cost. Such inventory is written down to a lower market value if the inventory is affected by physical deterioration or obsolescence.

**(G) Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bikepaths, 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 \$2,000 and an estimated useful life in excess of one year. Utility fund 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.

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 market value on the date donated. 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
Improvements other than Buildings -----	20 to 30 years
Infrastructure – Roads, curb & gutter-----	50 years
Infrastructure – Roads, non curb & gutter- ---	25 years
Infrastructure - Sidewalks-----	50 years
Infrastructure – Bikepaths-----	25 years
Equipment -----	5 to 20 years
Stormwater system -----	50 years
Streetscape -----	25 years

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Depreciation of utility plant is computed using the straight-line method over estimated service lives ranging from 10 to 80 years. The overall depreciation rate was 3.12% in fiscal 2012.

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.

City-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in the Crystal River Unit 3 (CR3) nuclear power plant operated by Progress Energy. Depreciation expense includes a provision for decommissioning costs related to the jointly-owned nuclear power plant. The cost of nuclear fuel, including estimated disposal cost, is amortized to fuel expense based on the quantity of heat produced for the generation of electric energy in relation to the quantity of heat expected to be produced over the life of the nuclear fuel core. These costs are charged to customers through the fuel adjustment clause. See Note 13 for more detail on the CR3 agreement.

The average cost and related accumulated depreciation of proprietary fund assets are removed from the accounts upon disposal or retirement, with any resulting gain or loss recognized as nonoperating income or expense. The average cost of depreciable utility plant retired is eliminated from the plant accounts and charged to accumulated depreciation. The associated cost of removal, net of salvage, is charged to depreciation expense as incurred. The Utilities fund has a capitalization threshold of \$2,500 for general plant assets.

The costs of capital assets for the Utilities include material, labor, vehicle and equipment usage, related overhead items, capitalized interest, and certain administrative and general expenses. When units of depreciable property are retired, the original cost and removal cost, less salvage, are charged to accumulated depreciation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. An allowance for interest on borrowed funds used during construction of \$0.4 million is included in construction in progress for the Utilities Fund and as a corresponding reduction in interest expense. It is 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 4.08% for Fiscal Year 2012. For assets constructed with governmental fund resources, interest during construction is not capitalized.

**(H) 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, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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.

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.

**(I) Futures and Options Contracts, Derivatives and Deferred Charges/Credits**

GRU records derivative instruments in accordance with GASB No. 53, *Accounting and Reporting for Financial and Derivative Instruments*. 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. The related settled gains and losses from these transactions are recognized as fuel expenses on the statement of revenues, expenses, and changes in net position.

In accordance with GASB No. 62, paragraphs 476-500, *Regulated Operations*, GRU defers recognition of fair value change for the ineffective portion of certain derivative instruments. GRU currently has two types of hedging instruments, interest rate swap agreements and commodity futures contracts. Each has been associated with an item

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that is eligible to be hedged. Of the interest rate swap agreements, three have been determined to be effective, while four have been deemed ineffective. Of the commodity futures contracts, all have been determined to be effective. At September 30, 2012, deferred outflows of \$76.4 million have been recorded for interest rate swap agreements in accumulated decrease in fair value of hedging derivatives and deferred inflows of \$1.0 million have been recorded for gas hedging agreements in accumulated increase in fair value of hedging derivatives.

Deferred charges are presented on the statements of net position. Unamortized bond issuance costs of approximately \$7.3 million at September 30, 2012 are included in deferred charges. These costs are being amortized straight-line over the life of the bonds, which approximates the effective interest method.

Electric distribution plant acquisition costs of \$2.1 million for September 30, 2012 are being amortized over the expected life of the acquired assets. Of the amount \$0.2 million is recorded in deferred charges at September 30, 2012 with the remaining portion included in noncurrent assets.

The fair value of ineffective interest rate swaps of \$9.0 million at September 30, 2012 is recorded as a regulatory asset and is included in noncurrent assets.

Deferred credits are presented on the statement of net position under current liabilities and other noncurrent liabilities.

The deferred credit for estimated environmental costs is \$2.6 million at September 30, 2012, and is recorded as a noncurrent liability. See Note 11 for details on the manufactured gas plant remediation portion of this item.

Accrued electric fuel adjustment was a deferred credit of \$15.2 million at September 30, 2012. See Note 1 (N) "Revenue Recognition" for details on GRU's policy regarding fuel adjustment.

**(J) 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.

**(K) 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 other than the Utility Fund participate in the general insurance program. Risk management/ insurance related activities of the Utility fund are accounted for within the Utility Fund. 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 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 2012 were paid from current year's revenues.

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

	<b>BEGINNING OF FISCAL YEAR</b>			<b>END OF FISCAL YEAR</b>
	<b><u>LIABILITY</u></b>	<b><u>INCURRED</u></b>	<b><u>PAYMENTS</u></b>	<b><u>LIABILITY</u></b>
<b>2011-2012</b>	\$3,337,000	\$1,175,634	\$1,175,634	\$3,337,000
<b>2010-2011</b>	\$3,337,000	\$1,241,943	\$1,241,943	\$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</b>			<b>END OF FISCAL YEAR</b>
	<b><u>LIABILITY</u></b>	<b><u>INCURRED</u></b>	<b><u>PAYMENTS</u></b>	<b><u>LIABILITY</u></b>
<b>2011-2012</b>	\$6,854,000	\$2,854,514	\$2,854,514	\$6,854,000
<b>2010-2011</b>	\$6,854,000	\$2,706,870	\$2,706,870	\$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 \$200,000 per individual. No claims have exceeded insurance coverage in the last three years.

Changes in claims liability for the last two years are as follows:

	<b>BEGINNING OF FISCAL YEAR</b>			<b>END OF FISCAL YEAR</b>
	<b><u>LIABILITY</u></b>	<b><u>INCURRED</u></b>	<b><u>PAYMENTS</u></b>	<b><u>LIABILITY</u></b>
<b>2011-2012</b>	\$1,048,386	\$19,219,917	\$18,964,032	\$1,304,271
<b>2010-2011</b>	\$1,076,187	\$14,692,609	\$14,720,410	\$1,048,386

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

**(L) Interfund Activity**

During the course of normal operations, the City has various nonreciprocal interfund activity. 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.

**(M) 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 **4.2544 mills**. Taxes are levied and collected according to Florida State Statutes under the following calendar:

<b>Lien Date</b>	<b>January 1</b>
<b>Levy Date</b>	<b>October 1</b>
<b>Due Date</b>	<b>November 1</b>
<b>Delinquency Date</b>	<b>April 1</b>

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The County 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.

**(N) Revenue Recognition**

Revenue is recorded as earned. GRU accrues for services rendered but unbilled, which amounted to approximately \$15.4 million for fiscal year 2012. Fuel Adjustment revenue is recognized based on the actual fuel costs. Amounts charged to customers for fuel are based on estimated costs, which are adjusted for any differences between the actual and estimated costs once actual fuel costs are known. If the amount recovered through billings exceeds actual fuel costs, GRU records deferred fuel as a liability. If the amount recovered through billings is less than actual fuel costs, GRU records deferred fuel as an asset, for amounts to be collected through future rates. As of September 30, 2012, deferred costs were a liability of \$15.2 million. The deferred fuel balance is reported as part of current deferred charges on the statement of net position.

**(O) 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.

**(P) 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.

**(Q) Enterprise Activities**

For its enterprise activities, the City applies all applicable GASB pronouncements. In accordance with the Utilities System Revenue Bond Resolution as Supplemented and Amended (Bond Resolution), utility rates are designed to cover operating and maintenance expense, debt service, utility plant improvement fund contributions and other revenue requirements, which exclude depreciation expense and other noncash 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 the Utility's accounting policies. The Utility has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and substantially all provisions of the National Association of Regulatory Utility Commissioners (NARUC). Rates for the Utility Fund are approved annually by the City Commission.

**(R) Rates and Regulation**

GRU's rates are established in accordance with the Utilities System Bond Resolution and the Utilities System Subordinated Bond Resolution as adopted and amended. Under these documents, rates are set to recover Operation and Maintenance Expenses, Debt Service, Utility Plant Improvement Fund contributions, and costs for any other lawful purpose, such as the General Fund Transfer.

Each year during the budgeting process, and at any other times necessary, the City Commission approves rate changes and other changes to GRU's charges.

GRU's cost of fuel for the electric and natural gas systems is passed directly through to its customers. Each month, GRU staff estimates the cost of fuel and the consumption for both the electric and natural gas systems. These estimates are combined with a true-up for actual costs from previous months into a current-month electric fuel

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adjustment and natural gas purchased gas adjustment. Amounts over- or under-collected are passed along to customers and are either accrued or deferred at year-end.

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

GRU prepares its financial statements in accordance with GASB No. 62, paragraphs 476-500, *Regulated Operations*, and records various regulatory assets and liabilities. For a government to report under GASB No. 62, the Utility's 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 competition or regulatory action, that these standards no longer applied, GRU could be required to write off its regulatory assets and liabilities. Management believes that GRU currently meets the criteria for continued application of GASB No. 62, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

**(S) Fund Balance Reporting**

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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. As of September 30, 2012, fund balances for governmental funds are comprised of the following:

- Nonspendable Fund Balance - 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 Fund Balance – 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.
- Committed Fund Balance – 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, an ordinance adopted by the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally.
- Assigned Fund Balance – 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's policy has been delegated to senior management including department heads for amounts to be assigned with final approval by the City Manager.
- Unassigned Fund Balance – 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.

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.

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Fund balances for major and nonmajor governmental funds as of September 30, 2012 are classified as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable			
Inventory	\$ 18,991	\$ -	\$ 18,991
Long-term receivable	3,344,700	-	3,344,700
	<u>3,363,691</u>	<u>-</u>	<u>3,363,691</u>
Restricted for:			
General Government	-	967,981	967,981
Public Safety	-	6,643,657	6,643,657
Physical Environment	-	1,295,034	1,295,034
Transportation	-	3,092,586	3,092,586
Economic Environment	-	14,162,514	14,162,514
Culture and Recreation	-	566,867	566,867
Capital Outlay	-	38,102,627	38,102,627
	<u>-</u>	<u>64,831,266</u>	<u>64,831,266</u>
Committed for:			
General Government	-	71,201	71,201
Capital Outlay	-	711,036	711,036
	<u>-</u>	<u>782,237</u>	<u>782,237</u>
Assigned for:			
General Government	450,476	-	450,476
Public Safety	1,634,606	-	1,634,606
Transportation	57,919	-	57,919
Economic Environment	75,348	-	75,348
Human Services	18,200	-	18,200
Debt Service	-	656,806	656,806
Capital Outlay	-	15,976,368	15,976,368
	<u>2,236,549</u>	<u>16,633,174</u>	<u>18,869,723</u>
Unassigned	<u>12,087,485</u>	<u>(3,067,169)</u>	<u>9,020,316</u>
Total	<u>\$ 17,687,725</u>	<u>\$ 79,179,508</u>	<u>\$ 96,867,233</u>

Encumbrances for major and nonmajor governmental funds as of September 30, 2012 are classified as follows:

	General Fund	Nonmajor Governmental Funds	Total
General Government	\$ 15,224	\$ -	\$ 15,224
Public Safety	-	155,569	155,569
Physical Environment	-	9,271	9,271
Transportation	5,838	1,474,746	1,480,584
Economic Environment	75,348	1,324,945	1,400,293
Human Services	-	34,385	34,385
Culture and Recreation	-	92,293	92,293
Capital Outlay	-	2,661,094	2,661,094
	<u>\$ 96,410</u>	<u>\$ 5,752,303</u>	<u>\$ 5,848,713</u>

*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.



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The composition of net position “restricted for other purposes”, based on third party external restrictions, at September 30, 2012 is:

**Business-type activities**

Capital Surcharge	\$ 86,520
Regional Transit Capital Acquisition Reserve	<u>468,600</u>
Total	<u>\$ 555,120</u>

The government-wide statement of net position reports \$148,109,453 of restricted net position, of which \$54,439,751 is restricted by enabling legislation.

*Reserve Policy*

On September 12, 2005 the City Commission adopted the General Fund Reserve Policy to ensure 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 8.33% (one month) of the Proposed General Fund Revenue Budget (excluding one-time appropriations from fund balance). This balance is to provide for the following:

- Budget fluctuations
- Electric Deregulation
- 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.

That portion of the General Fund unassigned fund balance that exceeds the minimum required level of 8.33% 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 anticipated 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 General Fund unassigned fund balance in accordance with procedures provided in the City of Gainesville 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.

During the budget process, the required level of General Fund unassigned fund balance shall be calculated by the Budget Division based on the Proposed General Fund Revenue Budget. The additional amount required each year shall be included as a line item appropriation in the General Fund Uses Budget.

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 8.33% minimum, 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.

It is the policy of the City of Gainesville that any excess General Fund unassigned fund balance remaining after meeting financial reserve requirements may be appropriated to finance any one-time expenses, as determined by the City Commission.

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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.

During the FY13 budget process, the City Commission directed staff to modify this policy to increase the percentage from 8.33% to 10% in FY13 with the intent to get to 12.5% within the next three years as financially feasible. This proposed modification to the policy is being drafted for City Commission approval prior to the end of fiscal year 2013.

**NOTE 2 - RETIREMENT PLANS**

The City sponsors and administers two single-employer retirement plans and a single-employer disability plan, which are accounted for in separate Pension Trust Funds in the fiduciary category herein.

- The Employees' Pension Plan (Employees Plan)
- The Employees' Disability Plan (Disability Plan)
- The Consolidated Police Officers' and Firefighters' Retirement Plan (Consolidated Plan)

**(A) Defined Benefit Plans**

**Employees' Plan:**

*Plan Description.* The Employees' Plan is a contributory defined benefit 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. The Employees' Plan provides retirement and death benefits to plan members and beneficiaries. The pension plan's basis of accounting is accrual; the policy is to recognize costs of the plan under accrual. 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. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville. In October 2002, the Board of Trustees approved allowing participants to buy back City years of service at its actuarial valuation. The City of Gainesville 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, Finance Department, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

*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. Plan members are required to contribute 5% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2012 for retirement and death benefits was 10.82% of covered payroll. This rate 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. Administrative costs are financed through investment earnings.

*Annual Pension Cost and Net Pension Obligation.* The City's annual pension cost and net pension obligation to the Employees' Plan for the current year were as follows:

Annual required contribution	\$ 9,204,247
Interest on net pension obligation	(2,641,415)
Adjustment to annual required contribution	2,891,590
<b>Annual Pension Cost</b>	<b>\$ 9,454,422</b>
Contributions Made	8,684,927
Change in net pension obligation	\$ 769,495
Net Pension Obligation (Asset), beginning of year	(29,691,035)
<b>Net Pension Obligation(Asset), end of year</b>	<b>\$ (28,921,540)</b>

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The annual required contribution for the current year was determined as part of the September 30, 2010 actuarial valuation using the Individual Entry Age Actuarial Cost method. The actuarial assumptions included (a) 8.50% investment rate of return (net of administrative expenses) and (b) projected salary increases of 3.75%-7% per year, based on years of service. Both (a) and (b) included an inflation component of 3.75%. The assumptions include post-retirement benefit increases for those retirees who meet eligibility criteria. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Any unfunded actuarial accrued liability is traditionally amortized as a level percentage of projected payroll on a closed basis. The amortization period at September 30, 2012 was 30 years.

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
<b>Ending</b>				
09/30/10	\$ 5,007,546	\$ 4,431,480	88.5%	\$ (30,987,798)
09/30/11	10,133,955	8,837,192	87.2%	(29,691,035)
09/30/12	9,454,422	8,684,927	91.9%	(28,921,540)

*Funded Status.*

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded (UAAL) (b) - (a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as % of covered payroll (b-a)/c</b>
9/30/12	\$ 261,968,000	\$ 399,599,000	\$ 137,631,000	65.56%	\$ 80,426,000	171.13%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**Disability Plan:**

*Plan Description.* The Disability Plan is a contributory defined benefit plan that covers all permanent employees of the City, except police officers and firefighters whose disability plan is incorporated in the Consolidated Plan. The Disability Plan provides disability benefits to plan members and beneficiaries. The Disability Plan's basis of accounting is accrual; the policy is to recognize costs of the plan under accrual. Benefits 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. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Disability 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.

*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. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2012 for disability benefits was 0.34% of covered payroll. Administrative costs are financed through investment earnings.

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*Annual Pension Cost and Net Pension Obligation.* The City's annual pension cost and net pension obligation to the Disability Plan for the current year were as follows:

Annual required contribution	\$ 287,547
Interest on net pension obligation	(9,282)
Adjustment to annual required contribution	10,161
<b>Annual Pension Cost</b>	<b>\$ 288,426</b>
Contributions Made	274,696
Change in net pension obligation	\$ 13,730
Net Pension Obligation (Asset), beginning of year	(109,201)
<b>Net Pension Obligation(Asset), end of year</b>	<b>\$ (95,471)</b>

*Annual Contribution:* The annual contribution for the current year was determined as part of the September 30, 2010 actuarial valuation using the individual entry age actuarial cost method. The actuarial assumptions included (a) 8.50% investment rate of return (net of administrative expenses) and (b) projected salary increase of between 3.75% and 7% per year, based on years of service. Both (a) and (b) included an inflation component of 3.75%. The actuarial value of assets was set at market value. Any unfunded actuarial accrued liability is traditionally amortized as a level percentage of projected payroll on a closed basis. The amortization period at September 30, 2012 was 15 years.

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
<b>Ending</b>				
09/30/10	\$ 490,853	\$ 478,115	97.4%	\$ (142,273)
09/30/11	515,403	482,331	93.6%	(109,201)
09/30/12	288,426	274,696	95.2%	(95,471)

*Funded Status.*

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded (UAAL) (b) - (a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as % of covered payroll (b-a)/c</b>
09/30/12	\$ 6,673,712	\$ 2,947,760	\$ (3,725,952)	226.40%	\$ 82,039,340	-4.54%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**Consolidated Plan:**

*Plan Description.* The Consolidated Plan is a contributory defined benefit pension plan that covers City sworn police officers and firefighters. The Consolidated Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The basis of accounting for the Consolidated Plan is accrual. 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. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville in accordance with State Statute. The City of Gainesville 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.

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*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 7.50% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2012 was 11.77% of covered payroll. This rate was influenced by the issuance of the Taxable Pension Obligation Bonds, Series 2003B. In addition, State contributions, which totaled \$1,177,922, are also made to the plan on behalf of the City. These State contributions are recorded as revenue and personnel expenditures in the City's General Fund before they are recorded as contributions in the Consolidated Pension Fund. Administrative costs are financed through investment earnings.

*Annual Pension Cost and Net Pension Obligation.* The City's annual pension cost and net pension obligation to the Consolidated Plan for the current year were as follows:

Annual required contribution	\$ 4,004,973
Interest on net pension obligation	(3,134,755)
Adjustment to annual required contribution	<u>6,239,020</u>
<b>Annual Pension Cost</b>	<b>\$ 7,109,238</b>
Contributions Made	<u>4,138,993</u>
Change in net pension obligation	\$ 2,970,245
Net Pension Obligation (Asset), beginning of year	<u>(34,531,641)</u>
<b>Net Pension Obligation(Asset), end of year</b>	<b><u><u>\$ (31,561,396)</u></u></b>

The annual required contribution for the current year was determined as part of the September 30, 2010 actuarial valuation using the Entry Age Normal Cost method. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 0% for fiscal year 2011 and then 4% thereafter per year, based on years of service. Both (a) and (b) included an inflation component of 3.75%.

The assumptions include post-retirement benefit increases for those retirees meeting eligibility criteria. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Any unfunded actuarial accrued liability is traditionally amortized as a level percentage of projected payroll on a closed basis. The amortization period at September 30, 2012 was 30 years.

<u>Year</u>	<u>Pension</u>		<u>of APC</u>	<u>Pension</u>
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contribution</u>	<u>Contributed</u>	<u>Obligation (Asset)</u>
09/30/10	\$ 4,832,779	\$ 2,786,964	57.7%	\$ (37,181,058)
09/30/11	6,131,003	3,481,586	56.8%	(34,531,641)
09/30/12	7,109,238	4,138,993	58.2%	(31,561,396)

Benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plan. Costs of administering the pension plans are financed through contributions and/or investment income, as appropriate.

*Funded Status.*

<u>Actuarial</u>	<u>Actuarial</u>	<u>Actuarial</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Covered</u>	<u>UAAL as %</u>
<u>Valuation</u>	<u>Value of</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>of covered</u>
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b) - (a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>(b-a)/c</u>
10/01/11	\$ 174,567,199	\$ 211,009,097	\$ 36,441,898	82.73%	\$ 25,133,953	144.99%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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**(B) Defined Contribution Pension Plan**

*Plan Description.* As noted above, the Defined Contribution Pension Plan is open to certain existing City professional and managerial employees. It is no longer available to newly hired 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 5.0% of their annual covered salary. The City is required to contribute 10% of covered payroll. During fiscal year 2012, plan members contributed \$196,364 and the City contributed \$259,475.

**NOTE 3 – OTHER POST-EMPLOYMENT BENEFITS PLAN**

*Plan Description.* By ordinance enacted by the City Commission, the City has established the Retiree Health Care Plan (RHCP), providing for the payment of a portion of the health care insurance premiums for eligible retired employees. The RHCP is a single-employer defined benefit healthcare plan administered by the City which provides medical insurance benefits to eligible retirees and their beneficiaries.

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.

The RHCP has 1,064 retirees, spouses and dependents receiving benefits and has a total of 1,700 active participants. Of that total, 1,340 are not yet eligible to receive benefits. Ordinance 991457 of the City of Gainesville assigned the authority to establish and amend benefit provisions to the City Commission.

*Annual OPEB Cost and Net OPEB Obligation.* For fiscal year 2012, the City's annual OPEB cost for the RHCP was \$3,292,685. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended September 30, 2012 were as follows:

Annual required contribution	\$	3,147,636
Interest on net OPEB obligation		(1,531,467)
Adjustment to annual required contribution		<u>1,676,516</u>
<b>Annual OPEB cost</b>	<b>\$</b>	<b>3,292,685</b>
Contributions made		<u>2,909,942</u>
Change in net OPEB obligation (asset)	\$	382,743
Net OPEB obligation (asset), beginning of year		<u>(19,648,974)</u>
<b>Net OPEB obligation(asset), end of year</b>	<b>\$</b>	<b><u>(19,266,231)</u></b>

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation (Asset)
09/30/10	\$ 2,894,863	\$ 2,220,742	76.71%	\$ (20,836,299)
09/30/11	3,166,700	1,979,375	62.51%	(19,648,974)
09/30/12	3,292,685	2,909,942	88.38%	(19,266,231)

Fiscal year 2005 was the year of implementation of GASB 43 and 45 and the City elected to implement prospectively. The City's contributions include \$2,396,511, \$1,557,264 and \$1,793,845 in payments made by the City for the implicit rate subsidy included in the blended rate premiums for active employees which fund the implicit rate subsidy discount provided to the retirees for fiscal years 2012, 2011, and 2010, respectively.

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*Funding Policy.* In 1995, the City instituted a cost sharing agreement with retired employees for individual coverage only, based on a formula taking into account age at the time the benefit is first accessed and service at time of retirement. The contribution requirements of plan members and the City are established and may be amended by the City Commission. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Administrative costs are financed through investment earnings.

RHCP members receiving benefits contribute a percentage of the monthly insurance premium. Based on this plan, the RHCP pays up to 50% of the individual premium for each insured according to the age/service formula factor of the retiree. Spouses and other dependents are eligible for coverage, but the employee is responsible for the entire cost, there is no direct RHCP subsidy. The employee contributes the premium cost each month, less the RHCP subsidy calculated as a percentage of the individual premium.

The State of Florida prohibits the City from separately rating retirees and active employees. The City therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP require the actuarial figures presented above to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. However, the City has elected to contribute to the RHCP at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged to the RHCP.

In July 2005, the City issued \$35,210,000 Taxable Other Post Employment 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. The City's actual regular contribution was less than the annual required contribution calculated using the age-adjusted premiums instead of the blended rate premiums. The difference between the annual required calculation and the City's actual regular contribution was due to two factors. The first is the amortization of the negative net OPEB obligation created in fiscal year 2005 by the issuance of the OPEB bonds. The other factor is that the City has elected to contribute based on the blended rate premium instead of the age-adjusted premium, described above as the implicit rate subsidy.

In September 2008, the City approved Ordinance 0-08-52, terminating the existing program and trust and creating a new program and trust, effective January 1, 2009. This action changed the benefits provided to retirees, such that the City will contribute towards the premium of those who retire after August 31, 2008 under a formula that provides ten dollars per year of credited service, adjusted for age at first access of the benefit. Current retirees receive a similar benefit, however the age adjustment is modified to be set at the date the retiree first accesses the benefit or January 1, 2009, whichever is later. For current retirees that are 65 or older as of January 1, 2009, the City's contribution towards the premium will be the greater of the amount calculated under this method or the amount provided under the existing Ordinance. The City's contribution towards the premium will be adjusted annually at the rate of 50% of the annual percentage change in the individual premium compared to the prior year.

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

In the September 30, 2010, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used included a 8.5% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend rate of 6% is the ultimate rate. The select rate was 12% but was decreased to the ultimate rate in 2002. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 3.75%. The actuarial valuation of RHCP assets was set at fair market value of investments as of the measurement date.

The RCHP's initial unfunded actuarial accrued liability (UAAL) as of 1994 is being amortized as a level percentage of projected payroll over a closed period of twenty years from 1994 and changes in the UAAL from 1994 through

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2003 are amortized over the remaining portion of the twenty-year period. Future changes in the UAAL will be amortized on an open period of ten years from inception.

*Funded Status.*

<b>Actuarial</b>	<b>Actuarial</b>	<b>Actuarial</b>	<b>Unfunded</b>	<b>Funded</b>	<b>Covered</b>	<b>UAAL as %</b>
<b>Valuation</b>	<b>Value of</b>	<b>Liability (AAL)</b>	<b>(UAAL)</b>	<b>Ratio</b>	<b>Payroll</b>	<b>of covered</b>
<b>Date</b>	<b>Assets</b>	<b>Entry Age</b>	<b>(b) - (a)</b>	<b>(a/b)</b>	<b>(c)</b>	<b>(b-a)/c</b>
	<b>(a)</b>	<b>(b)</b>				
9/30/2012	\$ 50,448,282	\$ 61,493,434	\$ 11,045,152	82.04%	\$ 122,000,000	9.05%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**NOTE 4 - 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.

**NOTE 5 - LONG-TERM DEBT AND CAPITAL LEASES**

**GOVERNMENT 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.

**\$10,955,000 First Florida Governmental Financing Commission Loan, Series 1998** - 3.60% - 4.30%, issued April 1, 1998, final maturity July, 2012, payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 1999. Interest payable semi-annually. Fully retired during Fiscal Year 2012.

**\$9,870,000 First Florida Governmental Financing Commission Loan, Series 2002** - 3.75% - 5.0%, issued May 1, 2002, final maturity July 1, 2022; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 2003. interest payable semi-annually beginning July 1, 2002. Refunded during Fiscal Year 2012.

**\$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.



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**\$9,805,000 Guaranteed Entitlement Refunding Bonds Series 2004** 3.5%-5.5%; issued May 4, 2004, final maturity August 1, 2017; payable solely from and secured by a lien upon and pledge of monies from the City's Guaranteed Entitlement Funds. The proceeds were used to refund \$10,010,000 of the City's Guaranteed Entitlement Revenue and Refunding Bonds, Series 1994. Principal is payable annually on August 1, beginning 2005. Interest is payable semi-annually beginning August 1, 2004. This current refunding resulted in a reduction of total debt service payments over 13 years of approximately \$735,000 and an economic gain of approximately \$572,000.

**\$5,640,000 First Florida Governmental Financing Commission Loan, Series 2005** – 2.5% - 4.125%, issued March 10, 2005, final maturity July 1, 2025; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 2006. interest payable semi-annually beginning July 1, 2005.

**\$35,210,000 Taxable Other Post Employment Benefit (OPEB) Obligation Bonds, Series 2005** – 4.05% -4.71%, issued July 28, 2005, final maturity October 2014, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2006. Interest payable semi-annually beginning October 1, 2005. The bonds are not subject to redemption prior to maturity.

**\$22,695,000 Capital Improvement Revenue Bonds, Series 2005** – 4.00% -4.50%, issued November 30, 2005, final maturity October 2025, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2006. Interest payable semi-annually beginning April 1, 2006. The bonds are not subject to redemption prior to maturity.

**\$1,540,000 First Florida Governmental Financing Commission Loan, Series 2007** –3.7% - 4.375%, issued April 17, 2007, final maturity July 1, 2027; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 2008. interest payable semi-annually beginning July 1, 2007.

**\$11,500,000 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 \$1.5 million of capital projects for which the debt and assets are reported in the Solid Waste and Stormwater enterprise funds.

**\$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, 2012.

**\$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. Proceeds from the Note were used to refinance all of the First Florida Governmental Finance Commission Series 2002 Bonds along with closing costs incurred. This advance refunding resulted in a reduction of total debt service payments over 10 years of approximately \$912,000 and an economic gain of approximately \$705,000.

**\$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. 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.

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**\$942,136 Siemens Buildings Technologies, GPD Energy Project Capital Lease, 2006** – 4.18%, repayable monthly for 144 months, beginning October 10, 2006. The lease will be repaid using non-ad valorem revenues, and it is expected that the building improvements being leased will result in energy savings equal to or greater than the lease payments. During fiscal year 2007 the proceeds were fully expended and capitalized. These assets are being amortized as part of depreciation expense.

**BUSINESS-TYPE ACTIVITIES:**

**\$186,000,000 Utilities System Revenue Bonds, Series 1983** - 6.0%, dated August 1, 1983, final maturity October 1, 2014; payable solely from and secured by an irrevocable lien of Gainesville Regional Utilities (Utility) net revenues. Interest is payable on April 1 and October 1. Principal is payable on October 1. The bonds are subject to redemption at the option of the City as a whole or in part on any interest payment date, at a redemption price of 100% plus accrued interest to the date of redemption.

**\$134,920,000 Utilities System Revenue Bonds, Series 1992B** - 6.5%, dated March 1, 1992, final maturity October 1, 2013. The 1992B Bonds mature at various dates from October 1, 2001 to October 1, 2013. Those bonds maturing on or after October 1, 2004 to October 1, 2007, amounting to \$14.3 million were redeemed at the option of the City on October 1, 2002.

**\$33,000,000 2003 Utilities System Revenue Bonds Series 2003A** – 4.625%, dated January 30, 2003, final maturity October 1, 2033. The 2003A bonds maturing on or after October 1, 2013 are subject to redemption at the option of the City on or after October 1, 2013 at 100%. 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, 2020 to October 1, 2033. The 2003A were fully refunded as part of the 2012A Utilities System Revenue Bond issuance. However, due to current or advanced refunding from prior years, the amount of principal outstanding is \$33 million on the 2003 A Bonds. The proceeds related to the refunded bonds were deposited into an escrow account to refund the bonds on October 1, 2013 at 100% of par.

**\$7,625,000 2003 Utilities System Revenue Bonds Series 2003B** – 4.4%, dated January 30, 2003, final maturity October 1, 2013. The 2003B bonds are not subject to redemption prior to maturity.

**\$115,925,000 2003 Utilities System Revenue Bonds Series 2003C** – 5.0%, dated August 20, 2003, final maturity October 1, 2013. The 2003C bonds are not subject to redemption prior to maturity.

**\$196,950,000 2005 Utilities System Revenue Bonds Series 2005A** – 4.75%-5.0%, dated November 16, 2005, mature on various dates from October 1, 2029 to October 1, 2036 and were partially refunded as part of the 2012A Utilities System Revenue Bond issuance. The 2005A bonds will be 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 2005A bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City's electric, natural gas, water, wastewater and telecommunications systems 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.

**\$61,590,000 2005 Utilities System Revenue Bonds Series 2005B (Federally Taxable)** – 5.14%-5.31%, dated November 16, 2005, final maturity October 1, 2021. The 2005B bonds will be 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 2005B bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City's electric, natural gas, water, wastewater and telecommunications systems and to refund the City's Utilities System Commercial Paper Notes, Series D.

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**\$55,135,000 2005 Utilities System Revenue Bonds Series 2005C** – Variable interest rates based on market rates, 0.21% at September 30, 2012, dated November 16, 2005, final maturity October 1, 2026. The 2005C bonds will be 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 2005C bonds were issued to refund a portion of the City's Utilities System Revenue Bonds, 1996 Series A and created a net present value savings of over \$6,700,000, with yearly cash savings ranging from approximately \$370,000 to over \$1,085,000.

**\$53,305,000 2006 Utilities System Revenue Bonds Series 2006A** – Variable interest rates based on market rates, 0.23% at September 30, 2012, dated July 6, 2006, final maturity October 1, 2026. The 2006A bonds will be 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 2006A Bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City's electric, natural gas, water, wastewater and telecommunications systems and to refund a portion of the City's Utilities System Revenue Bonds, 1996 Series A. The 2006A 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.

**\$139,505,000 2007 Utilities System Revenue Bonds Series 2007A** – Variable interest rates based on market rates, 0.19% at September 30, 2012, dated July 6, 2006, final maturity October 1, 2036. The 2007A bonds will be 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 2007A 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 2007A Bonds created a net present value savings of over \$8,500,000, with yearly cash savings ranging from \$136,266 to \$504,969.

**\$105,000,000 Utilities System Revenue Bonds, Series 2008A** – 3.94% - 5.27%, dated February 13, 2008, final maturity October 1, 2020. The 2008A bonds will be 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 2008A Bonds were issued to pay costs of acquisition and construction of the City's utilities system.

**\$90,000,000 Utilities System Revenue Bonds Series 2008B** – Variable interest rates based on market rates, 0.15% at September 30, 2012, dated February 13, 2008, final maturity October 1, 2038. The 2008B bonds will be 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 2008B Bonds were issued to pay costs of acquisition and construction of the City's utilities system.

**\$24,190,000 Utilities System Revenue Bonds Series 2009A** – 2.37% - 3.59%, dated September 16, 2009, final maturity October 1, 2015. The 2009A bonds will be subject to redemption prior to maturity at the election of the City at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The 2009A bonds were issued to pay costs of acquisition and construction of the City's utilities system.

**\$156,900,000 Utilities System Revenue Bonds Series 2009B (Federally Taxable)** – 3.59%-5.65%, dated September 16, 2009, final maturity October 1, 2039. The 2009A bonds will be subject to redemption prior to maturity at the election of the City at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The 2009A bonds were issued to pay costs of acquisition and construction of the City's utilities system.

**\$12,930,000 Utilities System Revenue Bonds Series 2010A (Federally Taxable)** – 5.87%, dated November 1, 2010, final maturity October 1, 2040. The 2010A bonds will be subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010A 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 Series 2010B (Federally Taxable)** – 6.02%, dated November 1, 2010, final maturity October 1, 2030. The 2010B bonds will be subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010B bonds were issued to (a) pay costs of acquisition

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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 Series 2010C** – 5.00% – 5.25%, dated November 1, 2010, final maturity October 1, 2034. The 2010C bonds will be subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010C 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.

**\$81,860,000 Utility System Revenue Bonds Series 2012A** – 2.50% - 5.00% dated August 1, 2012 final maturity October 1, 2028. The 2012A 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 will be subject to redemption prior to maturity, at a redemption price so specified.

**\$100,470,000 Utility System Revenue Bonds Series 2012B** - Variable interest rates based on market rates, 0.20% at September 30, 2012, dated August 1, 2012, final maturity October 1, 2028. The 2012B bonds were issued (a) to refund \$31,560,000 in aggregate principal amount of the 2005 Series B Bonds, (b) to provide funds to refund \$17,570,000 in aggregate principal amount of the 2005 Series C Bonds, (c) to provide funds to refund \$25,930,000 in aggregate principal amount of the 2006 Series A Bonds, (d) to provide funds to refund \$14,405,000 in aggregate principal amount of the 2008 Series A Bonds, and (e) to 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.

**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, 2012 was \$722,900.

**\$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.

**Utility Notes**

**\$85,000,000 Commercial Paper Notes, Series C Notes (Federally Taxable)**- These may continue to be issued to refinance maturing Series C Notes or provide for other costs. Liquidity support for the Series C notes is provided under a long-term credit agreement dated as of March 1, 2000 with Bayerische Landesbank Girozentrale. This agreement has been extended to October 1, 2013. The obligation of the bank may be substituted by another bank which 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 \$85,000,000 with same day availability ending on the termination date, as defined in the agreement. Interest is at a variable market rate which was 0.28% at September 30, 2012. Series C Notes of \$62,000,000 are outstanding as of September 30, 2012.

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**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		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 9,804,984	\$ 7,089,475	\$ 32,262,513	\$ 22,092,543
2014	12,675,247	7,002,503	27,217,007	22,835,958
2015	5,493,597	6,816,418	21,796,495	21,774,183
2016	5,712,976	6,995,403	22,436,651	21,012,133
2017	7,131,600	6,027,228	23,291,044	20,262,017
2018-2022	31,034,368	34,240,652	127,915,804	88,439,455
2023-2027	30,365,253	32,904,314	135,980,584	70,158,578
2028-2032	42,789,582	11,831,370	195,757,037	51,553,212
2033-2037	1,075,000	58,265	208,470,000	36,623,899
2038-2042	-	-	198,170,000	12,518,772
2043	-	-	16,735,000	16,735
Total	<u>\$ 146,082,607</u>	<u>\$ 112,965,628</u>	<u>\$ 1,010,032,135</u>	<u>\$ 367,287,485</u>

Interest rates used are per GASB No. 38, which requires the rate used in the calculations be that in effect as of September 30, 2012. Interest rates on variable-rate long-term debt belonging to the Utility were valued to be equal to 0.21% for the 2005C Series Bonds, 0.23% for the 2006A Series Bonds, 0.19% for the 2007A Series Bonds, 0.15% for the 2008B Series Bonds, 0.20% for the 2012 Series B Bonds and 0.28% for the 2008 Commercial Paper Notes, Series C.

Interest expense for the 2009B and 2010B Bonds have been shown net of the federal interest subsidy, which is equal to 35% of the annual interest expense for the duration of the bonds. The subsidy is recorded as a non-operating revenue on the statement of revenue, expense and changes in net position and statement of activities.

For the Utility's variable rate demand obligations in the above schedule, support is provided in connection with tenders for purchase with various liquidity providers pursuant to standby bond purchase agreements (SBPA) 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. The current stated termination dates of the SBPAs range from November 15, 2012 to December 31, 2014. Each of the SBPA termination dates may be extended. At September 30, 2012, there were no outstanding draws under the SBPAs. The 2005C Bonds and the 2006A Bonds are supported by SBPAs that expire on November 15, 2012 and July 5, 2013, respectively. See Note 17, Subsequent Events, for further information.

For the commercial paper notes appearing in the above schedule, to provide liquidity support, GRU has entered into a revolving credit agreement with commercial banks. If moneys 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, 2012 are September 11, 2014 and November 30, 2015. The credit agreement with the termination date of November 30, 2015 has the option to terminate the agreement on October 1, 2013. The credit agreement termination dates may be extended. At September 30, 2012, there were no outstanding draws under the credit agreements.

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**Debt Service Requirements for Capital Lease**

Year ending September 30,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 80,733	\$ 20,659	\$ 101,392
2014	84,176	17,216	101,392
2015	87,765	13,627	101,392
2016	91,507	9,885	101,392
2017	95,409	5,983	101,392
2018	77,824	1,915	79,739
<b>Total</b>	<b>\$ 517,414</b>	<b>\$ 69,285</b>	<b>\$ 586,699</b>

**DERIVATIVES:**

GRU is a party to certain interest rate swap agreements. GRU applies hedge accounting where applicable (See Note 1(I) Futures and Options Contracts, Derivatives and Deferred Charges/Credits) for effective hedging instruments. For effective hedging instruments, the changes in fair value are recorded as deferred outflows and inflows on the statement of net position. According to GASB No. 53, the changes in fair value of ineffective hedging instruments would be recorded on the statement of activities as an adjustment to investment income. However, GRU has applied GASB No. 62, which permits for the change in fair value of ineffective hedging instruments to also be deferred as a regulatory item. Accordingly, GRU has elected to defer the ineffective portions, which are included in regulatory assets.

Under GRU's interest rate swap programs, GRU 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 GRU 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 the debt in the statement of revenues, expenses, and changes in net position. No money is initially exchanged when GRU enters into a new interest rate swap transaction. Following is a disclosure of key aspects of the agreements.

Objective of the interest rate swap. To protect against the potential of rising interest rates, GRU has entered into interest rate swap transactions.

Terms, fair values and credit risk. The terms, fair values and credit ratings of the outstanding swaps as of September 30, 2012 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Associated Bond Issue	2008CP*	2005B*	2005C*
Notional Amounts	\$ 22,000,000	\$45,000,000	\$ 55,135,000
Effective Date	07/03/2002	11/16/2005	11/1/2006
Fixed Payer Rate	4.100%	SIFMA	3.200%
Variable Receiver Rate	SIFMA	77.14% of 1 MO LIBOR	60.36% of 10 YR LIBOR
Fair Value	\$(3,288,930)	\$(213,690)	\$(4,202,114)
Termination Date	10/01/2017	10/01/2021	10/01/2026
Counterparty Credit Rating	Baa2/A-/A	Aa2/AAA	Aa3/A+/A+

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Associated Bond Issue	2006A*	2008B*	2008B*
Notional Amounts	\$ 53,305,000	\$ 58,500,000	\$ 31,500,000
Effective Date	07/06/2006	02/01/2008	02/01/2008
Fixed Payer Rate	3.224%	4.229%	4.229%
Variable Receiver Rate	68% of 10 YR LIBOR-0.365%	SIFMA	SIFMA
Fair Value	\$(4,543,753)	\$(20,089,489)	\$(10,821,202)
Termination Date	10/01/2026	10/01/2038	10/01/2038
Counterparty Credit Rating	Aa2/AAA	Aa3/A+/A+-	Aa3/A+/A+
Associated Bond Issue	2007A*		
Notional Amounts	\$ 139,505,000		
Effective Date	03/01/2007		
Fixed Payer Rate	3.944%		
Variable Receiver Rate	SIFMA		
Fair Value	\$(42,237,818)		
Termination Date	10/01/2036		
Counterparty Credit Rating	Aa2/AAA		

\* See "Basis Risk" section below in Note 5 "Long Term Debt" for details.

Fair Value. All seven of the swap agreements have negative fair values as of September 30, 2012. Due to the low interest rate environment, as compared to the period when the swaps were entered into, the fixed payer rates currently exceed the variable receiver rates. These swaps are based on a different variable receiver rate, which is partially responsible for the difference in performance.

Swap payments and associated debt. Assuming interest rates remain the same as at September 30, 2012, debt service requirements on the interest rate swap would be as follows:

Fiscal Year Ending Sept 30,	Variable Rate		Fixed Rate		Interest Rate Swaps, Net	Total
	Principal	Interest	Principal	Interest		
2013	\$ 6,580,000	\$ 750,998	\$ 435,000	\$ 1,914,258	\$ 11,716,527	\$ 21,396,783
2014	300,000	672,548	460,000	1,331,261	11,563,169	14,326,978
2015	5,410,000	657,688	485,000	1,306,974	11,232,398	19,092,060
2016	6,425,000	641,230	3,320,000	1,209,186	10,818,200	22,413,616
2017	6,620,000	623,469	3,495,000	1,031,069	10,393,839	22,163,377
2018-2022	36,090,000	2,909,982	17,670,000	2,161,701	47,726,282	106,557,965
2023-2027	57,310,000	2,453,485	-	-	40,154,805	99,918,290
2028-2032	97,780,000	1,767,966	-	-	29,872,697	129,420,663
2033-2037	116,715,000	567,354	-	-	10,370,446	127,652,800
2038-2042	10,200,000	15,450	-	-	211,574	10,427,024
<b>Total</b>	<b>\$343,430,000</b>	<b>\$ 11,060,170</b>	<b>\$ 25,865,000</b>	<b>\$ 8,954,449</b>	<b>\$184,059,937</b>	<b>\$ 573,369,556</b>

The interest rates used are those in effect as of September 30, 2012.

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	Fair Value of Interest Swaps at September 30, 2012	Changes in Fair Value	Deferred (Inflows)/ Outflows	Regulatory Asset/Liability for Ineffective Instruments
2008CP	\$ (3,288,930)	\$ 213,814	\$ (154,921)	\$ (58,893)
2005B	(213,690)	539,867	-	(539,867)
2005C	(4,202,114)	(231,745)	-	231,745
2006A	(4,543,753)	(274,356)	-	274,356
2008B	(20,089,489)	(2,783,796)	2,783,796	-
2008B	(10,821,202)	(1,499,116)	1,499,116	-
2007A	(42,237,818)	(6,426,066)	6,426,066	-
	<u>\$ (85,396,996)</u>	<u>\$ (10,461,398)</u>	<u>\$ 10,554,057</u>	<u>\$ (92,659)</u>

**Credit Risk.** As of September 30, 2012 the fair value of all the swaps were negative, therefore the City is not subject to credit risk. To mitigate the potential for credit risk, the City has negotiated additional termination event and collateralization requirements in the event of a ratings downgrade. Failure to deliver the Collateral Agreement to the City as negotiated and detailed in the Schedule to the International Swap and Derivative Agreement (ISDA) for each counterparty would constitute an event of default with respect to that counterparty.

**Basis Risk.** The swaps expose the City to basis risk.

- The 2008C Swap (formerly the 2002A Swap) is exposed to the difference between the weekly SIFMA index and CP maturity rate of less than 90 days based on current market conditions. As a result, savings may not be realized. As of September 30, 2012, the SIFMA rate was 0.18%.
- The 2005B Swap is exposed to basis risk through the potential mismatch of 77.14% of one month LIBOR and the SIFMA rate. As a result, savings may not be realized. As of September 30, 2012 the one month LIBOR rate was 0.21425%, which places the SIFMA at approximately 84.01% of one month LIBOR at that date.
- The 2005C 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.
- The 2006A Swap is exposed to basis risk through the potential mismatch of 68% of 10-year LIBOR less 0.365% and the variable 31-day rollover rate. As a result, savings may not be realized. As of September 30, 2012, the 10-year LIBOR rate was 1.672%.
- The 2007A Swap and the 2008B Swaps are exposed to the difference between SIFMA and the variable 31-day rollover rate.

**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, or an event of default and illegality. It can also be terminated 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's exposure to this risk is through its pay – fixed, variable interest rate swap agreements. 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 choose 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 swap counterparties.

**Market Access Risk.** This risk is associated with the event that GRU will not be able to enter credit markets for interest swap agreements of that the credit market becomes more costly. GRU maintains a strong credit rating of "Aa2" from Moody's, "AA" from Standard and Poor's, and "AA-" from Fitch. Currently GRU has not encountered any credit market barriers.



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**PLEDGED REVENUES:**

The 1994 and 2004 Guaranteed Entitlement Revenue and Refunding Bonds were issued to refund multiple prior issues and to fund road and building construction and repair projects. Both issues are secured by a lien upon and pledge of the City's Guaranteed Entitlement Funds. The remaining principal and interest payments on these bonds at September 30, 2012 total \$12,887,025, payable semiannually through July 1, 2024. Pledged revenue is \$1,100,340 each year, which is slightly greater than the annual debt requirement (in 2012, the coverage ratio was 1.0573).

Under the terms of the Bond 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 Bond Resolution for decommissioning and certain other specified purposes), including any investments and income thereof. The Bond Resolution contains certain restrictions and commitments, including GRU's covenant to establish and maintain rates and other charges to produce revenue sufficient to pay operating and maintenance expenses, amounts required for deposit in the debt service fund, and amounts required for deposit into the utility plant improvement fund.

**ADVANCE REFUNDINGS:**

**Revenue Refunding Note, Series 2011**

The City issued the \$6,230,000 Refunding Revenue Note, Series 2011, dated November 1, 2011 with a fixed interest rate of 2.36% to refund \$5,995,000 of First Florida Governmental Financing Commission Series 2002 Bonds with an average interest rate of 4.41%.

The City will reduce its total debt service payments over the next ten years by approximately \$912,000 and obtain an economic gain (net present value) of approximately \$705,000.

**Utility System Revenue Bonds, Series 2012A**

GRU issued the \$81,860,000 Utility System Revenue Bonds, Series 2012A, dated August 1, 2012 with fixed interest rates ranging from 2.50% to 5.00% to refund \$1,605,000 of the 2003 Series A Bonds with a fixed interest rate of 4.625% and to refund \$78,690,000 of the 2005 Series A Bonds with fixed rates between 5.14% and 5.31%.

The Utility will reduce its total debt service payments over the next 16 years by approximately \$5.7 million and obtain an economic gain (net present value) of approximately \$4.8 million.

**Utility System Revenue Bonds, Series 2012B**

GRU issued the \$100,470,000 Utility System Revenue Bonds Series 2012B, dated August 1, 2012 with a variable interest rate based on market rates (0.20% at September 30, 2012) to refund \$31,560,000 of the 2005 Series B Bonds with fixed rates between 4.75% and 5.00%, to refund \$17,570,000 of the 2005 Series C Bonds with variable rates equal to 0.21% at September 30, 2012, to refund \$25,930,000 of the 2006 Series A Bonds with variable rates equal to 0.23% at September 30, 2012, and to refund \$14,405,000 of the 2008 Series A Bonds with fixed interest rates between 4.49 and 5.02%.

The Utility will increase its total debt service payments over the next 30 years by approximately \$73.6 million and obtain an economic gain (net present value) of approximately \$2.6 million.

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**CHANGES IN LONG-TERM LIABILITIES:**

Long-term liability activity for the year ended September 30, 2012 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	\$ 40,723,934	\$ -	\$ 9,755,193	\$ 30,968,741	\$ 2,238,684
Bond premium	370,246	-	53,988	316,258	-
Pension obligation bonds	83,567,113	-	1,326,472	82,240,641	1,450,350
OPEB obligation bonds	16,595,000	-	4,365,000	12,230,000	4,800,000
Less deferred amounts:					
For loss on refunding	-	293,370	25,211	268,159	-
For issuance discounts	88,031	-	40,827	47,204	-
Total bonds payable	141,168,262	(293,370)	15,434,615	125,440,277	8,489,034
Capital lease	594,846	-	77,432	517,414	80,733
Revenue note	11,486,938	9,960,000	803,713	20,643,225	1,315,950
Compensated absences	3,784,491	2,016,300	2,020,787	3,780,004	145,400
Total	<u>\$ 157,034,537</u>	<u>\$ 11,682,930</u>	<u>\$ 18,336,547</u>	<u>\$ 150,380,920</u>	<u>\$ 10,031,117</u>

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	\$ 963,180,000	\$ 182,330,000	\$ 200,815,000	\$ 944,695,000	\$ 31,900,000
Add: Issuance premiums	4,684,413	9,358,444	1,307,673	12,735,184	-
Less deferred amounts:					
For loss on refundings	21,362,491	20,812,745	3,549,914	38,625,322	-
For issuance discounts	120,744	-	47,585	73,159	-
Total bonds payable	946,381,178	170,875,699	198,525,174	918,731,703	31,900,000
Utility notes payable	62,000,000	-	-	62,000,000	-
Other notes payable	3,690,256	-	353,121	3,337,135	362,513
Compensated absences	4,440,517	2,809,850	2,854,754	4,395,613	169,023
Total	<u>\$ 1,016,511,951</u>	<u>\$ 173,685,549</u>	<u>\$ 201,733,049</u>	<u>\$ 988,464,451</u>	<u>\$ 32,431,536</u>

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 28,536,867	\$ 1,077,006	\$ 792,539	\$ 28,821,334
Construction in progress	<u>34,726,881</u>	<u>4,849,943</u>	<u>7,737,890</u>	<u>31,838,934</u>
Total capital assets, not being depreciated	63,263,748	5,926,949	8,530,429	60,660,268
Capital assets, being depreciated:				
Buildings	51,487,799	7,138,518	8,700	58,617,617
Improvements other than buildings	10,832,843	3,407,281	159,971	14,080,153
Machinery and equipment	40,876,388	3,060,045	1,646,048	42,290,385
Infrastructure	<u>163,358,918</u>	<u>3,240,978</u>	<u>-</u>	<u>166,599,896</u>
Total capital assets being depreciated	266,555,948	16,846,822	1,814,719	281,588,051
Less accumulated depreciation for:				
Buildings	(22,118,056)	(1,811,666)	(8,700)	(23,921,022)
Improvements other than buildings	(5,890,294)	(536,348)	(153,632)	(6,273,010)
Machinery and equipment	(29,752,721)	(3,757,111)	(1,593,985)	(31,915,847)
Infrastructure	<u>(102,134,578)</u>	<u>(2,632,062)</u>	<u>-</u>	<u>(104,766,640)</u>
Total accumulated depreciation	<u>(159,895,649)</u>	<u>(8,737,187)</u>	<u>(1,756,317)</u>	<u>(166,876,519)</u>
Total capital assets, being depreciated, net	<u>106,660,299</u>	<u>8,109,635</u>	<u>58,402</u>	<u>114,711,532</u>
Governmental activities capital assets, net	<u>\$ 169,924,047</u>	<u>\$ 14,036,584</u>	<u>\$ 8,588,831</u>	<u>\$ 175,371,800</u>

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

General Government	\$ 1,174,215
Public Safety	1,442,321
Transportation	3,010,808
Economic Environment	29
Culture & Recreation	1,201,122
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	<u>1,908,692</u>
Total depreciation expense - governmental activities	<u>\$ 8,737,187</u>

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,163,458	\$ 1,046,467	\$ 310,412	\$ 5,899,513
Construction in progress	<u>301,656,555</u>	<u>73,818,963</u>	<u>228,932,790</u>	<u>146,542,728</u>
Total capital assets, not being depreciated	306,820,013	74,865,430	229,243,202	152,442,241
Capital assets, being depreciated:				
Utility plant and equipment	1,480,340,734	228,889,434	34,736,737	1,674,493,431
Buildings	7,436,030	512,758	3,710	7,945,078
Improvements other than buildings	4,452,238	10,839	105,813	4,357,264
Machinery and equipment	30,347,138	6,770,441	139,211	36,978,368
Infrastructure	<u>27,348,206</u>	<u>470,574</u>	<u>-</u>	<u>27,818,780</u>
Total capital assets, being depreciated	1,549,924,346	236,654,046	34,985,471	1,751,592,921
Less accumulated depreciation for:				
Utility plant and equipment	(603,848,220)	(49,198,616)	(42,355,205)	(610,691,631)
Buildings	(2,363,179)	(260,280)	(3,236)	(2,620,223)
Improvements other than buildings	(2,197,644)	(154,480)	(81,465)	(2,270,659)
Machinery and equipment	(14,397,326)	(2,967,901)	(133,711)	(17,231,516)
Infrastructure	<u>(18,337,888)</u>	<u>(233,129)</u>	<u>-</u>	<u>(18,571,017)</u>
Total accumulated depreciation	<u>(641,144,257)</u>	<u>(52,814,406)</u>	<u>(42,573,617)</u>	<u>(651,385,046)</u>
Total capital assets, being depreciated, net	<u>908,780,089</u>	<u>183,839,640</u>	<u>(7,588,146)</u>	<u>1,100,207,875</u>
Business-type activities capital assets, net	<u>\$ 1,215,600,102</u>	<u>\$ 258,705,070</u>	<u>\$ 221,655,056</u>	<u>\$ 1,252,650,116</u>

Depreciation expense was charged to business-type activities functions/programs of the primary government as follows:

Utility	\$ 49,198,616
Regional Transit System	3,147,566
Stormwater	301,259
Ironwood	134,169
Florida Building Code Enforcement	14,480
Solid Waste	18,316
Total depreciation expense - business type activities	<u>\$ 52,814,406</u>

For the Utility, the average depreciation rate was 3.12% for utility plant and equipment for fiscal year 2012.

**NOTE 7 - INDIVIDUAL FUND DEFICITS**

The following funds had deficit net position or fund balances at September 30, 2012:

**Special Revenue Funds**

<i>Community Redevelopment Agency Fund</i>	\$(3,003,883)
<i>Tourist Product Development FY10</i>	\$(33,500)
<i>Art in Public Places Trust Fund</i>	\$(29,786)

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**Enterprise Fund***Ironwood Golf Course*

\$(817,645)

The Community Redevelopment Agency Fund has a negative fund balance due to long term advances from the General Fund for redevelopment projects. These advances are described in more detail in Note 9.

For the Tourist Product Development FY10 Fund and Art in Public Places Trust Fund, the General Fund will be making transfers in fiscal year 2013 to eliminate the deficits.

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, in FY2010, the City began a ten-year series of transfers from the General Fund to fully fund the deficit balance. In FY2020, the City plans to incorporate the Golf Course into the General Fund as a part of the Parks, Recreation, and Cultural Affairs Department.

**NOTE 8 – COMPOSITION OF RECEIVABLES AND PAYABLES**Governmental activities

## Receivables:

**General Fund** – Net accounts receivable as of September 30, 2012 are comprised of approximately 35% taxes (communications services tax and payment in lieu of taxes), 5% due from other governments, 5% receivables from employees, and 55% other receivables.

**Nonmajor governmental funds** – Net accounts receivable as of September 30, 2012 consist of approximately 8% loans receivable, 63% intergovernmental receivables, and 29% other receivables.

## Payables:

**General Fund** – As of September 30, 2012, the payables balance in the General Fund consists of 54% wages payable and 46% other payables.

**Nonmajor governmental funds** – Payables balances as of September 30, 2012 are comprised of 20% construction related obligations, 8% wages payable and 72% other payables.

Business-type activities

## Receivables:

**Utility Fund** – As of September 30, 2012 the net accounts receivable balance in the Utility Fund consists of 98.9% customer receivables for billed and unbilled utility services and 1.1% other receivables.

**Nonmajor Enterprise Funds** – Net accounts receivable as of September 30, 2012 are comprised of approximately 44% intergovernmental receivables and 56% other receivables.

## Payables:

**Utility Fund** – As of September 30, 2012 the payables balance in the Utility Fund consists of 16.7% fuels payable, 42.7% standard vendor payables, 14.7% intergovernmental payables, 19.2% wages payable and 6.7% other payables.

**Nonmajor Enterprise Funds** – As of September 30, 2012 payables balances consist of 100% standard vendor payables.

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS****Due to/from other funds:**

<b>Due to:</b>	<b>Due from:</b>			<b>Total</b>
	<b>Utility</b>	<b>Nonmajor governmental</b>	<b>Nonmajor Enterprise</b>	
General	\$ 3,077,343	\$ 2,140,904	\$ -	\$ 5,218,247
Utility	-	59,169	-	59,169
Nonmajor				
Governmental	3,812	-	-	3,812
Internal Service	369,226	-	-	369,226
Nonmajor				
Enterprise	1,302,665	-	6,175,260	7,477,925
<b>Total</b>	<b>\$ 4,753,046</b>	<b>\$ 2,200,073</b>	<b>\$ 6,175,260</b>	<b>\$ 13,128,379</b>

The \$6,175,260 interfund payable between enterprise funds resulted from Ironwood and Regional Transit overdrawing their share of the pooled cash account. The \$2,140,904 due to the General Fund from nonmajor governmental funds is entirely composed of 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 Nonmajor Governmental Funds resulted from various notes between the City and the Community for Redevelopment Agency (CRA) blended component unit for various projects within the four CRA districts. A description of each note is listed below:

**\$60,000 Arlington Square Apartments Phase III, Downtown Promissory Note** – 6.5% fixed annual interest rate. In August 1998, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. In September 2002, the note was amended to specify that repayment will be from tax increment proceeds from the redevelopment of specific parcels. The final repayment is scheduled for July 2013.

**\$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.

**\$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.

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**\$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.

**\$355,165 Loan Advance for Construction of Model Homes** – 3.0% fixed annual interest rate. In December 2011, the City established a construction line of credit for the construction of model block homes in the 5<sup>th</sup> Avenue Tax Increment District of the CRA. The CRA draws down on the line of credit to reimburse contractors for the construction cost of the model homes. Principal payment along with accrued interest is paid back to the City from the sale proceeds of the home at closing.

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

Year ending September 30,	Advances from General Fund to CRA		
	Principal	Interest	Total
2013	\$ 407,355	\$ 136,944	\$ 544,299
2014	226,979	124,120	351,099
2015	235,599	114,708	350,307
2016	246,392	104,872	351,264
2017	255,096	94,267	349,363
2018-2022	1,316,069	291,783	1,607,852
2023-2025	524,116	41,421	565,537
Total	<u>\$ 3,211,606</u>	<u>\$ 908,115</u>	<u>\$ 4,119,721</u>

**Interfund transfers:**

	Transfers from:					Total
	General	Utility	Nonmajor governmental	Internal Service	Nonmajor Enterprise	
<b>Transfers to:</b>						
General	\$ -	\$ 36,004,958	\$ 274,351	\$ -	\$ 357,534	\$ 36,636,843
Nonmajor						
Governmental	21,410,701	-	7,151,558	141,121	2,193,492	30,896,872
Internal Service	-	-	35,000	-	-	35,000
Nonmajor						
Enterprise	1,333,558	-	549,864	-	-	1,883,422
Total	<u>\$ 22,744,259</u>	<u>\$ 36,004,958</u>	<u>\$ 8,010,773</u>	<u>\$ 141,121</u>	<u>\$ 2,551,026</u>	<u>\$ 69,452,137</u>

The Utility transfer totaling \$36,004,958 to the General Fund is based on a formula adopted by the City Commission. Please refer to Note 10 for more detail. \$10,862,369 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.

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**NOTE 10- ENTERPRISE FUND (UTILITIES SYSTEM) TRANSFERS TO GENERAL FUND**

In 1986, the City Commission established a formula to determine the amount of Utility System revenues to be transferred to the General Fund of the City from the Enterprise (Utilities System) Funds. The formula predominately tied the transfer directly to the financial performance of the Utility System. The transfer to the General Fund may be made only to the extent such monies are not necessary to pay operating and maintenance expense and to pay debt service on the outstanding bonds and subordinated debt or to make other necessary transfers under the Bond Resolution.

During the fiscal year 2011 budget process, the City Commission approved a suspension of the current formula that had been in use since 2000 due to economic uncertainties and to provide budgetary stability to each organization. Starting in fiscal year 2011 the transfer will be a fixed amount until the end of fiscal year 2014. Each year starting in fiscal year 2011, the City and GRU will review the current years transfer amount and compare that to the calculated General Fund Transfer Formula (GFT). If the difference between the fixed agreed upon transfer amount and the GFT calculated amount is no greater than \$500,000 over or under, then the transfer amount will remain unchanged for that fiscal year. If the difference is greater than \$500,000 over or under, then the General Fund and GRU will equally share in the gain or loss for amounts greater than \$500,000 for that fiscal year.

The transfer to the General Fund for the year ended September 30, 2012 was \$36,004,958.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

GRU is subject to numerous Federal, State, and local environmental regulations. Under the Comprehensive Environmental Response Compensation and Liability Act, commonly known as "Superfund", GRU has been named as a potentially responsible party at several hazardous waste sites; however, GRU does not anticipate any more than "de minimus" liability at any of these sites. In January 1990, GRU purchased the natural gas distribution assets of a company and pursuant to the related purchase agreement, assumed responsibility for the investigation and remediation of environmental impact related to the operation of the former manufactured gas plant. Based upon GRU's analysis of the cost to clean up these sites, GRU has accrued a liability to reflect the costs associated with the cleanup effort. GRU has accrued a liability to reflect the costs associated with the cleanup effort. During fiscal year 2012, expenditures which reduced the liability balance were \$3.1 million. In accordance with GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the reserve was reduced \$0.2 million due to new project estimates and probabilities, bringing the reserve balance at September 30, 2012 to \$2.6 million.

GRU is recovering the costs of this clean-up through customer charges. A regulatory asset was established as a deferred charge in the accompanying statements of net position to represent the balance of customer charges. Fiscal 2012 billings were \$0.9 million. This reduced the deferred asset balance to \$19.7 million as of September 30, 2012.

Although some uncertainties associated with environmental assessment and remediation activities remain, GRU believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect on GRU's financial position, results of operation or liquidity.

GRU has a possible environmental liability related to an oil contamination at the Kelly Generating Station. In July of 2006, GRU was notified by the Florida Department of Environmental Protection, FDEP, that provisions of Chapter 62-780, F.A.C. must be complied with on this site. This Rule is currently being utilized to establish a process and time schedule for assessment and remediation of the site. GRU's liability utilizing this Rule is unknown and cannot be reasonably estimated at this time.

The City is involved in several pending lawsuits in the normal course of operations. There are also certain pending unasserted potential claims and assessments relating to environmental cleanup issues. It is the opinion of management and the City Attorney (in-house counsel) that any uninsured claims resulting from such litigation would not be material in relation to the City's financial condition or results of operations.



**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**NOTE 12 – INVESTMENT IN THE ENERGY AUTHORITY**

In May 2000, GRU became an equity member of The Energy Authority (TEA), a power marketing joint venture. In May 2002, TEA began trading natural gas on behalf of GRU. As of September 30, 2005 this joint venture was comprised of six municipal utilities across the nation, all of which are participating in the electric marketing and five of which participate in the gas program. GRU's ownership interest was 7.1% in the electric venture and 7.7% in the gas venture, and it accounted for this investment using equity accounting. GRU has reflected the capital contribution as an investment in TEA. The investment balance has been adjusted for GRU's subsequent share of TEA's net income or loss. In calculating GRU's share of net income or loss, profit on transactions between GRU and TEA have been eliminated. Such transactions primarily relate to purchases and sales of electricity between GRU and TEA.

GRU had electric purchase transactions with TEA of \$25.2 million and sales transactions of \$0.4 million in fiscal year 2012. TEA's profit on these transactions has been reflected as a reduction to GRU's reported revenue or expense. As of September 30, 2012, GRU's investment in TEA was \$2.7 million.

GRU provides guarantees to TEA and to TEA's bank to secure letters of credit issued by the bank to cover purchase and sale contracts for electric energy, natural gas and related transmission. In accordance with the membership agreement between GRU and its joint venture members and with the executed guaranties delivered to TEA and to TEA's bank, GRU's aggregate obligation for electric energy marketing transactions entered into by TEA on behalf of its members was \$9.6 million as of September 30, 2012. GRU's aggregate obligation for TEA's natural gas marketing transactions, under similar agreements and executed guaranties, is \$13.7 million as of September 30, 2012.

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 13 – JOINTLY OWNED ELECTRIC PLANT (CR3)**

GRU-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in the Crystal River Unit 3 (CR3) nuclear power plant operated by Progress Energy Florida (PEF), a subsidiary of Duke Energy. GRU's net investment in CR3 at September 30, 2012 is approximately \$19.5 million. CR3 operation and maintenance costs, which represent GRU's part of expenses attributable to operation of CR3, are recorded in accordance with the instructions as set forth in the FERC uniform system of accounts. Payments are made to PEF in accordance with the CR3 participation agreement.

GRU, as a part of this participation agreement, is responsible for its share of future decommissioning costs. Decommissioning costs are funded and expensed annually and are recovered through rates charged to customers. The most recent decommissioning cost estimate provided by Progress Energy in September 2006 estimated GRU's share of total future decommissioning costs to be \$7.7 million of which \$5.2 million has already been deposited. This \$7.7 million is expected, with reinvestment and interest earnings, to reach \$24.7 million in total, which will be used in 2041 to pay for the projected costs of decommissioning the plant. The market value of the funds on deposit as of September 30, 2012 is \$10.3 million.

See Note 17, Subsequent Events, for additional information regarding CR3.

**NOTE 14 – UTILITIES' FUTURES AND OPTIONS CONTRACTS**

GRU conducts a risk management program with the intent of reducing the impact of fuel price spikes 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.

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

The information below provides a summary of results based on GRU's risk management activity during fiscal year 2012 (in thousands, except MMBTU's).

	Fair Value of Cash Flow Hedges at September 30, 2012	Changes in Fair Value	Deferred (Inflows)/ Outflows of Resources	Notional Amount (MMBTU's)
Natural Gas	\$ 3,759	\$ (1,867)	\$ (985)	3,920

Realized gains or losses related to hedging positions are deferred under the rate-setting policy. During fiscal year 2012, GRU recognized losses of \$8.4 million.

**NOTE 15 – OTHER NON-CURRENT LIABILITIES**

Other non-current liabilities for the year ended September 30, 2012 are as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Reserve for Insurance Claims	\$ 3,337	\$ 1,176	\$ (1,176)	\$ 3,337	\$ -
Reserve for Decommissioning CR3	10,083	195	-	10,278	-
Reserve for Environmental	5,186	-	(3,296)	1,890	-
Total	\$ 18,606	\$ 1,371	\$ (4,472)	\$ 15,505	\$ -

**NOTE 16 – CONDUIT DEBT**

From time to time, the City has 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.

There is no obligation on the part of the City, County, State, or any political subdivision for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2012, there were three Industrial Revenue bonds outstanding, with an aggregate principal amount payable of \$5,000,000.

**NOTE 17 – SUBSEQUENT EVENTS**

**General Pension Plan**

Effective October 1, 2012, the City Commission approved an ordinance amending the City's General Employees Pension Plan (Plan). The Plan modifications were bargained through the City's collective bargaining process. The changes modified the length and components of final average earnings, eligibility for normal and early retirement, reduced the multiplier and delayed the cost of living allowance, eliminated DROP for new members and reduced the DROP return for existing members, and made other changes mandated by Florida Statutes. These changes will apply to members of the Plan to varying degrees depending on whether the member is a new City employee, non-vested, vested or retirement eligible. These modifications to the Plan will reduce the required City contributions to the Plan by \$10.3 million over the next five fiscal years.

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2012**

**Subsequent Liquidity Facility**

As of December 21, 2012, GRU has obtained a "Substitute Liquidity Facility" (as defined in the Supplemental Resolution) for both the 2005C Utilities System Revenue Bonds and the 2006A Utilities System Revenue Bonds. The substitute liquidity facilities are in the form of a standby bond purchase agreement (SBPA) between GRU and Union Bank, N.A. for each series. These substitute liquidity facilities replace the previous SBPAs between the City and SunTrust Bank that were set to expire on November 15, 2012 and July 5, 2013 for the 2005C Utilities System Revenue Bonds and the 2006A Utilities System Revenue Bonds, respectively. The substitution facilities both have an expiration date of December 21, 2015.

**Crystal River 3 (CR3)**

As stated in Note 13, GRU owns a 1.4079% interest in the CR3 nuclear power plant operated by PEF. The plant has been offline since late 2009. As of September 30, 2012, the intent of PEF was that all necessary repairs were going to be complete in order to bring the plant safely back online.

Subsequently, PEF announced that it will retire the CR3 plant. The decision comes after a comprehensive analysis of the CR3 containment structure. PEF is working to develop a comprehensive decommissioning plan, which will determine the resources needed as well as other elements of the decommissioning.

As GRU has an ownership interest in the facility, the Utility may be required to fund a portion of the decommissioning costs. In accordance with GASB 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, GRU management believes this to be a nonrecognized subsequent event, as the decision to close the plant occurred subsequent to the statement of net position date. Potential costs to GRU for the decommissioning of the plant include a range of values from \$0 in the event that enough assets are liquidated and insurance proceeds are sufficient to fund the decommissioning; to \$19.5 million in the event that GRU's investment in the plant assets is impaired; to an amount that is indeterminate if there are additional decommissioning costs and costs for containment and disposal of spent fuel rods.

GRU management is working with PEF to estimate and understand the nature and extent of GRU's potential losses as a result of the plant's retirement and will recognize any such losses in accordance with generally accepted accounting principles.

**NOTE 18 – RESTATEMENT**

The following discloses the restatement of net position and fund balances as of the beginning of the fiscal year for changing the reporting the Community Redevelopment Agency (CRA) from a discretely presented component unit to a blended component unit. During fiscal year 2012, it was determined that the CRA should be reported as a blended component unit.

	Governmental Activities
	<hr/>
Net Position, beginning of year, as previously reported	\$ 211,269,292
Advance from General Fund	(2,955,544)
Long-term debt payable to third party	(358,470)
Net Position, beginning of year, as restated	<hr/> <hr/>
	Other Governmental Funds
	<hr/>
Fund Balance, beginning of year, as previously reported	\$ 81,937,894
Advance from General Fund	(2,955,544)
Fund Balance, beginning of year, as restated	<hr/> <hr/>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
<b>REVENUES</b>						
Taxes	\$ 40,155,614	\$ 40,155,614	\$ 39,824,185	\$ -	\$ 39,824,185	\$ (331,429)
Licenses and Permits	757,184	757,184	866,236	-	866,236	109,052
Intergovernmental	10,737,852	10,737,852	10,932,673	-	10,932,673	194,821
Charges for Services	12,632,270	12,762,459	12,771,921	-	12,771,921	9,462
Fines and Forfeitures	1,353,949	1,353,949	1,297,877	-	1,297,877	(56,072)
Miscellaneous	837,088	858,920	1,402,320	-	1,402,320	543,400
<b>TOTAL REVENUES</b>	<b>66,473,957</b>	<b>66,625,978</b>	<b>67,095,212</b>	<b>-</b>	<b>67,095,212</b>	<b>469,234</b>
<b>EXPENDITURES</b>						
Current:						
General Government	14,946,009	15,033,072	14,648,665	15,224	14,663,889	369,183
Public Safety	53,786,514	53,786,239	51,564,982	-	51,564,982	2,221,257
Physical Environment	176,400	182,485	186,323	-	186,323	(3,838)
Transportation	11,355,212	11,359,825	10,707,514	5,838	10,713,352	646,473
Economic Environment	204,553	407,412	348,052	75,348	423,400	(15,988)
Human Services	130,200	130,200	96,404	-	96,404	33,796
Culture and Recreation	6,806,854	6,810,764	6,717,019	-	6,717,019	93,745
<b>TOTAL EXPENDITURES</b>	<b>87,405,742</b>	<b>87,709,997</b>	<b>84,268,959</b>	<b>96,410</b>	<b>84,365,369</b>	<b>3,344,628</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(20,931,785)</b>	<b>(21,084,019)</b>	<b>(17,173,747)</b>	<b>(96,410)</b>	<b>(17,270,157)</b>	<b>3,813,862</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	36,720,363	36,854,874	36,636,843	-	36,636,843	(218,031)
Transfers Out	(15,788,578)	(22,806,621)	(22,744,259)	-	(22,744,259)	62,362
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>20,931,785</b>	<b>14,048,253</b>	<b>13,892,584</b>	<b>-</b>	<b>13,892,584</b>	<b>(155,669)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ (7,035,766)</b>	<b>\$ (3,281,163)</b>	<b>\$ (96,410)</b>	<b>\$ (3,377,573)</b>	<b>\$ 3,658,193</b>

**CITY OF GAINESVILLE, FLORIDA**  
**NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**SEPTEMBER 30, 2012**

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 \$25,000. 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 \$3,344,628 less than the final budget. Revenues were recognized in an amount \$469,234 greater than the final budget. Including other financing sources and uses, the General Fund fund balance increased by \$3,658,193 more than was budgeted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA  
SCHEDULE OF FUNDING PROGRESS  
EMPLOYEES' PENSION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded (UAAL) (b) - (a)</u>	<u>Funded ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as % of covered payroll (b-a)/c</u>
09/30/12	\$ 261,968,000	\$ 399,599,000	\$ 137,631,000	65.56%	\$ 80,426,000	171.13%
09/30/11	271,957,000	388,365,000	116,408,000	70.03%	81,386,000	143.03%
09/30/10	287,894,287	377,439,159	89,544,872	76.28%	84,806,744	105.59%

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF FUNDING PROGRESS**  
**DISABILITY PENSION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded (UAAL) (b) - (a)</b>	<b>Funded ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as % of covered payroll (b-a)/c</b>
09/30/12	\$ 6,673,712	\$ 2,947,760	\$ (3,725,952)	226.40%	\$ 82,039,340	-4.54%
09/30/11	5,653,722	2,716,699	(2,937,023)	208.11%	81,446,055	-3.61%
09/30/10	5,459,769	4,110,026	(1,349,743)	132.84%	84,806,744	-1.59%



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF FUNDING PROGRESS**  
**POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED PENSION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded (UAAL) (b) - (a)</b>	<b>Funded ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as % of covered payroll (b-a)/c</b>
10/01/11	\$ 174,567,199	\$ 211,009,097	\$ 36,441,898	82.73%	\$ 25,133,953	144.99%
10/01/10	176,925,241	199,836,557	22,911,316	88.53%	24,342,597	94.12%
10/01/09	174,013,284	189,206,289	15,193,005	91.97%	25,211,502	60.26%

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded (UAAL) (b) - (a)</b>	<b>Funded ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as % of covered payroll (b-a)/c</b>
09/30/12	\$ 50,448,282	\$ 61,493,434	\$ 11,045,152	82.04%	\$ 122,000,000	9.05%
09/30/11	44,229,562	63,676,679	19,447,117	69.46%	116,000,000	16.76%
09/30/10	46,302,803	62,824,947	16,522,144	73.70%	136,000,000	12.15%

CITY OF GAINESVILLE, FLORIDA  
NOTES TO SCHEDULES OF FUNDING PROGRESS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	EMPLOYEES' PLAN		DISABILITY PLAN		CONSOLIDATED PLAN		OPEB PLAN
Valuation Date	09/30/12		09/30/12		10/01/11		09/30/12
Actuarial Cost Method	Entry Age Normal		Entry Age Normal		Entry Age Normal		Entry Age Normal
Amortization Method	Level percent		Level percent		Level percent		Level percent
Asset Valuation Method	5-year smoothed market		Market value		5-year smoothed market		Market value
Actuarial Assumptions: Investment Rate of Return*	8.50% per annum		8.50% per annum		8.50% per annum		8.50% per annum
Salary Increase Rate*	<u>Years of svc.</u>	<u>Rate</u>	<u>Years of svc.</u>	<u>Rate</u>	<u>Age range</u>	<u>Rate</u>	not applicable
	6 & under	7%	6 & under	7%	Less than 30	7%	
	7 - 11	6	7 - 11	6	30 - 34	6	
	12 - 16	4	12 - 16	4	35 - 39	5	
	Over 16	3.75	Over 16	3.75	40 & older	4	
Health Care Cost Trend Rate	not applicable		not applicable		not applicable		6%

\* Includes inflation of 3.75%.

In the Consolidated Plan, prior year actuarial data is updated using the most recent version provided by the actuary, which may vary from the amounts presented in previous financial reports.



## NONMAJOR 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 nonmajor governmental funds section.

**American Recovery & Reinvestment Act (ARRA) Grants Fund** – to account for multiple ARRA grants, which are restricted in purpose and are segregated from other grants to provide for more transparent reporting of stimulus funding.

**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.

**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.

**Federal Emergency Management Agency (FEMA) Grant Fund** – to account for expenditures and federal and state reimbursement of costs incurred by the City from the three hurricanes passing through the area during the last few weeks of the fiscal year 2004.

**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.

**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.

**Tourist Destination Enhancement Fund** – to account for Tourist 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.

**Emergency Disaster FEMA Fay 08 Fund** – to account for expenditures and federal and state grant reimbursement of costs incurred by the City from Tropical Storm Fay.

**Tourist Product Development Fund** - 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. The City's Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

**Proportionate Fair Share Program Fund** – to account for developer contributions and related projects associated with proportionate fair share agreements in accordance with the City's Land Development Code's Proportionate Fair-Share Program, as authorized by FS 163.3180, allowing developments outside of the TCEA to proceed by contributing towards the cost of traffic management system and transit improvements.

**Tourist Product Development Fund-FY10** - 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 2010. The City's Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

**Tourist Product Development Fund-FY11** - 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 2011. The City's Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

**Tourist Product Development Fund-FY12** - 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 2012. The City's Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

**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.

**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:

**First Florida Governmental Financing Commission (FFGFC) Fund - Series 1998** - to account for funds to maintain a reserve and accumulate the debt service requirements of the 1998 borrowing from the First Florida Governmental Financing Commission.

**First Florida Governmental Financing Commission (FFGFC) Fund – Series 2002** – to account for funds to accumulate the debt service requirements of the 2002 borrowing from the First Florida Governmental Financing Commission.

**First Florida Governmental Financing Commission (FFGFC) Fund – Series 2005** – to account for funds to accumulate the debt service requirements of the 2005 borrowing from the First Florida Governmental Financing Commission.

**First Florida Governmental Financing Commission (FFGFC) Fund – Series 2007** – to account for funds to accumulate the debt service requirements of the 2007 borrowing from the First Florida Governmental Financing Commission.

**Guaranteed Entitlement Revenue and Refunding Bonds 2004 Fund** – to receive and account for funds (Guaranteed Entitlement funds) to accumulate the debt service requirements of the Guaranteed Entitlement Refunding Bonds of 2004.

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

**Other Post-Employment Benefit (OPEB) Obligation Bonds Series 2005** – to account for funds to accumulate the debt service requirements of the other post-employment benefit obligation bonds.

**Capital Improvement Revenue Bond (CIRB) Series 2005** – to account for funds to accumulate the debt service requirements of the CIRB of 2005.

**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.



## 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 nonrefunding portion of the 1994 Guaranteed Entitlement Revenue & Refunding Bonds & interest earnings.

**American Recovery and Reinvestment Act Fund** - to account for multiple ARRA capital projects funded by ARRA grants, which are restricted in purpose and are segregated from other capital projects funds to provide for more transparent reporting of stimulus spending.

**Greenspace Acquisition Fund** - to account for the costs of acquiring undeveloped land. Financing is provided by operating transfers from other funds of the City and interest earnings.

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

**Courthouse Parking Garage** – to account for the costs of the construction of the parking facilities for the new Alachua County Criminal Courthouse financed by the General Fund.

**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.

**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.

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<b>SPECIAL REVENUE FUNDS</b>				
	<b>COMMUNITY DEVELOP- MENT BLOCK GRANT FUND</b>	<b>URBAN DEVELOP- MENT ACTION GRANT FUND</b>	<b>HOME GRANT FUND</b>	<b>CULTURAL AND NATURE PROJECTS FUND</b>	<b>STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	1,085,710	-	165,044	103,969
Investments	-	-	-	-	-
Receivables	316,103	179,491	737,067	1,082	-
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	276,477
<b>TOTAL ASSETS</b>	<b><u>\$ 316,103</u></b>	<b><u>\$ 1,265,201</u></b>	<b><u>\$ 737,067</u></b>	<b><u>\$ 166,126</u></b>	<b><u>\$ 380,446</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ 61,789	\$ -	\$ 33,471	\$ 3,772	\$ 2,148
Due to Other Funds	49,910	-	505,635	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	31,942	179,491	99,366	-	276,477
<b>TOTAL LIABILITIES</b>	<b><u>143,641</u></b>	<b><u>179,491</u></b>	<b><u>638,472</u></b>	<b><u>3,772</u></b>	<b><u>278,625</u></b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	172,462	1,085,710	98,595	162,354	101,821
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>172,462</u></b>	<b><u>1,085,710</u></b>	<b><u>98,595</u></b>	<b><u>162,354</u></b>	<b><u>101,821</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 316,103</u></b>	<b><u>\$ 1,265,201</u></b>	<b><u>\$ 737,067</u></b>	<b><u>\$ 166,126</u></b>	<b><u>\$ 380,446</u></b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**SPECIAL REVENUE FUNDS (continued)**

	<b>FEDERAL LAW EN- FORCEMENT CONTRABAND FORFEITURE FUND</b>	<b>POLICE BILLABLE OVERTIME FUND</b>	<b>COMMUNITY REDEVEL- OPMENT AGENCY FUND</b>	<b>AMERICAN RECOVERY &amp; REINVEST- MENT ACT GRANTS FUND</b>	<b>STREET, SIDEWALK AND DITCH IMPROVE- MENT FUND</b>	<b>ECONOMIC DEVELOP- MENT FUND</b>
<b><u>ASSETS</u></b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	5,008,290	-	240,942	-	165,072	41,546
Investments	-	-	-	-	-	-
Receivables	-	149,364	2,430	10,039	4,368	79,655
Due from Other Funds	-	3,812	-	-	-	-
Assets Held for Resale	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,008,290</b>	<b>\$ 153,176</b>	<b>\$ 243,372</b>	<b>\$ 10,039</b>	<b>\$ 169,440</b>	<b>\$ 121,201</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>LIABILITIES</u></b>						
Accounts Payable and Accrued Liabilities	\$ 127,245	\$ 53,300	\$ 35,649	\$ -	\$ -	\$ 1,199
Due to Other Funds	-	99,463	-	10,039	-	40,241
Advances from Other Funds	-	-	3,211,606	-	-	-
Deferred Revenue	-	-	-	-	4,368	-
<b>TOTAL LIABILITIES</b>	<b>127,245</b>	<b>152,763</b>	<b>3,247,255</b>	<b>10,039</b>	<b>4,368</b>	<b>41,440</b>
<b><u>FUND BALANCES</u></b>						
Restricted Fund Balance	4,881,045	413	-	-	165,072	79,761
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-
Unassigned Fund Balance	-	-	(3,003,883)	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>4,881,045</b>	<b>413</b>	<b>(3,003,883)</b>	<b>-</b>	<b>165,072</b>	<b>79,761</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,008,290</b>	<b>\$ 153,176</b>	<b>\$ 243,372</b>	<b>\$ 10,039</b>	<b>\$ 169,440</b>	<b>\$ 121,201</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**SPECIAL REVENUE FUNDS (continued)**

	<b>MISCEL- LANEOUS GIFTS AND GRANTS FUND</b>	<b>TRANSPOR- TATION CONCURRENCY EXCEPTION AREA FUND</b>	<b>WATER AND WASTEWATER SURCHARGE INFRA- STRUCTURE FUND</b>	<b>SHIP FUND</b>	<b>FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	2,579,732	1,148,890	316,253	-
Investments	-	-	-	-	-
Receivables	1,958,928	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,958,928</b>	<b>\$ 2,579,732</b>	<b>\$ 1,148,890</b>	<b>\$ 316,253</b>	<b>\$ -</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ 138,922	\$ 10,314	\$ -	\$ -	\$ -
Due to Other Funds	1,330,256	-	18,928	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	11,766	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,480,944</b>	<b>10,314</b>	<b>18,928</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	477,984	2,569,418	1,129,962	316,253	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>477,984</b>	<b>2,569,418</b>	<b>1,129,962</b>	<b>316,253</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,958,928</b>	<b>\$ 2,579,732</b>	<b>\$ 1,148,890</b>	<b>\$ 316,253</b>	<b>\$ -</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**SPECIAL REVENUE FUNDS (continued)**

	<b><u>SMALL BUSINESS LOAN FUND</u></b>	<b><u>MISC- ELLANEOUS SPECIAL REVENUE FUND</u></b>	<b><u>TOURIST DESTINATION ENHANCE- MENT FUND</u></b>	<b><u>EMERGENCY DISASTER FEMA FAY 08 FUND</u></b>	<b><u>TOURIST PRODUCT DEVELOP FUND</u></b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	71,201	957,056	13,536	-	195,673
Investments	-	-	-	-	-
Receivables	-	22,812	14,343	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 71,201</b>	<b>\$ 979,868</b>	<b>\$ 27,879</b>	<b>\$ -</b>	<b>\$ 195,673</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 11,887	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>11,887</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	-	967,981	27,879	-	195,673
Committed Fund Balance	71,201	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>71,201</b>	<b>967,981</b>	<b>27,879</b>	<b>-</b>	<b>195,673</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 71,201</b>	<b>\$ 979,868</b>	<b>\$ 27,879</b>	<b>\$ -</b>	<b>\$ 195,673</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**SPECIAL REVENUE FUNDS (continued)**

	<b>PROPOR- TIONATE FAIR SHARE PROGRAM FUND</b>	<b>TOURIST PRODUCT DEVELOP FY10 FUND</b>	<b>TOURIST PRODUCT DEVELOP FY11 FUND</b>	<b>TOURIST PRODUCT DEVELOP FY12 FUND</b>	<b>EVERGREEN CEMETERY TRUST FUND</b>	<b>SCHOOL CROSSING GUARD TRUST FUND</b>
<b><u>ASSETS</u></b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 62,502	\$ -
Equity in Pooled Cash and Investments	124,965	-	31,416	69,198	-	80,778
Investments	-	-	-	-	1,558,327	-
Receivables	-	-	-	164,239	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 124,965</b>	<b>\$ -</b>	<b>\$ 31,416</b>	<b>\$ 233,437</b>	<b>\$ 1,620,829</b>	<b>\$ 80,778</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>LIABILITIES</u></b>						
Accounts Payable and Accrued Liabilities	\$ 793	\$ -	\$ -	\$ 83,892	\$ -	\$ -
Due to Other Funds	-	33,500	-	-	82,315	-
Advances from Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>793</b>	<b>33,500</b>	<b>-</b>	<b>83,892</b>	<b>82,315</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>						
Restricted Fund Balance	124,172	-	31,416	149,545	1,538,514	80,778
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-
Unassigned Fund Balance	-	(33,500)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>124,172</b>	<b>(33,500)</b>	<b>31,416</b>	<b>149,545</b>	<b>1,538,514</b>	<b>80,778</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 124,965</b>	<b>\$ -</b>	<b>\$ 31,416</b>	<b>\$ 233,437</b>	<b>\$ 1,620,829</b>	<b>\$ 80,778</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**SPECIAL REVENUE FUNDS (concluded)**

	<b><u>ART IN PUBLIC PLACES TRUST FUND</u></b>	<b><u>DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND</u></b>	<b><u>FIFTH AVENUE TAX INCREMENT FUND</u></b>	<b><u>COLLEGE PARK TAX INCREMENT FUND</u></b>	<b><u>EASTSIDE TAX INCREMENT FUND</u></b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	2,277,581	751,088	7,943,177	1,437,484
Investments	-	-	-	-	-
Receivables	-	8,369	1,390	-	1,823
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	189,823	-	-
Assets Held for Evidence	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 2,285,950</b>	<b>\$ 942,301</b>	<b>\$ 7,943,177</b>	<b>\$ 1,439,307</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 15,206	\$ 34,157	\$ 186,509	\$ 1,642
Due to Other Funds	29,786	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	1,390	-	-
<b>TOTAL LIABILITIES</b>	<b>29,786</b>	<b>15,206</b>	<b>35,547</b>	<b>186,509</b>	<b>1,642</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	-	2,270,744	906,754	7,756,668	1,437,665
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	(29,786)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>(29,786)</b>	<b>2,270,744</b>	<b>906,754</b>	<b>7,756,668</b>	<b>1,437,665</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 2,285,950</b>	<b>\$ 942,301</b>	<b>\$ 7,943,177</b>	<b>\$ 1,439,307</b>

(CONTINUED)



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**DEBT SERVICE FUNDS**

	<b>FFGFC SERIES <u>1998</u></b>	<b>FFGFC SERIES <u>2002</u></b>	<b>FFGFC SERIES <u>2005</u></b>	<b>FFGFC SERIES <u>2007</u></b>	<b>GUARANTEED ENTITLEMENT REFUNDING BONDS 2004</b>	<b>PENSION OBLIGATION BOND SERIES <u>2003A</u></b>
<b><u>ASSETS</u></b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	-	1,412	498	106,545	64,648
Investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,412</b>	<b>\$ 498</b>	<b>\$ 106,545</b>	<b>\$ 64,648</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>LIABILITIES</u></b>						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>						
Restricted Fund Balance	-	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	1,412	498	106,545	64,648
Unassigned Fund Balance	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>1,412</b>	<b>498</b>	<b>106,545</b>	<b>64,648</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,412</b>	<b>\$ 498</b>	<b>\$ 106,545</b>	<b>\$ 64,648</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<b>DEBT SERVICE FUNDS (continued)</b>				
	<b>PENSION OBLIGATION BOND SERIES <u>2003B</u></b>	<b>OTHER POST- EMPLOYMENT (OPEB) BONDS 2005</b>	<b>CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2005</b>	<b>GPD ENERGY CONSERV. MASTER CAPITAL LEASE</b>	<b>CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) 2009</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	81,167	178,278	70,426	35,695	78,666
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 81,167</b>	<b>\$ 178,278</b>	<b>\$ 70,426</b>	<b>\$ 35,695</b>	<b>\$ 78,666</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	81,167	178,278	70,426	35,695	78,666
Unassigned Fund Balance	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>81,167</b>	<b>178,278</b>	<b>70,426</b>	<b>35,695</b>	<b>78,666</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 81,167</b>	<b>\$ 178,278</b>	<b>\$ 70,426</b>	<b>\$ 35,695</b>	<b>\$ 78,666</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<u>DEBT SERVICE FUNDS (concluded)</u>			<u>CAPITAL PROJECTS FUNDS</u>	
	<u>CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2010</u>	<u>REVENUE REFUNDING NOTE SERIES 2011</u>	<u>CAPITAL IMPROVEMENT REVENUE NOTE SERIES 2011A</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>	<u>PUBLIC IMPROVEMENT CONSTRUCTION FUND</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	14,378	4,136	20,957	12,235,067	11,900
Investments	-	-	-	-	-
Receivables	-	-	-	19,500	-
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,378</b>	<b>\$ 4,136</b>	<b>\$ 20,957</b>	<b>\$ 12,254,567</b>	<b>\$ 11,900</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 316,448	\$ -
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316,448</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	14,378	4,136	20,957	11,938,119	11,900
Unassigned Fund Balance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>14,378</b>	<b>4,136</b>	<b>20,957</b>	<b>11,938,119</b>	<b>11,900</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,378</b>	<b>\$ 4,136</b>	<b>\$ 20,957</b>	<b>\$ 12,254,567</b>	<b>\$ 11,900</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**CAPITAL PROJECTS FUNDS (continued)**

	<b>AMERICAN RECOVERY AND REINVESTMENT ACT FUND</b>	<b>GREENSPACE ACQUISITION FUND</b>	<b>ROADWAY CONSTRUCTION FUND 96</b>	<b>COURTHOUSE PARKING GARAGE</b>	<b>CAPITAL PROJECTS FUND 02</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	3,952	1,517,739	66,997	-	1,251,742
Investments	-	-	-	-	-
Receivables	2,991	-	-	-	302,043
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,943</b>	<b>\$ 1,517,739</b>	<b>\$ 66,997</b>	<b>\$ -</b>	<b>\$ 1,553,785</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 21,663
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,663</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	6,943	-	-	-	1,532,122
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	1,517,739	66,997	-	-
Unassigned Fund Balance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>6,943</b>	<b>1,517,739</b>	<b>66,997</b>	<b>-</b>	<b>1,532,122</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,943</b>	<b>\$ 1,517,739</b>	<b>\$ 66,997</b>	<b>\$ -</b>	<b>\$ 1,553,785</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**CAPITAL PROJECTS FUNDS (continued)**

	<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>39TH AVENUE FLEET GARAGE EXPANSION FUND</b>	<b>CAPITAL IMPROVEMENT REVENUE BOND (CIRB) 2005 CIP FUND</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	74,006	39,071	897,273	2,113,374	5,895,018
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Resale	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 74,006</b>	<b>\$ 39,071</b>	<b>\$ 897,273</b>	<b>\$ 2,113,374</b>	<b>\$ 5,895,018</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 24,313	\$ 113,039
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,313</b>	<b>113,039</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	-	39,071	897,273	-	5,781,979
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	74,006	-	-	2,089,061	-
Unassigned Fund Balance	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>74,006</b>	<b>39,071</b>	<b>897,273</b>	<b>2,089,061</b>	<b>5,781,979</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 74,006</b>	<b>\$ 39,071</b>	<b>\$ 897,273</b>	<b>\$ 2,113,374</b>	<b>\$ 5,895,018</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**CAPITAL PROJECTS FUNDS (continued)**

	<b><u>KENNEDY HOMES ACQUISITION/ DEMOLITION FUND</u></b>	<b><u>CAMPUS DEVELOPMENT AGREEMENT CAPITAL PROJECTS FUND</u></b>	<b><u>ENERGY CONSERVATION CAPITAL PROJECTS FUND</u></b>	<b><u>ADD'L 5 CENTS LOCAL OPTION GAS TAX (LOGT) CAPITAL PROJECTS FUND</u></b>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	711,036	10,681,910	288,196	4,247,074
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Resale	-	-	-	-
Assets Held for Evidence	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 711,036</u></b>	<b><u>\$ 10,681,910</u></b>	<b><u>\$ 288,196</u></b>	<b><u>\$ 4,247,074</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ 22,468	\$ 9,650	\$ 12,156
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>22,468</u></b>	<b><u>9,650</u></b>	<b><u>12,156</u></b>
<b><u>FUND BALANCES</u></b>				
Restricted Fund Balance	-	10,659,442	-	4,234,918
Committed Fund Balance	711,036	-	-	-
Assigned Fund Balance	-	-	278,546	-
Unassigned Fund Balance	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>711,036</u></b>	<b><u>10,659,442</u></b>	<b><u>278,546</u></b>	<b><u>4,234,918</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 711,036</u></b>	<b><u>\$ 10,681,910</u></b>	<b><u>\$ 288,196</u></b>	<b><u>\$ 4,247,074</u></b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**CAPITAL PROJECTS FUNDS (continued)**

	<b>ADD'L 5 CENTS GAS TAX (LOGT) CIRN 2009 CAPITAL PROJECTS FUND</b>	<b>TRAFFIC MANAGEMENT SYSTEM BLDG CAPITAL PROJECTS FUND</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><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	4,863,600	152,683	602,068	2,304,293
Investments	-	-	-	-
Receivables	-	-	-	149,000
Due from Other Funds	-	-	-	-
Assets Held for Resale	-	-	-	-
Assets Held for Evidence	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,863,600</b>	<b>\$ 152,683</b>	<b>\$ 602,068</b>	<b>\$ 2,453,293</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 15,009	\$ 235,150
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>15,009</b>	<b>235,150</b>
<b><u>FUND BALANCES</u></b>				
Restricted Fund Balance	4,863,600	152,683	587,059	2,218,143
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>4,863,600</b>	<b>152,683</b>	<b>587,059</b>	<b>2,218,143</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,863,600</b>	<b>\$ 152,683</b>	<b>\$ 602,068</b>	<b>\$ 2,453,293</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

**CAPITAL PROJECTS FUNDS (concluded)**

	<b><u>WILD SPACES PUBLIC PLACES LAND ACQ. CAPITAL PROJECTS FUND</u></b>	<b><u>SENIOR RECREATION CENTER CAPITAL PROJECTS FUND</u></b>	<b><u>CAPITAL IMP REVENUE BOND (CIRB) 2010 CAPITAL PROJECTS FUND</u></b>	<b><u>CAPITAL IMP REVENUE NOTE (CIRN) 2011 CAPITAL PROJECTS FUND</u></b>	<b><u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u></b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 62,502
Equity in Pooled Cash and Investments	1,541,434	151,326	2,897,216	2,602,429	80,614,811
Investments	-	-	-	-	1,558,327
Receivables	-	-	-	-	4,125,037
Due from Other Funds	-	-	-	-	3,812
Assets Held for Resale	-	-	-	-	189,823
Assets Held for Evidence	-	-	-	-	276,477
<b>TOTAL ASSETS</b>	<b>\$ 1,541,434</b>	<b>\$ 151,326</b>	<b>\$ 2,897,216</b>	<b>\$ 2,602,429</b>	<b>\$ 86,830,789</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 2,980	\$ -	\$ 60,031	\$ 1,634,802
Due to Other Funds	-	-	-	-	2,200,073
Advances from Other Funds	-	-	-	-	3,211,606
Deferred Revenue	-	-	-	-	604,800
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>2,980</b>	<b>-</b>	<b>60,031</b>	<b>7,651,281</b>
<b><u>FUND BALANCES</u></b>					
Restricted Fund Balance	1,541,434	148,346	2,897,216	2,542,398	64,831,266
Committed Fund Balance	-	-	-	-	782,237
Assigned Fund Balance	-	-	-	-	16,633,174
Unassigned Fund Balance	-	-	-	-	(3,067,169)
<b>TOTAL FUND BALANCES</b>	<b>1,541,434</b>	<b>148,346</b>	<b>2,897,216</b>	<b>2,542,398</b>	<b>79,179,508</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,541,434</b>	<b>\$ 151,326</b>	<b>\$ 2,897,216</b>	<b>\$ 2,602,429</b>	<b>\$ 86,830,789</b>

(CONCLUDED)





**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	SPECIAL REVENUE FUNDS					
	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	CULTURAL AND NATURE PROJECTS FUND	STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,496,567	-	1,101,322	-	-	-
Charges for Services	2,000	-	-	414,296	-	-
Fines and Forfeitures	-	-	-	-	51,525	357,784
Miscellaneous	3,061	143,688	23,107	57,053	11,893	112,101
<b>TOTAL REVENUES</b>	<b>1,501,628</b>	<b>143,688</b>	<b>1,124,429</b>	<b>471,349</b>	<b>63,418</b>	<b>469,885</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	188,350	-	-	-	89,105	395,662
Physical Environment	75,242	-	-	-	-	-
Transportation	597	-	-	-	-	-
Economic Environment	894,072	-	1,120,729	-	-	-
Human Services	311,620	-	-	-	-	-
Culture and Recreation	-	-	-	510,758	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,469,881</b>	<b>-</b>	<b>1,120,729</b>	<b>510,758</b>	<b>89,105</b>	<b>395,662</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>31,747</b>	<b>143,688</b>	<b>3,700</b>	<b>(39,409)</b>	<b>(25,687)</b>	<b>74,223</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt Issuance	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(31,747)	-	(3,700)	(1,272)	-	(35,814)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(31,747)</b>	<b>-</b>	<b>(3,700)</b>	<b>(1,272)</b>	<b>-</b>	<b>(35,814)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>143,688</b>	<b>-</b>	<b>(40,681)</b>	<b>(25,687)</b>	<b>38,409</b>
<b>FUND BALANCES, October 1</b>	<b>172,462</b>	<b>942,022</b>	<b>98,595</b>	<b>203,035</b>	<b>127,508</b>	<b>4,842,636</b>
Restatement	-	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>172,462</b>	<b>942,022</b>	<b>98,595</b>	<b>203,035</b>	<b>127,508</b>	<b>4,842,636</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 172,462</b>	<b>\$ 1,085,710</b>	<b>\$ 98,595</b>	<b>\$ 162,354</b>	<b>\$ 101,821</b>	<b>\$ 4,881,045</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>SPECIAL REVENUE FUNDS (continued)</u>					
	<u>POLICE BILLABLE OVERTIME FUND</u>	<u>COMMUNITY REDEVELOPMENT AGENCY FUND</u>	<u>AMERICAN RECOVERY &amp; REINVEST- MENT ACT GRANTS FUND</u>	<u>STREET, SIDEWALK AND DITCH IMPROVEMENT FUND</u>	<u>ECONOMIC DEVELOP- MENT FUND</u>	<u>MISCEL- LANEOUS GIFTS AND GRANTS FUND</u>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	195,651	-	-	4,360,931
Charges for Services	622,023	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	2,995	-	5,727	144,580	14,332
<b>TOTAL REVENUES</b>	<b>622,023</b>	<b>2,995</b>	<b>195,651</b>	<b>5,727</b>	<b>144,580</b>	<b>4,375,263</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	83,270	-	-	-	-
Public Safety	656,322	-	193,405	-	-	2,115,405
Physical Environment	-	-	-	-	-	630,912
Transportation	-	-	-	-	-	1,360,253
Economic Environment	-	1,159,829	2,246	-	160,757	393,773
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	33,430
Debt Service:						
Principal	-	4,489	-	-	-	-
Interest and Fiscal Charges	-	19,358	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>656,322</b>	<b>1,266,946</b>	<b>195,651</b>	<b>-</b>	<b>160,757</b>	<b>4,533,773</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(34,299)</b>	<b>(1,263,951)</b>	<b>-</b>	<b>5,727</b>	<b>(16,177)</b>	<b>(158,510)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt Issuance	-	-	-	-	-	-
Transfers In	64,000	1,724,674	-	-	-	512,583
Transfers Out	-	(509,062)	-	-	-	(115,414)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>64,000</b>	<b>1,215,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397,169</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>29,701</b>	<b>(48,339)</b>	<b>-</b>	<b>5,727</b>	<b>(16,177)</b>	<b>238,659</b>
<b>FUND BALANCES, October 1</b>	<b>(29,288)</b>	<b>-</b>	<b>-</b>	<b>159,345</b>	<b>95,938</b>	<b>239,325</b>
Restatement	-	(2,955,544)	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>(29,288)</b>	<b>(2,955,544)</b>	<b>-</b>	<b>159,345</b>	<b>95,938</b>	<b>239,325</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 413</b>	<b>\$ (3,003,883)</b>	<b>\$ -</b>	<b>\$ 165,072</b>	<b>\$ 79,761</b>	<b>\$ 477,984</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SPECIAL REVENUE FUNDS (continued)

	<u>TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND</u>	<u>WATER AND WASTEWATER SURCHARGE INFRASTRUCTURE FUND</u>	<u>SHIP FUND</u>	<u>FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND</u>	<u>SMALL BUSINESS LOAN FUND</u>	<u>MISC- ELLANEOUS SPECIAL REVENUE FUND</u>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	327	-	157,768
Charges for Services	1,232,362	-	-	-	-	9,461
Fines and Forfeitures	-	-	-	-	-	57,871
Miscellaneous	59,838	25,919	20,120	-	-	476,598
<b>TOTAL REVENUES</b>	<b>1,292,200</b>	<b>25,919</b>	<b>20,120</b>	<b>327</b>	<b>-</b>	<b>701,698</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	267,992
Public Safety	-	-	-	-	-	202,736
Physical Environment	-	127,382	-	-	-	855
Transportation	393,385	-	-	-	-	-
Economic Environment	-	-	116,575	-	-	330
Human Services	-	-	-	-	-	146,716
Culture and Recreation	-	-	-	-	-	58,509
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>393,385</b>	<b>127,382</b>	<b>116,575</b>	<b>-</b>	<b>-</b>	<b>677,138</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>898,815</b>	<b>(101,463)</b>	<b>(96,455)</b>	<b>327</b>	<b>-</b>	<b>24,560</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt Issuance	-	-	-	-	-	-
Transfers In	-	81,523	-	-	-	213,226
Transfers Out	-	-	-	(16,065)	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>81,523</b>	<b>-</b>	<b>(16,065)</b>	<b>-</b>	<b>213,226</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>898,815</b>	<b>(19,940)</b>	<b>(96,455)</b>	<b>(15,738)</b>	<b>-</b>	<b>237,786</b>
<b>FUND BALANCES, October 1</b>	<b>1,670,603</b>	<b>1,149,902</b>	<b>412,708</b>	<b>15,738</b>	<b>71,201</b>	<b>730,195</b>
Restatement	-	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>1,670,603</b>	<b>1,149,902</b>	<b>412,708</b>	<b>15,738</b>	<b>71,201</b>	<b>730,195</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 2,569,418</b>	<b>\$ 1,129,962</b>	<b>\$ 316,253</b>	<b>\$ -</b>	<b>\$ 71,201</b>	<b>\$ 967,981</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SPECIAL REVENUE FUNDS (continued)

	<u>TOURIST DESTINATION ENHANCE- MENT FUND</u>	<u>EMERGENCY DISASTER FEMA FAY 08 FUND</u>	<u>TOURIST PRODUCT DEVELOP FUND</u>	<u>PROPOR- TIONATE FAIR SHARE PROGRAM FUND</u>	<u>TOURIST PRODUCT DEVELOP FY10 FUND</u>	<u>TOURIST PRODUCT DEVELOP FY11 FUND</u>	<u>TOURIST PRODUCT DEVELOP FY12 FUND</u>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	632,715
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632,715</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	20,202	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	33,500	102,630	483,170
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,202</b>	<b>33,500</b>	<b>102,630</b>	<b>483,170</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,202)</b>	<b>(33,500)</b>	<b>(102,630)</b>	<b>149,545</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt Issuance	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	(40,202)	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(40,202)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>(40,202)</b>	<b>-</b>	<b>(20,202)</b>	<b>(33,500)</b>	<b>(102,630)</b>	<b>149,545</b>
<b>FUND BALANCES, October 1</b>	<b>27,879</b>	<b>40,202</b>	<b>195,673</b>	<b>144,374</b>	<b>-</b>	<b>134,046</b>	<b>-</b>
Restatement	-	-	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>27,879</b>	<b>40,202</b>	<b>195,673</b>	<b>144,374</b>	<b>-</b>	<b>134,046</b>	<b>-</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 27,879</b>	<b>\$ -</b>	<b>\$ 195,673</b>	<b>\$ 124,172</b>	<b>\$ (33,500)</b>	<b>\$ 31,416</b>	<b>\$ 149,545</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

SPECIAL REVENUE FUNDS (concluded)

	EVERGREEN CEMETERY TRUST FUND	SCHOOL CROSSING GUARD TRUST FUND	ART IN PUBLIC PLACES TRUST FUND	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND	FIFTH AVENUE TAX INCREMENT FUND	COLLEGE PARK TAX INCREMENT FUND	EASTSIDE TAX INCREMENT FUND
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 1,087,350	\$ 360,305	\$ 1,856,026	\$ 401,761
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	2,287	-	-	-	-	-	-
Fines and Forfeitures	-	31,053	-	-	-	-	-
Miscellaneous	305,835	1,780	(173)	65,868	130,814	192,707	32,752
<b>TOTAL REVENUES</b>	<b>308,122</b>	<b>32,833</b>	<b>(173)</b>	<b>1,153,218</b>	<b>491,119</b>	<b>2,048,733</b>	<b>434,513</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	941,216	393,857	2,323,499	106,947
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	59,853	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>59,853</b>	<b>941,216</b>	<b>393,857</b>	<b>2,323,499</b>	<b>106,947</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>308,122</b>	<b>32,833</b>	<b>(60,026)</b>	<b>212,002</b>	<b>97,262</b>	<b>(274,766)</b>	<b>327,566</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt Issuance	-	-	-	-	-	-	-
Transfers In	-	-	2,040	841,092	464,223	1,026,784	227,006
Transfers Out	(108,351)	(22,717)	(9,000)	(493,166)	(280,964)	(779,985)	(170,559)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(108,351)</b>	<b>(22,717)</b>	<b>(6,960)</b>	<b>347,926</b>	<b>183,259</b>	<b>246,799</b>	<b>56,447</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>199,771</b>	<b>10,116</b>	<b>(66,986)</b>	<b>559,928</b>	<b>280,521</b>	<b>(27,967)</b>	<b>384,013</b>
<b>FUND BALANCES, October 1</b>	<b>1,338,743</b>	<b>70,662</b>	<b>37,200</b>	<b>1,710,816</b>	<b>626,233</b>	<b>7,784,635</b>	<b>1,053,652</b>
Restatement	-	-	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>1,338,743</b>	<b>70,662</b>	<b>37,200</b>	<b>1,710,816</b>	<b>626,233</b>	<b>7,784,635</b>	<b>1,053,652</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 1,538,514</b>	<b>\$ 80,778</b>	<b>\$ (29,786)</b>	<b>\$ 2,270,744</b>	<b>\$ 906,754</b>	<b>\$ 7,756,668</b>	<b>\$ 1,437,665</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**DEBT SERVICE FUNDS**

	FFGFC SERIES 1998	FFGFC SERIES 2002	FFGFC SERIES 2005	FFGFC SERIES 2007	GUARANTEED ENTITLEMENT REFUNDING BONDS 2004	PENSION OBLIGATION BOND SERIES 2003A	PENSION OBLIGATION BOND SERIES 2003B
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1,040,563	1,271,373	-
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	10,278	5,360	2,060	535	9,013	27,184	25,657
<b>TOTAL REVENUES</b>	<b>10,278</b>	<b>5,360</b>	<b>2,060</b>	<b>535</b>	<b>1,049,576</b>	<b>1,298,557</b>	<b>25,657</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal	1,155,000	460,000	240,000	60,000	770,000	631,803	694,669
Interest and Fiscal Charges	59,964	25,746	174,708	55,456	272,683	1,463,972	2,744,251
Bond Issuance Costs	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,214,964</b>	<b>485,746</b>	<b>414,708</b>	<b>115,456</b>	<b>1,042,683</b>	<b>2,095,775</b>	<b>3,438,920</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,204,686)</b>	<b>(480,386)</b>	<b>(412,648)</b>	<b>(114,921)</b>	<b>6,893</b>	<b>(797,218)</b>	<b>(3,413,263)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt Issuance	-	-	-	-	-	-	-
Transfers In	1,212,750	480,386	409,734	114,005	-	824,403	3,438,920
Transfers Out	(67,137)	(3,480)	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,145,613</b>	<b>476,906</b>	<b>409,734</b>	<b>114,005</b>	<b>-</b>	<b>824,403</b>	<b>3,438,920</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(59,073)</b>	<b>(3,480)</b>	<b>(2,914)</b>	<b>(916)</b>	<b>6,893</b>	<b>27,185</b>	<b>25,657</b>
<b>FUND BALANCES, October 1</b>	<b>59,073</b>	<b>3,480</b>	<b>4,326</b>	<b>1,414</b>	<b>99,652</b>	<b>37,463</b>	<b>55,510</b>
Restatement	-	-	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>59,073</b>	<b>3,480</b>	<b>4,326</b>	<b>1,414</b>	<b>99,652</b>	<b>37,463</b>	<b>55,510</b>
<b>FUND BALANCES, September 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,412</b>	<b>\$ 498</b>	<b>\$ 106,545</b>	<b>\$ 64,648</b>	<b>\$ 81,167</b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**DEBT SERVICE FUNDS (concluded)**

	OTHER POST- EMPLOYMENT (OPEB) BONDS 2005	CAPITAL IMPROV. REVENUE BOND (CIRB) SERIES 2005	GPD ENERGY CONSERV. CAPITAL LEASE	CAPITAL IMPROV. REVENUE NOTE (CIRN) 2009	CAPITAL IMPROV. REV BOND (CIRB) SERIES 2010	REVENUE REFUNDING NOTE SERIES 2011	CAPITAL IMPROV. REVENUE NOTE 2011A
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,345,532	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	58,784	15,877	635	2,538	2,165	2,757	19,206
<b>TOTAL REVENUES</b>	<b>2,404,316</b>	<b>15,877</b>	<b>635</b>	<b>2,538</b>	<b>2,165</b>	<b>2,757</b>	<b>19,206</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal	4,365,000	960,000	77,432	389,224	115,193	140,000	270,000
Interest and Fiscal Charges	775,383	772,119	23,960	568,933	103,736	156,388	66,435
Bond Issuance Costs	-	-	-	-	-	38,993	28,250
Capital Outlay	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>5,140,383</b>	<b>1,732,119</b>	<b>101,392</b>	<b>958,157</b>	<b>218,929</b>	<b>335,381</b>	<b>364,685</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,736,067)</b>	<b>(1,716,242)</b>	<b>(100,757)</b>	<b>(955,619)</b>	<b>(216,764)</b>	<b>(332,624)</b>	<b>(345,479)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt Issuance	-	-	-	-	-	6,230,000	3,730,000
Transfers In	2,794,851	1,728,668	115,393	952,308	218,917	336,760	336,436
Transfers Out	-	-	-	-	-	-	(3,700,000)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(6,230,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,794,851</b>	<b>1,728,668</b>	<b>115,393</b>	<b>952,308</b>	<b>218,917</b>	<b>336,760</b>	<b>366,436</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>58,784</b>	<b>12,426</b>	<b>14,636</b>	<b>(3,311)</b>	<b>2,153</b>	<b>4,136</b>	<b>20,957</b>
<b>FUND BALANCES, October 1</b>	<b>119,494</b>	<b>58,000</b>	<b>21,059</b>	<b>81,977</b>	<b>12,225</b>	<b>-</b>	<b>-</b>
Restatement	-	-	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>119,494</b>	<b>58,000</b>	<b>21,059</b>	<b>81,977</b>	<b>12,225</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 178,278</b>	<b>\$ 70,426</b>	<b>\$ 35,695</b>	<b>\$ 78,666</b>	<b>\$ 14,378</b>	<b>\$ 4,136</b>	<b>\$ 20,957</b>

(CONTINUED)



CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

CAPITAL PROJECTS FUNDS

	<u>GENERAL CAPITAL PROJECTS FUND</u>	<u>PUBLIC IMPROVEMENT CONSTRUCTION FUND</u>	<u>AMERICAN RECOVERY AND REINVESTMENT ACT FUND</u>	<u>GREENSPACE ACQUISITION FUND</u>	<u>ROADWAY CONSTRUCTION FUND 96</u>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	216,973	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	5,522	530	-	25,238	1,524
<b>TOTAL REVENUES</b>	<b>5,522</b>	<b>530</b>	<b>216,973</b>	<b>25,238</b>	<b>1,524</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	2,797,893	44,453	252,541	-	600
<b>TOTAL EXPENDITURES</b>	<b>2,797,893</b>	<b>44,453</b>	<b>252,541</b>	<b>-</b>	<b>600</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,792,371)</b>	<b>(43,923)</b>	<b>(35,568)</b>	<b>25,238</b>	<b>924</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Issuance	-	-	-	-	-
Transfers In	8,121,757	-	38,557	425,000	-
Transfers Out	(252,040)	-	(2,989)	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,869,717</b>	<b>-</b>	<b>35,568</b>	<b>425,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,077,346</b>	<b>(43,923)</b>	<b>-</b>	<b>450,238</b>	<b>924</b>
<b>FUND BALANCES, October 1</b>	<b>6,860,773</b>	<b>55,823</b>	<b>6,943</b>	<b>1,067,501</b>	<b>66,073</b>
Restatement	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>6,860,773</b>	<b>55,823</b>	<b>6,943</b>	<b>1,067,501</b>	<b>66,073</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 11,938,119</b>	<b>\$ 11,900</b>	<b>\$ 6,943</b>	<b>\$ 1,517,739</b>	<b>\$ 66,997</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

CAPITAL PROJECTS FUNDS (continued)

	<u>COURTHOUSE PARKING GARAGE</u>	<u>CAPITAL PROJECTS FUND 02</u>	<u>FIFTH AVENUE/ PLEASANT ST. REHAB. PROJ. FUND 02</u>	<u>DOWNTOWN PARKING GARAGE SALES TAX FUND</u>	<u>FFGFC 05 CAPITAL PROJECTS FUND</u>
<b><u>REVENUES</u></b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	474,840	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	36,873	1,664	881	20,323
<b>TOTAL REVENUES</b>	<b>-</b>	<b>511,713</b>	<b>1,664</b>	<b>881</b>	<b>20,323</b>
<b><u>EXPENDITURES</u></b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	15,000	811,174	-	-	814
<b>TOTAL EXPENDITURES</b>	<b>15,000</b>	<b>811,174</b>	<b>-</b>	<b>-</b>	<b>814</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,000)</b>	<b>(299,461)</b>	<b>1,664</b>	<b>881</b>	<b>19,509</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Debt Issuance	-	-	-	-	-
Transfers In	-	-	-	-	814
Transfers Out	(5,329)	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,329)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>814</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(20,329)</b>	<b>(299,461)</b>	<b>1,664</b>	<b>881</b>	<b>20,323</b>
<b>FUND BALANCES, October 1</b>	<b>20,329</b>	<b>1,831,583</b>	<b>72,342</b>	<b>38,190</b>	<b>876,950</b>
Restatement	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>20,329</b>	<b>1,831,583</b>	<b>72,342</b>	<b>38,190</b>	<b>876,950</b>
<b>FUND BALANCES, September 30</b>	<b>\$ -</b>	<b>\$ 1,532,122</b>	<b>\$ 74,006</b>	<b>\$ 39,071</b>	<b>\$ 897,273</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>CAPITAL PROJECTS FUNDS (continued)</u>				
	<u>39TH AVENUE FLEET GARAGE EXPANSION FUND</u>	<u>CAPITAL IMPROVEMENT REVENUE BOND (CIRB) 2005 CIP FUND</u>	<u>KENNEDY HOMES ACQUISITION/ DEMOLITION FUND</u>	<u>CAMPUS DEVELOPMENT AGREEMENT CAPITAL PROJECTS FUND</u>	<u>ENERGY CONSERVATION CAPITAL PROJECTS FUND</u>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	440,062	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	33,003	145,413	-	306,113	6,513
<b>TOTAL REVENUES</b>	<b>473,065</b>	<b>145,413</b>	<b>-</b>	<b>306,113</b>	<b>6,513</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	231,251	1,497,831	-	4,964,463	9,650
<b>TOTAL EXPENDITURES</b>	<b>231,251</b>	<b>1,497,831</b>	<b>-</b>	<b>4,964,463</b>	<b>9,650</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>241,814</b>	<b>(1,352,418)</b>	<b>-</b>	<b>(4,658,350)</b>	<b>(3,137)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Issuance	-	-	-	-	-
Transfers In	490,062	-	-	-	-
Transfers Out	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>490,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>731,876</b>	<b>(1,352,418)</b>	<b>-</b>	<b>(4,658,350)</b>	<b>(3,137)</b>
<b>FUND BALANCES, October 1</b>	<b>1,357,185</b>	<b>7,134,397</b>	<b>711,036</b>	<b>15,317,792</b>	<b>281,683</b>
Restatement	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>1,357,185</b>	<b>7,134,397</b>	<b>711,036</b>	<b>15,317,792</b>	<b>281,683</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 2,089,061</b>	<b>\$ 5,781,979</b>	<b>\$ 711,036</b>	<b>\$ 10,659,442</b>	<b>\$ 278,546</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>CAPITAL PROJECTS FUNDS (continued)</u>				
	<u>ADD'L 5 CENTS LOCAL OPTION GAS TAX (LOGT) CAPITAL PROJECTS FUND</u>	<u>ADD'L 5 CENTS GAS TAX (LOGT) CIRN 2009 CAPITAL PROJECTS FUND</u>	<u>TRAFFIC MANAGEMENT SYSTEM BLDG CAPITAL PROJECTS FUND</u>	<u>CAPITAL IMP REVENUE NOTE (CIRN) 2009 CAPITAL PROJECTS FUND</u>	<u>WILD SPACES PUBLIC PLACES 1/2 CENT SALES TAX CAPITAL PROJECTS FUND</u>
<b><u>REVENUES</u></b>					
Taxes	\$ 1,874,565	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	87,113	111,100	3,542	32,575	70,626
<b>TOTAL REVENUES</b>	<b>1,961,678</b>	<b>111,100</b>	<b>3,542</b>	<b>32,575</b>	<b>70,626</b>
<b><u>EXPENDITURES</u></b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	872,447	1,118,392	-	757,359	2,196,563
<b>TOTAL EXPENDITURES</b>	<b>872,447</b>	<b>1,118,392</b>	<b>-</b>	<b>757,359</b>	<b>2,196,563</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,089,231</b>	<b>(1,007,292)</b>	<b>3,542</b>	<b>(724,784)</b>	<b>(2,125,937)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Debt Issuance	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(1,002,923)	-	-	(358,857)	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,002,923)</b>	<b>-</b>	<b>-</b>	<b>(358,857)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>86,308</b>	<b>(1,007,292)</b>	<b>3,542</b>	<b>(1,083,641)</b>	<b>(2,125,937)</b>
<b>FUND BALANCES, October 1</b>	<b>4,148,610</b>	<b>5,870,892</b>	<b>149,141</b>	<b>1,670,700</b>	<b>4,344,080</b>
Restatement	-	-	-	-	-
<b>FUND BALANCES, October 1, as restated</b>	<b>4,148,610</b>	<b>5,870,892</b>	<b>149,141</b>	<b>1,670,700</b>	<b>4,344,080</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 4,234,918</b>	<b>\$ 4,863,600</b>	<b>\$ 152,683</b>	<b>\$ 587,059</b>	<b>\$ 2,218,143</b>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

CAPITAL PROJECTS FUNDS (concluded)

	<u>WILD SPACES PUBLIC PLACES LAND ACQ. CAPITAL PROJECTS FUND</u>	<u>SENIOR RECREATION CENTER CAPITAL PROJECTS FUND</u>	<u>CAPITAL IMP REVENUE BOND (CIRB) 2010 CAPITAL PROJECTS FUND</u>	<u>CAPITAL IMP REVENUE NOTE (CIRN) 2011 CAPITAL PROJECTS FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b><u>REVENUES</u></b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,580,007
Intergovernmental	-	17,719	-	-	13,752,343
Charges for Services	-	-	-	-	2,282,429
Fines and Forfeitures	-	-	-	-	498,233
Miscellaneous	38,653	(766)	65,629	43,015	3,047,728
<b>TOTAL REVENUES</b>	<b>38,653</b>	<b>16,953</b>	<b>65,629</b>	<b>43,015</b>	<b>25,160,740</b>
<b><u>EXPENDITURES</u></b>					
Current:					
General Government	-	-	-	-	351,262
Public Safety	-	-	-	-	3,840,985
Physical Environment	-	-	-	-	834,391
Transportation	-	-	-	-	1,774,437
Economic Environment	-	-	-	-	7,613,830
Human Services	-	-	-	-	458,336
Culture and Recreation	-	-	-	-	1,281,850
Debt Service:					
Principal	-	-	-	-	10,332,810
Interest and Fiscal Charges	-	-	-	-	7,283,092
Bond Issuance Costs	-	-	-	-	67,243
Capital Outlay	601,659	342,259	26,479	1,200,617	17,741,445
<b>TOTAL EXPENDITURES</b>	<b>601,659</b>	<b>342,259</b>	<b>26,479</b>	<b>1,200,617</b>	<b>51,579,681</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(563,006)</b>	<b>(325,306)</b>	<b>39,150</b>	<b>(1,157,602)</b>	<b>(26,418,941)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Debt Issuance	-	-	-	-	9,960,000
Transfers In	-	-	-	3,700,000	30,896,872
Transfers Out	-	-	-	-	(8,010,773)
Payment to Refunded Bond Escrow Agent	-	-	-	-	(6,230,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,700,000</b>	<b>26,616,099</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(563,006)</b>	<b>(325,306)</b>	<b>39,150</b>	<b>2,542,398</b>	<b>197,158</b>
<b>FUND BALANCES, October 1</b>	<b>2,104,440</b>	<b>473,652</b>	<b>2,858,066</b>	<b>-</b>	<b>81,937,894</b>
Restatement	-	-	-	-	(2,955,544)
<b>FUND BALANCES, October 1, as restated</b>	<b>2,104,440</b>	<b>473,652</b>	<b>2,858,066</b>	<b>-</b>	<b>78,982,350</b>
<b>FUND BALANCES, September 30</b>	<b>\$ 1,541,434</b>	<b>\$ 148,346</b>	<b>\$ 2,897,216</b>	<b>\$ 2,542,398</b>	<b>\$ 79,179,508</b>

(CONCLUDED)



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Intergovernmental	\$ 1,496,567	\$ -	\$ 1,496,567	\$ 1,262,060	\$ 234,507
Charges for Services	2,000	-	2,000	2,000	-
Miscellaneous	3,061	-	3,061	3,061	-
<b>TOTAL REVENUES</b>	<b><u>1,501,628</u></b>	<b><u>-</u></b>	<b><u>1,501,628</u></b>	<b><u>1,267,121</u></b>	<b><u>234,507</u></b>
<b><u>EXPENDITURES</u></b>					
Public Safety	188,350	-	188,350	198,695	10,345
Physical Environment	75,242	-	75,242	180,969	105,727
Transportation	597	-	597	3,970	3,373
Economic Environment	894,072	11,122	905,194	1,357,221	452,027
Human Services	311,620	11,307	322,927	1,063,865	740,938
<b>TOTAL EXPENDITURES</b>	<b><u>1,469,881</u></b>	<b><u>22,429</u></b>	<b><u>1,492,310</u></b>	<b><u>2,804,720</u></b>	<b><u>1,312,410</u></b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>31,747</b>	<b>(22,429)</b>	<b>9,318</b>	<b>(1,537,599)</b>	<b>1,546,917</b>
<b><u>OTHER FINANCING USES</u></b>					
Transfers Out	(31,747)	-	(31,747)	(31,747)	-
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ -</u></b>	<b><u>\$ (22,429)</u></b>	<b><u>\$ (22,429)</u></b>	<b><u>\$ (1,569,346)</u></b>	<b><u>\$ 1,546,917</u></b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**URBAN DEVELOPMENT ACTION GRANT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Miscellaneous:					
Principal Payments	\$ 136,446	\$ -	\$ 136,446	\$ 136,132	\$ 314
Investment Income	<u>7,242</u>	<u>-</u>	<u>7,242</u>	<u>20,619</u>	<u>(13,377)</u>
<b>TOTAL REVENUES</b>	<b>143,688</b>	<b>-</b>	<b>143,688</b>	<b>156,751</b>	<b>(13,063)</b>
<b><u>EXPENDITURES</u></b>					
Economic Environment	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,011,115</u>	<u>1,011,115</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 143,688</b>	<b>\$ -</b>	<b>\$ 143,688</b>	<b>\$ (854,364)</b>	<b>\$ 998,052</b>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**HOME GRANT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b><u>ACTUAL</u></b>	<b><u>ENCUMBRANCES</u></b>	<b><u>BUDGETARY BASIS</u></b>	<b><u>BUDGET</u></b>	<b><u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u></b>
<b><u>REVENUES</u></b>					
Intergovernmental	\$ 1,101,322	\$ -	\$ 1,101,322	\$ 809,406	\$ 291,916
Miscellaneous	<u>23,107</u>	<u>-</u>	<u>23,107</u>	<u>23,107</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b>1,124,429</b>	<b>-</b>	<b>1,124,429</b>	<b>832,513</b>	<b>291,916</b>
 <b><u>EXPENDITURES</u></b>					
Economic Environment	<u>1,120,729</u>	<u>172,081</u>	<u>1,292,810</u>	<u>2,519,656</u>	<u>1,226,846</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,700</b>	<b>(172,081)</b>	<b>(168,381)</b>	<b>(1,687,143)</b>	<b>1,518,762</b>
 <b><u>OTHER FINANCING USES</u></b>					
Transfer Out	<u>(3,700)</u>	<u>-</u>	<u>(3,700)</u>	<u>(3,700)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ (172,081)</b>	<b>\$ (172,081)</b>	<b>\$ (1,690,843)</b>	<b>\$ 1,518,762</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CULTURAL AND NATURE PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Charges for Services:					
Entry Fees and Ticket Sales	\$ 414,296	\$ -	\$ 414,296	\$ 415,412	\$ (1,116)
Miscellaneous:					
Donations	41,024	-	41,024	20,000	21,024
Other Miscellaneous	16,029	-	16,029	26,031	(10,002)
Total Miscellaneous	<u>57,053</u>	<u>-</u>	<u>57,053</u>	<u>46,031</u>	<u>11,022</u>
<b>TOTAL REVENUES</b>	<b>471,349</b>	<b>-</b>	<b>471,349</b>	<b>461,443</b>	<b>9,906</b>
<b><u>EXPENDITURES</u></b>					
Culture and Recreation	<u>510,758</u>	<u>-</u>	<u>510,758</u>	<u>513,596</u>	<u>2,838</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(39,409)</b>	<b>-</b>	<b>(39,409)</b>	<b>(52,153)</b>	<b>12,744</b>
<b><u>OTHER FINANCING USES</u></b>					
Transfers Out	<u>(1,272)</u>	<u>-</u>	<u>(1,272)</u>	<u>(1,272)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (40,681)</b>	<b>\$ -</b>	<b>\$ (40,681)</b>	<b>\$ (53,425)</b>	<b>\$ 12,744</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**STATE LAW ENFORCEMENT CONTRABAND FORFEITURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Fines and Forfeitures:					
Confiscated Property	\$ 51,525	\$ -	\$ 51,525	\$ 10,814	\$ 40,711
Miscellaneous:					
Investment Income	2,384	-	2,384	-	2,384
Other Miscellaneous	9,509	-	9,509	-	9,509
Total Miscellaneous	11,893	-	11,893	-	11,893
<b>TOTAL REVENUES</b>	<b>63,418</b>	<b>-</b>	<b>63,418</b>	<b>10,814</b>	<b>52,604</b>
 <b><u>EXPENDITURES</u></b>					
Public Safety	89,105	-	89,105	98,647	9,542
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <b>\$ (25,687)</b>	 <b>\$ -</b>	 <b>\$ (25,687)</b>	 <b>\$ (87,833)</b>	 <b>\$ 62,146</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Fines and Forfeitures:					
Confiscated Property	\$ 357,784	\$ -	\$ 357,784	\$ -	\$ 357,784
Miscellaneous:					
Investment Income	<u>112,101</u>	<u>-</u>	<u>112,101</u>	<u>-</u>	<u>112,101</u>
<b>TOTAL REVENUES</b>	<b>469,885</b>	<b>-</b>	<b>469,885</b>	<b>-</b>	<b>469,885</b>
<b><u>EXPENDITURES</u></b>					
Public Safety	<u>395,662</u>	<u>-</u>	<u>395,662</u>	<u>2,280,781</u>	<u>1,885,119</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>74,223</b>	<b>-</b>	<b>74,223</b>	<b>(2,280,781)</b>	<b>2,355,004</b>
<b><u>OTHER FINANCING USES</u></b>					
Transfers Out	<u>(35,814)</u>	<u>-</u>	<u>(35,814)</u>	<u>(35,814)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 38,409</b>	<b>\$ -</b>	<b>\$ 38,409</b>	<b>\$ (2,316,595)</b>	<b>\$ 2,355,004</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**POLICE BILLABLE OVERTIME FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Charges for Services:					
Billable Overtime	\$ 622,023	\$ -	\$ 622,023	\$ 600,117	\$ 21,906
<b><u>EXPENDITURES</u></b>					
Public Safety	<u>656,322</u>	<u>-</u>	<u>656,322</u>	<u>711,117</u>	<u>54,795</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(34,299)</b>	<b>-</b>	<b>(34,299)</b>	<b>(111,000)</b>	<b>76,701</b>
<b><u>OTHER FINANCING SOURCES</u></b>					
Transfers In	<u>64,000</u>	<u>-</u>	<u>64,000</u>	<u>111,000</u>	<u>(47,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ 29,701</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,701</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,701</u></b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**COMMUNITY REDEVELOPMENT AGENCY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b><u>ACTUAL</u></b>	<b><u>ENCUMBRANCES</u></b>	<b><u>BUDGETARY BASIS</u></b>	<b><u>BUDGET</u></b>	<b><u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u></b>
<b><u>REVENUES</u></b>					
Miscellaneous:					
Investment Income	\$ 2,995	\$ -	\$ 2,995	\$ -	\$ 2,995
<b><u>EXPENDITURES</u></b>					
General Government	83,270	-	83,270	83,583	313
Economic Environment	1,159,829	-	1,159,829	1,311,350	151,521
Debt Service					
Principal	4,489	-	4,489	4,612	123
Interest	19,358	-	19,358	21,404	2,046
<b>TOTAL EXPENDITURES</b>	<b><u>1,266,946</u></b>	<b><u>-</u></b>	<b><u>1,266,946</u></b>	<b><u>1,420,949</u></b>	<b><u>154,003</u></b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b><u>(1,263,951)</u></b>	<b><u>-</u></b>	<b><u>(1,263,951)</u></b>	<b><u>(1,420,949)</u></b>	<b><u>156,998</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers In	1,724,674	-	1,724,674	1,724,674	-
Transfers Out	(509,062)	-	(509,062)	(612,693)	103,631
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>1,215,612</u></b>	<b><u>-</u></b>	<b><u>1,215,612</u></b>	<b><u>1,111,981</u></b>	<b><u>103,631</u></b>
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ (48,339)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (48,339)</u></b>	<b><u>\$ (308,968)</u></b>	<b><u>\$ 260,629</u></b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ECONOMIC DEVELOPMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Miscellaneous:					
Rental Income	\$ 143,615	\$ -	\$ 143,615	\$ 200,000	\$ (56,385)
Investment Income	965	-	965	1,870	(905)
Total Miscellaneous Revenue	<u>144,580</u>	<u>-</u>	<u>144,580</u>	<u>201,870</u>	<u>(57,290)</u>
<b>TOTAL REVENUES</b>	<b>144,580</b>	<b>-</b>	<b>144,580</b>	<b>201,870</b>	<b>(57,290)</b>
<b><u>EXPENDITURES</u></b>					
Economic Environment	<u>160,757</u>	<u>-</u>	<u>160,757</u>	<u>234,000</u>	<u>73,243</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (16,177)</b>	<b>\$ -</b>	<b>\$ (16,177)</b>	<b>\$ (32,130)</b>	<b>\$ 15,953</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**EVERGREEN CEMETERY TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Charges for Services	\$ 2,287	\$ -	\$ 2,287	\$ 15,000	\$ (12,713)
Miscellaneous:					
Investment Income	<u>305,835</u>	<u>-</u>	<u>305,835</u>	<u>49,159</u>	<u>256,676</u>
<b>TOTAL REVENUES</b>	<b>308,122</b>	<b>-</b>	<b>308,122</b>	<b>64,159</b>	<b>243,963</b>
<b><u>EXPENDITURES</u></b>					
Physical Environment:	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>308,122</b>	<b>-</b>	<b>308,122</b>	<b>(15,841)</b>	<b>323,963</b>
<b><u>OTHER FINANCING USES</u></b>					
Transfers Out	<u>(108,351)</u>	<u>-</u>	<u>(108,351)</u>	<u>(108,351)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ 199,771</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 199,771</u></b>	<b><u>\$ (124,192)</u></b>	<b><u>\$ 323,963</u></b>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**SCHOOL CROSSING GUARD TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Fines and Forfeitures	\$ 31,053	\$ -	\$ 31,053	\$ 22,717	\$ 8,336
Miscellaneous:					
Investment Income	1,780	-	1,780	-	1,780
<b>TOTAL REVENUES</b>	<b>32,833</b>	<b>-</b>	<b>32,833</b>	<b>22,717</b>	<b>10,116</b>
<b><u>EXPENDITURES</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>32,833</b>	<b>-</b>	<b>32,833</b>	<b>22,717</b>	<b>10,116</b>
<b><u>OTHER FINANCING USES</u></b>					
Transfers Out	(22,717)	-	(22,717)	(22,717)	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 10,116</b>	<b>\$ -</b>	<b>\$ 10,116</b>	<b>\$ -</b>	<b>\$ 10,116</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ART IN PUBLIC PLACES TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>					
Miscellaneous:					
Investment (Loss)	\$ (173)	\$ -	\$ (173)	\$ -	\$ (173)
<b><u>EXPENDITURES</u></b>					
Culture and Recreation	59,853	-	59,853	78,841	18,988
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(60,026)</b>	<b>-</b>	<b>(60,026)</b>	<b>(78,841)</b>	<b>18,815</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers In	2,040	-	2,040	2,040	-
Transfers Out	(9,000)	-	(9,000)	(9,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,960)</b>	<b>-</b>	<b>(6,960)</b>	<b>(6,960)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (66,986)</b>	<b>\$ -</b>	<b>\$ (66,986)</b>	<b>\$ (85,801)</b>	<b>\$ 18,815</b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FFGFC - SERIES 1998**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 10,278</u>	<u>\$ 10,714</u>	<u>\$ (436)</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	1,155,000	1,155,000	-
Interest and Fiscal Charges	<u>59,964</u>	<u>59,964</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u><b>1,214,964</b></u>	<u><b>1,214,964</b></u>	<u><b>-</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u><b>(1,204,686)</b></u>	<u><b>(1,204,250)</b></u>	<u><b>(436)</b></u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In	1,212,750	1,212,750	-
Transfers Out	<u>(67,137)</u>	<u>(67,137)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>1,145,613</b></u>	<u><b>1,145,613</b></u>	<u><b>-</b></u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ (59,073)</b></u>	<u><b>\$ (58,637)</b></u>	<u><b>\$ (436)</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FFGFC FUND - SERIES 2002**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b><u>ACTUAL</u></b>	<b><u>BUDGET</u></b>	<b><u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u></b>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 5,360</u>	<u>\$ -</u>	<u>\$ 5,360</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	460,000	460,000	-
Interest and Fiscal Charges	<u>25,746</u>	<u>28,386</u>	<u>2,640</u>
<b>TOTAL EXPENDITURES</b>	<u><b>485,746</b></u>	<u><b>488,386</b></u>	<u><b>2,640</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u><b>(480,386)</b></u>	<u><b>(488,386)</b></u>	<u><b>8,000</b></u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In	480,386	480,386	-
Transfers Out	<u>(3,480)</u>	<u>(3,480)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>476,906</b></u>	<u><b>476,906</b></u>	<u><b>-</b></u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ (3,480)</b></u>	<u><b>\$ (11,480)</b></u>	<u><b>\$ 8,000</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FFGFC FUND - SERIES 2005**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 2,060</u>	<u>\$ -</u>	<u>\$ 2,060</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	240,000	240,000	-
Interest and Fiscal Charges	<u>174,708</u>	<u>177,734</u>	<u>3,026</u>
<b>TOTAL EXPENDITURES</b>	<u><b>414,708</b></u>	<u><b>417,734</b></u>	<u><b>3,026</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(412,648)</b>	<b>(417,734)</b>	<b>5,086</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>409,734</u>	<u>409,734</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ (2,914)</b></u>	<u><b>\$ (8,000)</b></u>	<u><b>\$ 5,086</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FFGFC FUND - SERIES 2007**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 535</u>	<u>\$ -</u>	<u>\$ 535</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	60,000	60,000	-
Interest and Fiscal Charges	<u>55,456</u>	<u>57,005</u>	<u>1,549</u>
<b>TOTAL EXPENDITURES</b>	<u><b>115,456</b></u>	<u><b>117,005</b></u>	<u><b>1,549</b></u>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <b>(114,921)</b>	 <b>(117,005)</b>	 <b>2,084</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>114,005</u>	<u>114,005</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 <u><b>\$ (916)</b></u>	 <u><b>\$ (3,000)</b></u>	 <u><b>\$ 2,084</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 2004**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Intergovernmental:			
State Revenue Sharing	\$ 1,040,563	\$ 1,040,563	\$ -
Miscellaneous:			
Investment Income	9,013	2,750	6,263
<b>TOTAL REVENUES</b>	<b><u>1,049,576</u></b>	<b><u>1,043,313</u></b>	<b><u>6,263</u></b>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	770,000	770,000	-
Interest and Fiscal Charges	272,683	273,313	630
<b>TOTAL EXPENDITURES</b>	<b><u>1,042,683</u></b>	<b><u>1,043,313</u></b>	<b><u>630</u></b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b><u>\$ 6,893</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,893</u></b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**PENSION OBLIGATION BOND SERIES 2003A**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Intergovernmental:			
Local Cost Sharing - GRU	\$ 1,264,149	\$ 1,264,149	\$ -
Other Local Cost Sharing	<u>7,224</u>	<u>7,224</u>	<u>-</u>
Total Intergovernmental	1,271,373	1,271,373	-
Miscellaneous:			
Investment Income	<u>27,184</u>	<u>1,005</u>	<u>26,179</u>
<b>TOTAL REVENUES</b>	<b><u>1,298,557</u></b>	<b><u>1,272,378</u></b>	<b><u>26,179</u></b>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	631,803	631,803	-
Interest & Fiscal Charges	<u>1,463,972</u>	<u>1,463,972</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,095,775</u></b>	<b><u>2,095,775</u></b>	<b><u>-</u></b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(797,218)</b>	<b>(823,397)</b>	<b>26,179</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>824,403</u>	<u>824,403</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ 27,185</u></b>	<b><u>\$ 1,006</u></b>	<b><u>\$ 26,179</u></b>



**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**PENSION OBLIGATION BOND SERIES 2003B**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 25,657</u>	<u>\$ 1,002</u>	<u>\$ 24,655</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	694,669	694,669	-
Interest & Fiscal Charges	<u>2,744,251</u>	<u>2,744,251</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u><b>3,438,920</b></u>	<u><b>3,438,920</b></u>	<u><b>-</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u><b>(3,413,263)</b></u>	<u><b>(3,437,918)</b></u>	<u><b>24,655</b></u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>3,438,920</u>	<u>3,438,920</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ 25,657</b></u>	<u><b>\$ 1,002</b></u>	<u><b>\$ 24,655</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**OTHER POST EMPLOYMENT (OPEB) BONDS 2005**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Intergovernmental:			
Local Cost Sharing - GRU	\$ 2,332,205	\$ 2,332,205	\$ -
Other Local Cost Sharing	<u>13,327</u>	<u>13,327</u>	<u>-</u>
Total Intergovernmental	2,345,532	2,345,532	-
Miscellaneous:			
Investment Income	<u>58,784</u>	<u>16,392</u>	<u>42,392</u>
<b>TOTAL REVENUES</b>	<b><u>2,404,316</u></b>	<b><u>2,361,924</u></b>	<b><u>42,392</u></b>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	4,365,000	4,365,000	-
Interest and Fiscal Charges	<u>775,383</u>	<u>779,383</u>	<u>4,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>5,140,383</u></b>	<b><u>5,144,383</u></b>	<b><u>4,000</u></b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,736,067)</b>	<b>(2,782,459)</b>	<b>46,392</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>2,794,851</u>	<u>2,794,851</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b><u>\$ 58,784</u></b>	<b><u>\$ 12,392</u></b>	<b><u>\$ 46,392</u></b>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT REVENUE BOND (CIRB) - SERIES 2005**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 15,877</u>	<u>\$ 1,001</u>	<u>\$ 14,876</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	960,000	960,000	-
Interest and Fiscal Charges	<u>772,119</u>	<u>772,119</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u><b>1,732,119</b></u>	<u><b>1,732,119</b></u>	<u><b>-</b></u>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <b>(1,716,242)</b>	 <b>(1,731,118)</b>	 <b>14,876</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>1,728,668</u>	<u>1,728,668</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 <u><b>\$ 12,426</b></u>	 <u><b>\$ (2,450)</b></u>	 <u><b>\$ 14,876</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GPD ENERGY CONSERVATION MASTER CAPITAL LEASE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	\$ 635	\$ -	\$ 635
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	77,432	77,432	-
Interest and Fiscal Charges	23,960	23,960	-
<b>TOTAL EXPENDITURES</b>	<b>101,392</b>	<b>101,392</b>	<b>-</b>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <b>(100,757)</b>	 <b>(101,392)</b>	 <b>635</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	115,393	115,393	-
 <b>NET CHANGE IN FUND BALANCES</b>	 <b>\$ 14,636</b>	 <b>\$ 14,001</b>	 <b>\$ 635</b>

**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, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 2,538</u>	<u>\$ 500</u>	<u>\$ 2,038</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	389,224	389,224	-
Interest and Fiscal Charges	<u>568,933</u>	<u>568,933</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u><b>958,157</b></u>	<u><b>958,157</b></u>	<u><b>-</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(955,619)</b>	<b>(957,657)</b>	<b>2,038</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>952,308</u>	<u>952,308</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ (3,311)</b></u>	<u><b>\$ (5,349)</b></u>	<u><b>\$ 2,038</b></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, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 2,165</u>	<u>\$ -</u>	<u>\$ 2,165</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	115,193	115,193	-
Interest and Fiscal Charges	<u>103,736</u>	<u>104,006</u>	<u>270</u>
<b>TOTAL EXPENDITURES</b>	<u><b>218,929</b></u>	<u><b>219,199</b></u>	<u><b>270</b></u>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <b>(216,764)</b>	 <b>(219,199)</b>	 <b>2,435</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	<u>218,917</u>	<u>218,917</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 <u><b>\$ 2,153</b></u>	 <u><b>\$ (282)</b></u>	 <u><b>\$ 2,435</b></u>

**CITY OF GAINESVILLE, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**REVENUE REFUNDING NOTE SERIES 2011**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 2,757</u>	<u>\$ -</u>	<u>\$ 2,757</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	140,000	140,000	-
Interest and Fiscal Charges	156,388	156,388	-
Bond Issuance Costs	<u>38,993</u>	<u>40,372</u>	<u>1,379</u>
<b>TOTAL EXPENDITURES</b>	<u><b>335,381</b></u>	<u><b>336,760</b></u>	<u><b>1,379</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u><b>(332,624)</b></u>	<u><b>(336,760)</b></u>	<u><b>4,136</b></u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Debt Issuance	6,230,000	6,230,000	-
Transfers In	336,760	336,760	-
Payment to Refunded Bond Escrow Agent	<u>(6,230,000)</u>	<u>(6,230,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>336,760</b></u>	<u><b>336,760</b></u>	<u><b>-</b></u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ 4,136</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 4,136</b></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, 2012**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<b><u>REVENUES</u></b>			
Miscellaneous:			
Investment Income	<u>\$ 19,206</u>	<u>\$ -</u>	<u>\$ 19,206</u>
<b><u>EXPENDITURES</u></b>			
Debt Service:			
Principal	270,000	270,000	-
Interest and Fiscal Charges	66,435	66,436	1
Bond Issuance Costs	<u>28,250</u>	<u>30,000</u>	<u>1,750</u>
<b>TOTAL EXPENDITURES</b>	<u><b>364,685</b></u>	<u><b>366,436</b></u>	<u><b>1,751</b></u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u><b>(345,479)</b></u>	<u><b>(366,436)</b></u>	<u><b>20,957</b></u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Debt Issuance	3,730,000	3,730,000	-
Transfers In	336,436	336,436	-
Transfers Out	<u>(3,700,000)</u>	<u>(3,700,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>366,436</b></u>	<u><b>366,436</b></u>	<u><b>-</b></u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><b>\$ 20,957</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 20,957</b></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.

**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 NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2012**

	<b><u>REGIONAL TRANSIT SYSTEM FUND</u></b>	<b><u>STORMWATER MANAGEMENT UTILITY FUND</u></b>	<b><u>IRONWOOD GOLF COURSE FUND</u></b>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,850	\$ -	\$ 125
Equity in Pooled Cash and Investments	-	4,509,424	-
Receivables	5,353,031	931,399	1,400
Due from Other Funds	-	6,911,392	-
Inventories	925,850	-	64,099
Total Current Assets	<u>6,282,731</u>	<u>12,352,215</u>	<u>65,624</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	3,805,630	566,455	422,897
Improvements other than buildings	802,404	-	1,284,201
Machinery and equipment	19,484,824	187,688	71,228
Infrastructure	-	9,247,763	-
Capital Assets (not depreciated):			
Land	1,311,611	3,966,648	520,265
Construction in progress	1,849,897	6,393,671	-
Total Noncurrent Assets	<u>27,254,366</u>	<u>20,362,225</u>	<u>2,298,591</u>
<b>TOTAL ASSETS</b>	<b><u>33,537,097</u></b>	<b><u>32,714,440</u></b>	<b><u>2,364,215</u></b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	460,414	189,601	12,541
Accounts Payable - Payroll	480,222	117,386	6,966
Due to Other Funds	4,233,737	-	1,941,523
Current Portion of Long-Term Debt	15,719	286,927	51,599
Total Current Liabilities	<u>5,190,092</u>	<u>593,914</u>	<u>2,012,629</u>
Noncurrent Liabilities:			
Long-Term Debt	392,970	1,202,905	1,169,231
Total Noncurrent Liabilities	<u>392,970</u>	<u>1,202,905</u>	<u>1,169,231</u>
<b>TOTAL LIABILITIES</b>	<b><u>5,583,062</u></b>	<b><u>1,796,819</u></b>	<b><u>3,181,860</u></b>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, Net of Related Debt	27,254,366	17,589,087	1,182,983
Restricted for:			
Capital Improvement Surcharge	-	-	86,520
RTS Grant	468,600	-	-
Unrestricted	231,069	13,328,534	(2,087,148)
<b>TOTAL NET POSITION</b>	<b><u>\$ 27,954,035</u></b>	<b><u>\$ 30,917,621</u></b>	<b><u>\$ (817,645)</u></b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2012**

	<b><u>FLORIDA BUILDING CODE ENFORCEMENT FUND</u></b>	<b><u>SOLID WASTE FUND</u></b>	<b><u>TOTAL NONMAJOR ENTERPRISE FUNDS</u></b>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,975
Equity in Pooled Cash and Investments	3,224,160	2,413,688	10,147,272
Receivables	-	307,052	6,592,882
Due from Other Funds	-	566,533	7,477,925
Inventories	4,142	-	994,091
Total Current Assets	<u>3,228,302</u>	<u>3,287,273</u>	<u>25,216,145</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	-	529,873	5,324,855
Improvements other than buildings	-	-	2,086,605
Machinery and equipment	2,369	743	19,746,852
Infrastructure	-	-	9,247,763
Capital Assets (not depreciated):			
Land	-	100,989	5,899,513
Construction in progress	-	-	8,243,568
Total Noncurrent Assets	<u>2,369</u>	<u>631,605</u>	<u>50,549,156</u>
<b>TOTAL ASSETS</b>	<b><u>3,230,671</u></b>	<b><u>3,918,878</u></b>	<b><u>75,765,301</u></b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	131,523	494,146	1,288,225
Accounts Payable - Payroll	73,297	29,141	707,012
Due to Other Funds	-	-	6,175,260
Current Portion of Long-Term Debt	2,689	28,102	385,036
Total Current Liabilities	<u>207,509</u>	<u>551,389</u>	<u>8,555,533</u>
Noncurrent Liabilities:			
Long-Term Debt	67,226	705,351	3,537,683
Total Noncurrent Liabilities	<u>67,226</u>	<u>705,351</u>	<u>3,537,683</u>
<b>TOTAL LIABILITIES</b>	<b><u>274,735</u></b>	<b><u>1,256,740</u></b>	<b><u>12,093,216</u></b>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, Net of Related Debt	2,369	631,605	46,660,410
Restricted for:			
Capital Improvement Surcharge	-	-	86,520
RTS Grant	-	-	468,600
Unrestricted	2,953,567	2,030,533	16,456,555
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,955,936</u></b>	<b><u>\$ 2,662,138</u></b>	<b><u>\$ 63,672,085</u></b>

(CONCLUDED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>REGIONAL TRANSIT SYSTEM FUND</b>	<b>STORMWATER MANAGEMENT UTILITY FUND</b>	<b>IRONWOOD GOLF COURSE FUND</b>
<b><u>OPERATING REVENUES</u></b>			
Sales and Service Charges	\$ 14,064,131	\$ 6,836,571	\$ 1,000,105
Other Operating Revenues	265,312	88,893	-
<b>TOTAL OPERATING REVENUES</b>	<b><u>14,329,443</u></b>	<b><u>6,925,464</u></b>	<b><u>1,000,105</u></b>
<b><u>OPERATING EXPENSES</u></b>			
Operations and Maintenance	17,125,678	4,842,570	774,732
Administrative and General	1,261,732	902,559	481,951
Depreciation and Amortization	3,147,565	301,259	136,295
<b>TOTAL OPERATING EXPENSES</b>	<b><u>21,534,975</u></b>	<b><u>6,046,388</u></b>	<b><u>1,392,978</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(7,205,532)</u></b>	<b><u>879,076</u></b>	<b><u>(392,873)</u></b>
<b><u>NON OPERATING REVENUES (EXPENSES)</u></b>			
Investment Income /(Loss)	(67,957)	260,331	(34,187)
Interest Expense	-	(54,166)	(44,853)
Gain/(Loss) on Disposal of Capital Assets	10,169	(310,412)	(24,348)
Local Option Gas Tax	1,767,311	-	-
Operating Grants	5,996,056	388,925	-
<b>TOTAL NON OPERATING REVENUE(EXPENSES)</b>	<b><u>7,705,579</u></b>	<b><u>284,678</u></b>	<b><u>(103,388)</u></b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b><u>500,047</u></b>	<b><u>1,163,754</u></b>	<b><u>(496,261)</u></b>
Capital Contributions	4,852,383	867,774	-
Transfers In	745,009	97,692	984,321
Transfers Out	(586,907)	(937,723)	(232,970)
<b>CHANGE IN NET POSITION</b>	<b><u>5,510,532</u></b>	<b><u>1,191,497</u></b>	<b><u>255,090</u></b>
<b>TOTAL NET POSITION</b>			
October 1	<b><u>22,443,503</u></b>	<b><u>29,726,124</u></b>	<b><u>(1,072,735)</u></b>
<b>TOTAL NET POSITION</b>			
September 30	<b><u>\$ 27,954,035</u></b>	<b><u>\$ 30,917,621</u></b>	<b><u>\$ (817,645)</u></b>

(CONTINUED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>FLORIDA BUILDING CODE ENFORCEMENT FUND</b>	<b>SOLID WASTE FUND</b>	<b>TOTAL NONMAJOR ENTERPRISE FUNDS</b>
<b><u>OPERATING REVENUES</u></b>			
Sales and Service Charges	\$ 1,820,233	\$ 8,536,081	\$ 32,257,121
Other Operating Revenues	-	-	354,205
<b>TOTAL OPERATING REVENUES</b>	<b><u>1,820,233</u></b>	<b><u>8,536,081</u></b>	<b><u>32,611,326</u></b>
<b><u>OPERATING EXPENSES</u></b>			
Operations and Maintenance	1,891,182	7,053,908	31,688,070
Administrative and General	251,310	270,532	3,168,084
Depreciation and Amortization	14,480	18,316	3,617,915
<b>TOTAL OPERATING EXPENSES</b>	<b><u>2,156,972</u></b>	<b><u>7,342,756</u></b>	<b><u>38,474,069</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(336,739)</u></b>	<b><u>1,193,325</u></b>	<b><u>(5,862,743)</u></b>
<b><u>NON OPERATING REVENUES (EXPENSES)</u></b>			
Investment Income /(Loss)	74,845	51,003	284,035
Interest Expense	-	(36,188)	(135,207)
Gain/(Loss) on Disposal of Capital Assets	-	-	(324,591)
Local Option Gas Tax	-	-	1,767,311
Operating Grants	-	-	6,384,981
<b>TOTAL NON OPERATING REVENUE(EXPENSES)</b>	<b><u>74,845</u></b>	<b><u>14,815</u></b>	<b><u>7,976,529</u></b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b><u>(261,894)</u></b>	<b><u>1,208,140</u></b>	<b><u>2,113,786</u></b>
Capital Contributions	-	-	5,720,157
Transfers In	50,000	6,400	1,883,422
Transfers Out	(86,572)	(706,854)	(2,551,026)
<b>CHANGE IN NET POSITION</b>	<b><u>(298,466)</u></b>	<b><u>507,686</u></b>	<b><u>7,166,339</u></b>
<b>TOTAL NET POSITION</b>			
October 1	<b><u>3,254,402</u></b>	<b><u>2,154,452</u></b>	<b><u>56,505,746</u></b>
<b>TOTAL NET POSITION</b>			
September 30	<b><u>\$ 2,955,936</u></b>	<b><u>\$ 2,662,138</u></b>	<b><u>\$ 63,672,085</u></b>

(CONCLUDED)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>REGIONAL TRANSIT SYSTEM FUND</b>	<b>STORMWATER MANAGEMENT UTILITY FUND</b>	<b>IRONWOOD GOLF COURSE FUND</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 13,809,011	\$ 6,841,578	\$ 1,000,105
Cash Paid to Suppliers	(8,138,660)	(3,364,125)	(1,363,260)
Cash Paid to Employees	(9,580,835)	(2,667,571)	(246,384)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>(3,910,484)</u></b>	<b><u>809,882</u></b>	<b><u>(609,539)</u></b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>			
Local Option Gas Tax	1,767,311	-	-
Operating Grants	1,143,673	(478,849)	-
Interest Paid	(67,957)	-	(34,187)
Transfers from Other Funds	745,009	97,692	984,321
Transfers to Other Funds	(586,907)	(937,723)	(232,970)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES</b>	<b><u>3,001,129</u></b>	<b><u>(1,318,880)</u></b>	<b><u>717,164</u></b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Principal Repayments on Long-Term Debt	-	(277,926)	(49,807)
Proceeds from Sale of Capital Assets	10,169	-	-
Interest Paid on Long-Term Debt	-	(54,166)	(44,853)
Capital Contributions	4,852,383	867,774	-
Acquisition and Construction of Capital Assets	(3,954,197)	(815,831)	(12,965)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>908,355</u></b>	<b><u>(280,149)</u></b>	<b><u>(107,625)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest Received	-	260,331	-
Purchase of Investments	-	(2,397,210)	-
Proceeds from Investment Maturities	-	3,234,046	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>-</u></b>	<b><u>1,097,167</u></b>	<b><u>-</u></b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(1,000)</b>	<b>308,020</b>	<b>-</b>
<b>CASH - OCTOBER 1</b>	<b><u>4,850</u></b>	<b><u>1,804,194</u></b>	<b><u>125</u></b>
<b>CASH - SEPTEMBER 30</b>	<b><u>\$ 3,850</u></b>	<b><u>\$ 2,112,214</u></b>	<b><u>\$ 125</u></b>

(continued)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 1,820,233	\$ 8,534,750	\$ 32,005,677
Cash Paid to Suppliers	(442,867)	(6,596,681)	(19,905,593)
Cash Paid to Employees	(1,638,726)	(746,343)	(14,879,859)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(261,360)</b>	<b>1,191,726</b>	<b>(2,779,775)</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>			
Local Option Gas Tax	-	-	1,767,311
Operating Grants	-	-	664,824
Interest Paid	-	-	(102,144)
Transfers from Other Funds	50,000	6,400	1,883,422
Transfers to Other Funds	(86,572)	(706,854)	(2,551,026)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES</b>	<b>(36,572)</b>	<b>(700,454)</b>	<b>1,662,387</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Principal Repayments on Long-Term Debt	-	(25,388)	(353,121)
Proceeds from Sale of Capital Assets	-	-	10,169
Interest Paid on Long-Term Debt	-	(36,188)	(135,207)
Capital Contributions	-	-	5,720,157
Acquisition and Construction of Capital Assets	-	-	(4,782,993)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>(61,576)</b>	<b>459,005</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest Received	74,845	51,003	386,179
Purchase of Investments	(1,713,963)	(1,283,117)	(5,394,290)
Proceeds from Investment Maturities	2,212,788	1,240,786	6,687,620
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>573,670</b>	<b>8,672</b>	<b>1,679,509</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>275,738</b>	<b>438,368</b>	<b>1,021,126</b>
<b>CASH - OCTOBER 1</b>	<b>1,234,459</b>	<b>692,203</b>	<b>3,735,831</b>
<b>CASH - SEPTEMBER 30</b>	<b>\$ 1,510,197</b>	<b>\$ 1,130,571</b>	<b>\$ 4,756,957</b>

(continued)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>REGIONAL TRANSIT SYSTEM FUND</b>	<b>STORMWATER MANAGEMENT UTILITY FUND</b>	<b>IRONWOOD GOLF COURSE FUND</b>
<b>OPERATING INCOME (LOSS)</b>	\$ (7,205,532)	\$ 879,076	\$ (392,873)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Depreciation and Amortization	3,147,565	301,259	136,295
(Increase)/Decrease in Receivables	(520,432)	(83,886)	-
(Increase)/Decrease in Due from Other Funds	-	(480,918)	-
(Increase)/Decrease in Inventories	(192,683)	-	4,252
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	203,112	194,351	(5,443)
Increase/(Decrease) in Due to Other Funds	<u>657,486</u>	<u>-</u>	<u>(351,770)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$ (3,910,484)</u></b>	<b><u>\$ 809,882</u></b>	<b><u>\$ (609,539)</u></b>
 <b>RECONCILIATION OF CASH TO STATEMENT OF NET POSITION</b>			
Cash	\$ 3,850	\$ 2,112,214	\$ 125
Investments	<u>-</u>	<u>2,397,210</u>	<u>-</u>
<b>TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET POSITION</b>	<b><u>\$ 3,850</u></b>	<b><u>\$ 4,509,424</u></b>	<b><u>\$ 125</u></b>
 <b>NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES</b>			
Change in Fair Value of Investments	\$ -	\$ 35,182	\$ -

(continued)



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>FLORIDA BUILDING CODE ENFORCEMENT FUND</b>	<b>SOLID WASTE FUND</b>	<b>TOTAL NONMAJOR ENTERPRISE FUNDS</b>
<b>OPERATING INCOME (LOSS)</b>	\$ (336,739)	\$ 1,193,325	\$ (5,862,743)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Depreciation and Amortization	14,480	18,316	3,617,915
(Increase)/Decrease in Receivables	-	(1,331)	(605,649)
(Increase)/Decrease in Due from Other Funds	9,100	(30,736)	(502,554)
(Increase)/Decrease in Inventories	(4,142)	-	(192,573)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	55,941	12,152	460,113
Increase/(Decrease) in Due to Other Funds	-	-	305,716
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (261,360)</b>	<b>\$ 1,191,726</b>	<b>\$ (2,779,775)</b>
 <b>RECONCILIATION OF CASH TO STATEMENT OF NET POSITION</b>			
Cash	\$ 1,510,197	\$ 1,130,571	\$ 4,756,957
Investments	1,713,963	1,283,117	5,394,290
<b>TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET POSITION</b>	<b>\$ 3,224,160</b>	<b>\$ 2,413,688</b>	<b>\$ 10,151,247</b>
 <b>NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES</b>			
Change in Fair Value of Investments	\$ 16,779	\$ 3,116	\$ 55,077

(concluded)

**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, 2012**

	<b><u>GENERAL INSURANCE FUND</u></b>	<b><u>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u></b>	<b><u>FLEET MANAGEMENT FUND</u></b>	<b><u>TOTALS</u></b>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 88,000	\$ -	\$ 88,000
Equity in Pooled Cash and Investments	12,492,438	6,605,333	8,143,484	27,241,255
Receivables	-	129	1,119	1,248
Due from Other Funds	142,564	-	226,662	369,226
Inventories	-	-	114,613	114,613
Prepaid Expenses	17,006	-	-	17,006
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	12,652,008	6,693,462	8,485,878	27,831,348
Noncurrent Assets:				
Capital Assets (net of accumulated depreciation):				
Machinery and Equipment	33,939	304	6,411,391	6,445,634
Capital Assets (non depreciable):				
Land	-	-	1,027,479	1,027,479
Construction in Progress	-	-	442,362	442,362
	<hr/>	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	33,939	304	7,881,232	7,915,475
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>12,685,947</b>	<b>6,693,766</b>	<b>16,367,110</b>	<b>35,746,823</b>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	6,821,534	1,310,133	169,360	8,301,027
Accounts Payable - Payroll	43,226	3,944	56,399	103,569
Current Portion of Long Term Debt	1,827	22	2,726	4,575
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	6,866,587	1,314,099	228,485	8,409,171
Noncurrent Liabilities:				
Long-Term Debt	45,672	550	68,152	114,374
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>6,912,259</b>	<b>1,314,649</b>	<b>296,637</b>	<b>8,523,545</b>
<b><u>NET POSITION</u></b>				
Invested in Capital Assets	33,939	304	7,881,232	7,915,475
Unrestricted	5,739,749	5,378,813	8,189,241	19,307,803
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 5,773,688</b>	<b>\$ 5,379,117</b>	<b>\$ 16,070,473</b>	<b>\$ 27,223,278</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<b><u>OPERATING REVENUES</u></b>				
Sales and Service Charges	\$ 6,796,616	\$ 7,132,946	\$ 7,414,795	\$ 21,344,357
Employer Contributions	-	7,742,935	-	7,742,935
Employee Contributions	-	5,177,704	-	5,177,704
Other Operating Revenues	374,151	951,832	138,268	1,464,251
<b>TOTAL OPERATING REVENUES</b>	<b>7,170,767</b>	<b>21,005,417</b>	<b>7,553,063</b>	<b>35,729,247</b>
<b><u>OPERATING EXPENSES</u></b>				
Operations and Maintenance	5,637,228	-	5,409,423	11,046,651
Administrative and General	961,907	365,798	682,574	2,010,279
Depreciation and Amortization	16,496	415	1,891,781	1,908,692
Benefits Paid and Other Expenses	-	21,567,093	-	21,567,093
<b>TOTAL OPERATING EXPENSES</b>	<b>6,615,631</b>	<b>21,933,306</b>	<b>7,983,778</b>	<b>36,532,715</b>
<b>OPERATING INCOME (LOSS)</b>	<b>555,136</b>	<b>(927,889)</b>	<b>(430,715)</b>	<b>(803,468)</b>
<b><u>NON OPERATING REVENUES</u></b>				
Interest Income	258,801	151,817	131,897	542,515
<b>TOTAL NON OPERATING REVENUES</b>	<b>258,801</b>	<b>151,817</b>	<b>131,897</b>	<b>542,515</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>813,937</b>	<b>(776,072)</b>	<b>(298,818)</b>	<b>(260,953)</b>
Capital Contributions	24,304	-	387,518	411,822
Transfers In	-	-	35,000	35,000
Transfers Out	(55,305)	(7,582)	(78,234)	(141,121)
<b>CHANGE IN NET POSITION</b>	<b>782,936</b>	<b>(783,654)</b>	<b>45,466</b>	<b>44,748</b>
<b>NET POSITION, October 1</b>	<b>4,990,752</b>	<b>6,162,771</b>	<b>16,025,007</b>	<b>27,178,530</b>
<b>NET POSITION, September 30</b>	<b>\$ 5,773,688</b>	<b>\$ 5,379,117</b>	<b>\$ 16,070,473</b>	<b>\$ 27,223,278</b>

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>GENERAL INSURANCE FUND</b>	<b>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</b>	<b>FLEET MANAGEMENT FUND</b>	<b>TOTALS</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash Received from Customers	\$ 6,796,616	\$ 21,647,419	\$ 7,414,499	\$ 35,858,534
Cash Paid to Suppliers	(6,268,533)	(21,753,915)	(4,606,301)	(32,628,749)
Cash Paid to Employees	(1,160,741)	(101,946)	(1,465,474)	(2,728,161)
Other Operating Receipts/Payments	374,151	-	138,268	512,419
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(258,507)</b>	<b>(208,442)</b>	<b>1,480,992</b>	<b>1,014,043</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Transfers from Other Funds	-	-	35,000	35,000
Transfers to Other Funds	(55,305)	(7,582)	(78,234)	(141,121)
<b>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(55,305)</b>	<b>(7,582)</b>	<b>(43,234)</b>	<b>(106,121)</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Acquisition and Construction of Capital Assets	-	-	(881,795)	(881,795)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(881,795)</b>	<b>(881,795)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest Received	258,801	151,817	131,897	542,515
Purchase of Investments	(6,640,980)	(3,511,395)	(4,329,076)	(14,481,451)
Proceeds from Investment Maturities	8,054,208	4,281,178	4,785,765	17,121,151
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>1,672,029</b>	<b>921,600</b>	<b>588,586</b>	<b>3,182,215</b>
<b>NET INCREASE IN CASH</b>	<b>1,358,217</b>	<b>705,576</b>	<b>1,144,549</b>	<b>3,208,342</b>
<b>CASH - OCTOBER 1</b>	<b>4,493,241</b>	<b>2,476,362</b>	<b>2,669,859</b>	<b>9,639,462</b>
<b>CASH - SEPTEMBER 30</b>	<b>\$ 5,851,458</b>	<b>\$ 3,181,938</b>	<b>\$ 3,814,408</b>	<b>\$ 12,847,804</b>

(continued)

**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b><u>GENERAL INSURANCE FUND</u></b>	<b><u>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u></b>	<b><u>FLEET MANAGEMENT FUND</u></b>	<b><u>TOTALS</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>\$ 555,136</b>	<b>\$ (927,889)</b>	<b>\$ (430,715)</b>	<b>\$ (803,468)</b>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Depreciation and Amortization	16,496	415	1,891,781	1,908,692
(Increase)/Decrease in Receivables	-	642,003	(296)	641,707
(Increase)/Decrease in Due from Other Funds	(142,564)	-	16,501	(126,063)
(Increase)/Decrease in Inventories	-	-	7,058	7,058
(Increase)/Decrease in Prepaid Expenses	(8,113)	-	-	(8,113)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(35,664)	77,029	(3,337)	38,028
Increase/(Decrease) in Due to Other Funds	(643,798)	-	-	(643,798)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (258,507)</b>	<b>\$ (208,442)</b>	<b>\$ 1,480,992</b>	<b>\$ 1,014,043</b>

**RECONCILIATION OF CASH TO  
STATEMENT OF NET POSITION**

Cash	\$ 5,851,458	\$ 3,181,938	\$ 3,814,408	\$ 12,847,804
Investments	6,640,980	3,511,395	4,329,076	14,481,451
<b>TOTAL CASH AND EQUITY IN POOL PER STATEMENT OF NET POSITION</b>	<b>\$ 12,492,438</b>	<b>\$ 6,693,333</b>	<b>\$ 8,143,484</b>	<b>\$ 27,329,255</b>

**NONCASH CAPITAL, INVESTING AND  
FINANCING ACTIVITIES**

Contribution of Capital Assets	\$ 24,304	\$ -	\$ 387,518	\$ 411,822
Change in Fair Value of Investments	10,311	38,974	35,151	84,436

(concluded)

**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 payments to participants of the City's Employees Pension Plan.

**Employees Disability Pension Fund** - to account for the accumulation of resources to be used for pension payments to participants of the City's Disability Pension Plan.

**Police Officers' and Firefighters' Consolidated Retirement Fund** - to account for the accumulation of resources to be used for pension 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, 2012**

	<b>EMPLOYEES PENSION FUND</b>	<b>EMPLOYEES DISABILITY 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	\$ 2,626,570	\$ 841,011	\$ 2,331,368	\$ 6,650,144	\$ 12,449,093
Equity in Pooled Cash and Investments	779,227	459,157	1,035,758	702,446	2,976,588
Receivables	-	-	1,177,922	-	1,177,922
Investments, at Fair Value:					
Equities	212,791,191	4,678,922	150,552,098	37,060,822	405,083,033
Real Estate	38,119,086	-	10,564,590	-	48,683,676
Alternative Investments	12,839,251	482,949	1,522,067	4,273,649	19,117,916
Fixed Income:					
Government Bonds	361,905	63,318	758,425	518,015	1,701,663
Corporate Bonds	3,659,647	-	5,886,072	-	9,545,719
Mortgage & Asset Backed Securities	643,036	149,255	827,230	1,268,521	2,888,042
Total Investments, at Fair Value:	268,414,116	5,374,444	170,110,482	43,121,007	487,020,049
Investment Adjustments:					
Dividends Receivable	118,981	-	67,795	-	186,776
Interest Receivable	55,017	-	88,442	-	143,459
Receivable for Investments Sold	335,846	-	550,302	-	886,148
Payable for Investments Purchased	(115,976)	-	(500,668)	-	(616,644)
Total Investment Adjustments	393,868	-	205,871	-	599,739
<b>TOTAL ASSETS</b>	<b>272,213,781</b>	<b>6,674,612</b>	<b>174,861,401</b>	<b>50,473,597</b>	<b>504,223,391</b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	7,897	900	3,482	375	12,654
<b>TOTAL LIABILITIES</b>	<b>7,897</b>	<b>900</b>	<b>3,482</b>	<b>375</b>	<b>12,654</b>
<b>NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS</b>	<b>\$ 272,205,884</b>	<b>\$ 6,673,712</b>	<b>\$ 174,857,919</b>	<b>\$ 50,473,222</b>	<b>\$ 504,210,737</b>



**CITY OF GAINESVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OPEB TRUST FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>EMPLOYEES PENSION FUND</b>	<b>EMPLOYEES DISABILITY PENSION FUND</b>	<b>POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT FUND</b>	<b>OTHER POST- EMPLOYMENT BENEFITS (OPEB) FUND</b>	<b>TOTALS</b>
<b><u>ADDITIONS:</u></b>					
<b>Contributions:</b>					
Employer Contributions:					
Required	\$ 8,676,470	\$ 274,696	\$ 2,961,071	\$ 2,909,942	\$ 14,822,179
State on Behalf Payments, through General Fund	-	-	1,177,922	-	1,177,922
Total Employer Contributions	8,676,470	274,696	4,138,993	2,909,942	16,000,101
Employee Contributions	7,863,508	-	3,669,039	2,441,155	13,973,702
<b>Total Contributions</b>	<b>16,539,978</b>	<b>274,696</b>	<b>7,808,032</b>	<b>5,351,097</b>	<b>29,973,803</b>
<b>Investment Income:</b>					
Net Appreciation in Fair Value of Investments	48,658,133	940,324	31,194,067	7,406,539	88,199,063
Dividends & Interest	3,106,979	133,688	1,936,287	1,057,573	6,234,527
<b>Total Investment Income</b>	<b>51,765,112</b>	<b>1,074,012</b>	<b>33,130,354</b>	<b>8,464,112</b>	<b>94,433,590</b>
Less Investment Expense	1,203,184	44,626	1,235,028	364,193	2,847,031
<b>Net Investment Income</b>	<b>50,561,928</b>	<b>1,029,386</b>	<b>31,895,326</b>	<b>8,099,919</b>	<b>91,586,559</b>
<b>TOTAL ADDITIONS</b>	<b>67,101,906</b>	<b>1,304,082</b>	<b>39,703,358</b>	<b>13,451,016</b>	<b>121,560,362</b>
<b><u>DEDUCTIONS:</u></b>					
Benefit Payments	26,542,019	226,902	13,397,538	7,151,946	47,318,405
Refunds of Contributions	290,591	-	260,908	-	551,499
Administrative Expenses	566,863	57,190	413,578	55,410	1,093,041
<b>TOTAL DEDUCTIONS</b>	<b>27,399,473</b>	<b>284,092</b>	<b>14,072,024</b>	<b>7,207,356</b>	<b>48,962,945</b>
<b>CHANGE IN NET POSITION</b>	<b>39,702,433</b>	<b>1,019,990</b>	<b>25,631,334</b>	<b>6,243,660</b>	<b>72,597,417</b>
<b>NET POSITION - October 1</b>	<b>232,503,451</b>	<b>5,653,722</b>	<b>149,226,585</b>	<b>44,229,562</b>	<b>431,613,320</b>
<b>NET POSITION - September 30</b>	<b>\$ 272,205,884</b>	<b>\$ 6,673,712</b>	<b>\$ 174,857,919</b>	<b>\$ 50,473,222</b>	<b>\$ 504,210,737</b>



## 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><u>Schedules</u></b>	<b>Page</b>
<p><b><u>Financial Trends</u></b></p> <p style="margin-left: 40px;"><i>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.</i></p>	134
<p><b><u>Revenue Capacity</u></b></p> <p style="margin-left: 40px;"><i>These schedules provide additional information about Property Tax and Utility Revenues, the City's most significant local revenue sources.</i></p>	169
<p><b><u>Debt Capacity</u></b></p> <p style="margin-left: 40px;"><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></p>	149
<p><b><u>Demographic and Economic Information</u></b></p> <p style="margin-left: 40px;"><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></p>	152
<p><b><u>Operating Information</u></b></p> <p style="margin-left: 40px;"><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></p>	154

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**City of Gainesville**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 47,854,313	\$ 79,593,219	\$ 82,168,018	\$ 81,644,688	\$ 92,860,038	\$ 96,668,703	\$ 109,776,558	\$ 116,698,998	\$ 127,383,906	\$ 133,198,609
Restricted	22,754,050	12,928,276	23,255,620	23,804,426	24,744,773	32,633,862	54,338,573	63,393,549	66,834,959	63,041,610
Unrestricted	39,185,669	19,429,443	(3,020,760)	4,675,292	8,536,785	11,236,904	8,569,078	10,754,370	17,050,427	16,993,135
Total governmental activities net position	\$ 109,794,032	\$ 111,950,938	\$ 102,402,878	\$ 110,124,406	\$ 126,141,596	\$ 140,539,469	\$ 172,684,209	\$ 190,846,917	\$ 211,269,292	\$ 213,233,354
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 281,117,024	\$ 319,702,835	\$ 322,442,298	\$ 331,146,120	\$ 349,405,887	\$ 355,005,449	\$ 355,449,225	\$ 373,193,617	\$ 350,932,231	\$ 368,031,597
Restricted	83,814,681	49,479,733	48,655,890	41,927,823	38,409,591	47,479,252	59,072,730	74,411,130	84,940,717	85,067,843
Unrestricted	8,096,203	17,365,556	15,864,688	12,602,059	21,512,560	30,115,444	57,894,750	55,460,731	102,951,974	110,159,236
Total business-type activities net position	\$ 373,027,908	\$ 386,548,124	\$ 386,962,876	\$ 385,676,002	\$ 409,328,038	\$ 432,600,145	\$ 472,416,705	\$ 503,065,478	\$ 538,824,922	\$ 563,258,676
<b>Total primary government:</b>										
Invested in capital assets, net of related debt	\$ 328,971,337	\$ 399,296,054	\$ 404,610,316	\$ 412,790,808	\$ 442,265,925	\$ 451,674,152	\$ 465,225,783	\$ 489,892,615	\$ 478,316,137	\$ 501,230,206
Restricted	106,568,731	62,408,009	71,911,510	65,732,249	63,154,364	80,113,114	113,411,303	137,804,679	151,775,676	148,109,453
Unrestricted	47,281,872	36,794,999	12,843,928	17,277,351	30,049,345	41,352,348	66,463,828	66,215,101	120,002,401	127,152,371
Total primary government net position	\$ 482,821,940	\$ 498,499,062	\$ 489,365,754	\$ 495,800,408	\$ 535,469,634	\$ 573,139,614	\$ 645,100,914	\$ 693,912,395	\$ 750,094,214	\$ 776,492,030

**City of Gainesville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 15,061,813	\$ 18,458,043	\$ 23,677,037	\$ 24,048,427	\$ 17,066,712
Public safety	42,574,106	45,714,000	54,281,144	47,701,143	49,394,763
Physical environment	2,832,078	2,827,492	3,055,388	3,243,727	2,790,089
Transportation	9,358,165	9,548,804	8,548,157	10,506,470	12,220,979
Economic environment	5,135,218	3,583,832	4,616,810	5,787,916	8,492,950
Human services	1,490,131	1,713,715	1,268,499	1,043,843	284,999
Culture & recreation	5,317,908	3,669,838	5,641,593	5,916,408	6,527,215
Interest on long-term debt	3,626,965	5,136,385	5,296,200	7,539,632	7,504,485
Total governmental activities expenses	85,396,384	90,652,109	106,384,828	105,787,566	104,282,192
Business-type activities:					
Electric	140,555,094	152,668,644	165,714,007	200,086,670	192,569,894
Gas	20,745,014	22,402,154	25,011,786	30,563,089	27,732,906
Water	14,213,832	15,662,347	16,373,985	18,267,647	18,895,269
Wastewater	17,514,229	17,978,035	20,179,076	22,266,780	22,704,103
GRUCom	6,296,174	6,626,562	7,763,554	8,481,545	8,421,765
Regional transit system	12,833,553	13,946,979	15,407,545	16,521,738	17,282,667
Stormwater management	3,934,824	3,963,762	4,563,029	5,061,984	5,095,939
Ironwood golf course	1,531,655	1,438,628	1,243,518	1,309,847	1,325,727
Florida building code enforcement	-	-	-	-	1,783,856
Solid waste	5,703,055	5,595,169	5,441,243	6,635,067	10,009,758
Total business-type activities expenses	223,327,430	240,282,280	261,697,743	309,194,367	305,821,884
Total primary government expenses	<b>\$ 308,723,814</b>	<b>\$ 330,934,389</b>	<b>\$ 368,082,571</b>	<b>\$ 414,981,933</b>	<b>\$ 410,104,076</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 5,212,311	\$ 5,394,342	\$ 6,656,239	\$ 8,120,988	\$ 8,923,828
Public safety	4,109,925	4,011,789	8,000,564	4,704,098	3,903,871
Other charges for services	2,541,113	2,396,166	3,182,821	3,983,052	4,958,140
Operating grants and contributions	4,681,010	5,951,582	13,058,351	8,097,602	6,109,549
Capital grants and contributions	4,971,251	1,406,477	191,600	1,617,534	8,093,971
Total governmental activities program revenues	21,515,610	19,160,356	31,089,575	26,523,274	31,989,359
Business-type activities:					
Charges for services:					
Electric	154,865,704	159,117,967	174,046,207	207,023,570	206,552,756
Other utilities	56,785,641	65,702,620	65,854,837	78,332,531	85,133,356
Other charges for services	17,798,421	20,313,784	21,373,897	22,639,670	29,289,277
Operating grants and contributions	4,968,210	5,059,409	3,400,623	3,567,605	6,191,062
Capital grants and contributions	5,953,321	7,572,300	9,632,321	9,492,873	15,903,334
Total business-type activities program revenues	240,371,297	257,766,080	274,307,885	321,056,249	343,069,785
Total primary government program revenues	<b>\$ 261,886,907</b>	<b>\$ 276,926,436</b>	<b>\$ 305,397,460</b>	<b>\$ 347,579,523</b>	<b>\$ 375,059,144</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (63,880,774)	\$ (71,491,753)	\$ (75,295,253)	\$ (79,264,292)	\$ (72,292,833)
Business-type activities	17,043,867	17,483,800	12,610,142	11,861,882	37,247,901
Total primary government net expense	<b>\$ (46,836,907)</b>	<b>\$ (54,007,953)</b>	<b>\$ (62,685,111)</b>	<b>\$ (67,402,410)</b>	<b>\$ (35,044,932)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 16,341,921	\$ 17,983,617	\$ 19,365,334	\$ 22,094,936	\$ 25,974,094
Other taxes	17,738,773	18,961,421	18,928,506	19,989,122	19,906,074
State revenue sharing	2,825,141	3,367,156	4,117,607	4,258,238	4,190,182
Interest	1,634,773	2,641,812	1,564,126	3,413,776	5,862,894
Other revenues	6,097,543	3,564,261	1,894,572	2,312,756	1,318,358
Total governmental activities	44,638,151	46,518,267	45,870,145	52,068,828	57,251,602
Business-type activities:					
Interest	6,468,299	7,011,499	4,388,999	10,217,610	11,581,622
Other revenues	13,945,313	16,155,309	14,624,051	6,944,982	5,880,934
Total business-type activities	20,413,612	23,166,808	19,013,050	17,162,592	17,462,556
Total primary government	<b>\$ 65,051,763</b>	<b>\$ 69,685,075</b>	<b>\$ 64,883,195</b>	<b>\$ 69,231,420</b>	<b>\$ 74,714,158</b>
<b>Changes in Net Position (including transfers)</b>					
Governmental activities	\$ 7,123,443	\$ 2,156,906	\$ (1,189,518)	\$ 3,115,884	\$ 16,017,190
Business-type activities	11,091,413	13,520,216	3,387,602	(1,286,874)	23,652,036
Total primary government	<b>\$ 18,214,856</b>	<b>\$ 15,677,122</b>	<b>\$ 2,198,084</b>	<b>\$ 1,829,010</b>	<b>\$ 39,669,226</b>

(continued)

**City of Gainesville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

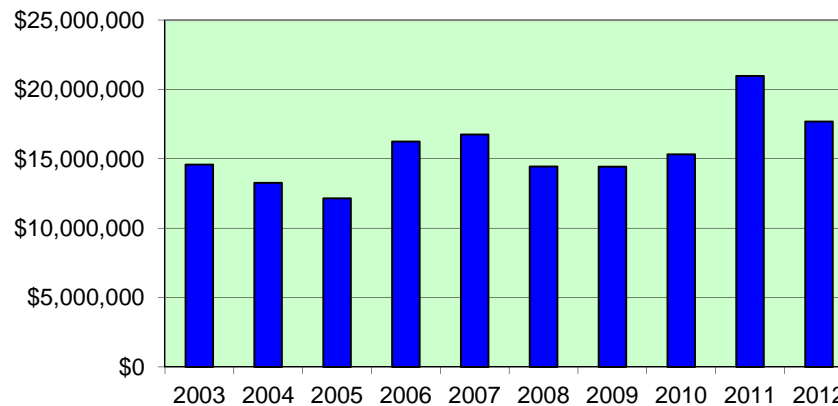
	2008	2009	2010	2011	2012
<b>Expenses</b>					
Governmental activities:					
General government	\$ 19,676,597	\$ 20,156,210	\$ 18,762,647	\$ 18,698,649	\$ 16,546,820
Public safety	51,608,781	52,968,413	56,238,741	57,166,952	59,735,600
Physical environment	1,144,211	1,126,951	1,510,055	1,116,462	2,218,153
Transportation	11,787,373	4,527,795	14,089,516	13,982,396	18,686,598
Economic environment	8,118,429	7,537,152	7,239,951	6,402,656	9,164,986
Human services	367,706	293,829	593,420	1,250,715	581,239
Culture & recreation	8,784,045	9,479,058	8,713,366	8,433,374	9,705,943
Interest on long-term debt	7,420,509	7,367,850	7,632,165	7,580,944	7,390,511
Total governmental activities expenses	108,907,651	103,457,258	114,779,861	114,632,148	124,029,850
Business-type activities:					
Electric	226,444,987	230,822,719	234,835,876	228,544,484	221,494,502
Gas	29,688,866	24,405,725	24,599,071	24,336,197	21,898,283
Water	21,282,566	21,323,742	22,290,808	22,945,996	24,458,151
Wastewater	26,027,811	24,722,167	24,925,561	27,068,964	27,072,938
GRUCom	10,437,988	9,993,228	10,719,866	10,907,359	11,160,732
Regional transit system	19,234,349	18,275,948	20,299,166	20,196,358	21,458,507
Stormwater management	4,774,960	4,650,703	5,486,082	5,030,742	6,376,271
Ironwood golf course	1,317,753	1,259,517	1,304,741	1,419,653	1,454,435
Florida building code enforcement	2,025,997	2,577,306	2,362,379	2,263,325	2,156,163
Solid waste	6,993,233	6,285,562	7,101,229	7,320,642	7,377,876
Total business-type activities expenses	348,228,510	344,316,617	353,924,779	350,033,720	344,907,858
Total primary government expenses	<b>\$ 457,136,161</b>	<b>\$ 447,773,875</b>	<b>\$ 468,704,640</b>	<b>\$ 464,665,868</b>	<b>\$ 468,937,708</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 9,822,901	\$ 9,949,536	\$ 10,078,544	\$ 10,434,927	\$ 10,701,617
Public safety	3,571,167	3,824,888	2,692,994	8,696,812	7,945,799
Other charges for services	4,648,919	3,933,103	4,474,776	3,427,670	4,500,224
Operating grants and contributions	7,606,468	7,634,880	6,817,388	8,405,085	8,537,676
Capital grants and contributions	6,822,160	15,249,638	8,224,492	7,130,480	2,862,493
Total governmental activities program revenues	32,471,615	40,592,045	32,288,194	38,094,974	34,547,809
Business-type activities:					
Charges for services:					
Electric	238,595,628	249,761,764	262,530,880	250,057,292	230,805,656
Other utilities	94,775,804	96,097,911	95,053,793	101,100,900	96,875,398
Other charges for services	28,055,330	27,672,309	28,617,567	30,630,504	32,257,122
Operating grants and contributions	9,103,954	7,739,337	11,661,662	5,886,603	6,384,981
Capital grants and contributions	5,134,693	4,253,489	3,554,922	5,146,531	7,148,130
Total business-type activities program revenues	375,665,409	385,524,810	401,418,824	392,821,830	373,471,287
Total primary government program revenues	<b>\$ 408,137,024</b>	<b>\$ 426,116,855</b>	<b>\$ 433,707,018</b>	<b>\$ 430,916,804</b>	<b>\$ 408,019,096</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (76,436,036)	\$ (62,865,213)	\$ (82,491,667)	\$ (76,537,174)	\$ (89,482,041)
Business-type activities	27,436,899	41,208,193	47,494,045	42,788,110	28,563,429
Total primary government net expense	<b>\$ (48,999,137)</b>	<b>\$ (21,657,020)</b>	<b>\$ (34,997,622)</b>	<b>\$ (33,749,064)</b>	<b>\$ (60,918,612)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 26,163,266	\$ 26,499,911	\$ 29,016,964	\$ 26,833,852	\$ 25,871,976
Other taxes	22,432,162	24,326,238	27,865,426	25,444,169	21,952,397
State revenue sharing	3,919,560	3,523,204	3,487,190	3,653,017	3,712,905
Interest	2,744,915	3,240,737	2,706,332	2,317,663	3,556,870
Other revenues	3,142,232	2,817,165	3,593,703	3,082,853	2,993,407
Total governmental activities	58,402,135	60,407,255	66,669,615	61,331,554	58,087,555
Business-type activities:					
Interest	9,370,421	6,930,659	7,176,761	9,242,257	9,234,751
Other revenues	18,896,561	26,280,406	9,962,727	19,357,072	23,308,136
Total business-type activities	28,266,982	33,211,065	17,139,488	28,599,329	32,542,887
Total primary government	<b>\$ 86,669,117</b>	<b>\$ 93,618,320</b>	<b>\$ 83,809,103</b>	<b>\$ 89,930,883</b>	<b>\$ 90,630,442</b>
<b>Changes in Net Position (including transfers)</b>					
Governmental activities	\$ 14,397,873	\$ 32,049,638	\$ 18,162,708	\$ 20,422,375	\$ 5,278,076
Business-type activities	23,272,107	39,911,662	30,648,773	35,759,444	24,433,754
Total primary government	<b>\$ 37,669,980</b>	<b>\$ 71,961,300</b>	<b>\$ 48,811,481</b>	<b>\$ 56,181,819</b>	<b>\$ 29,711,830</b>

(concluded)

**City of Gainesville  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General fund:</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,474,278	\$ 3,363,691
Assigned	-	-	-	-	-	-	-	-	1,060,672	2,236,549
Unassigned	-	-	-	-	-	-	-	-	16,433,938	12,087,485
Reserved *	14,480,596	6,519,587	4,911,387	8,397,572	4,925,724	4,629,909	4,768,553	4,051,937	-	-
Unreserved *	98,216	6,744,693	7,235,562	7,844,042	11,826,843	9,818,911	9,659,258	11,264,725	-	-
<b>Total general fund</b>	<b>\$14,578,812</b>	<b>\$13,264,280</b>	<b>\$12,146,949</b>	<b>\$16,241,614</b>	<b>\$16,752,567</b>	<b>\$14,448,820</b>	<b>\$14,427,811</b>	<b>\$15,316,662</b>	<b>\$20,968,888</b>	<b>\$17,687,725</b>
<b>All other governmental funds:</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,813,952	\$ 64,831,266
Committed	-	-	-	-	-	-	-	-	782,237	782,237
Assigned	-	-	-	-	-	-	-	-	10,370,993	16,633,174
Unassigned	-	-	-	-	-	-	-	-	(29,288)	(3,067,169)
Reserved *	4,885,383	6,765,983	4,882,686	4,744,154	5,215,953	8,635,651	12,958,151	12,066,838	-	-
Unreserved, reported in: *										
Special revenue funds	7,474,304	4,289,293	8,385,893	14,016,419	17,059,686	19,457,506	20,652,435	17,677,648	-	-
Capital projects funds	15,302,299	6,489,093	9,630,545	32,065,513	30,400,097	26,667,704	47,356,632	54,624,332	-	-
Debt service funds	618,571	702,303	356,496	231,073	544,869	784,834	819,434	965,256	-	-
<b>Total all other governmental funds</b>	<b>\$28,280,557</b>	<b>\$18,246,672</b>	<b>\$23,255,620</b>	<b>\$51,057,159</b>	<b>\$53,220,605</b>	<b>\$55,545,695</b>	<b>\$81,786,652</b>	<b>\$85,334,074</b>	<b>\$ 81,937,894</b>	<b>\$ 79,179,508</b>

**General Fund - Fund Balance**



\* GASB 53 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)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 32,199,454	\$ 31,303,901	\$ 32,679,841	\$ 35,853,540	\$ 40,954,740	\$ 44,919,849	\$ 48,660,333	\$ 55,238,898	\$ 49,781,834	\$ 45,404,192
Licenses and permits	2,018,662	2,426,963	2,896,874	3,073,214	648,571	1,060,465	770,664	745,274	832,814	866,236
Intergovernmental	15,234,836	18,272,298	22,974,018	26,284,052	28,253,027	25,763,178	35,152,327	26,966,627	28,665,033	24,685,016
Charges for services	7,874,717	7,814,955	8,856,453	8,755,754	9,285,755	9,380,880	8,918,343	9,134,011	13,375,534	15,054,350
Fines and forfeitures	6,417,778	1,385,684	5,262,937	1,615,725	2,119,270	2,274,774	2,502,515	1,726,229	2,629,506	1,796,110
Miscellaneous	2,607,583	3,960,453	3,291,883	5,186,443	6,875,578	7,227,407	4,263,958	4,727,669	3,936,894	4,450,048
Total revenues	66,353,030	65,164,254	75,962,006	80,768,728	88,136,941	90,626,553	100,268,140	98,538,708	99,221,615	92,255,952
<b>Expenditures</b>										
General government	101,604,577	16,256,847	51,239,460	15,054,459	15,920,764	16,470,644	16,588,882	16,110,505	14,707,657	14,999,927
Public safety	43,502,172	46,561,694	52,511,787	48,188,830	48,197,056	49,867,812	51,474,948	52,936,750	54,085,573	55,405,967
Physical environment	2,630,318	2,707,341	2,454,447	2,783,658	2,853,920	971,472	1,220,036	949,027	746,462	1,020,714
Transportation	7,544,417	8,138,503	8,771,221	10,128,414	10,993,376	11,590,424	12,043,680	12,669,257	13,165,523	12,481,951
Economic environment	4,537,137	3,513,053	4,414,062	5,530,992	6,009,987	7,634,661	7,938,012	9,710,604	9,040,688	7,961,882
Human services	1,490,005	1,713,667	1,188,621	1,031,754	336,491	410,920	293,829	593,420	1,123,442	554,740
Culture and recreation	6,376,185	5,755,697	5,483,963	6,117,126	6,206,272	8,165,959	8,727,210	8,813,164	7,683,761	7,998,869
Debt service:										
Principal	2,643,845	3,608,817	4,010,000	6,227,053	6,920,902	7,747,796	7,822,049	8,511,383	9,192,493	10,332,810
Interest	3,615,491	5,015,779	5,255,490	7,422,640	7,442,180	7,336,659	7,125,182	7,472,387	7,489,706	7,283,092
Bond issuance costs	1,693,031	282,612	628,399	301,727	26,566	-	36,004	84,974	-	67,243
Capital outlay	6,214,790	10,207,478	5,160,215	5,801,349	13,609,187	12,967,402	9,801,087	13,410,389	15,369,816	17,741,445
Total expenditures	181,851,968	103,761,488	141,117,665	108,588,002	118,516,701	123,163,749	123,070,919	131,261,860	132,605,121	135,848,640
Excess of revenues under expenditures	(115,498,938)	(38,597,234)	(65,155,659)	(27,819,274)	(30,379,760)	(32,537,196)	(22,802,779)	(32,723,152)	(33,383,506)	(43,592,688)
<b>Other Financing Sources (Uses)</b>										
Debt issuance	89,894,759	9,805,000	40,850,000	25,956,621	1,540,000	-	11,500,000	3,036,907	-	9,960,000
Bond premium/discount	-	728,392	(38,314)	39,168	(13,434)	-	-	(15,320)	-	-
Deposit to refund escrow	-	(10,460,858)	-	-	-	-	-	-	-	-
Transfers in	33,964,439	40,484,406	45,341,847	70,441,342	46,789,277	50,638,004	67,675,683	54,268,164	54,072,623	67,533,715
Transfers out	(7,598,373)	(13,308,123)	(17,106,257)	(39,695,572)	(15,261,684)	(18,079,465)	(29,013,693)	(20,130,326)	(18,433,071)	(30,755,032)
Payments to refunded bond escrow age	-	-	-	-	-	-	-	-	-	(6,230,000)
Total other financing sources (uses)	116,260,825	27,248,817	69,047,276	56,741,559	33,054,159	32,558,539	50,161,990	37,159,425	35,639,552	40,508,683
Net change in fund balances	\$ 761,887	\$ (11,348,417)	\$ 3,891,617	\$ 28,922,285	\$ 2,674,399	\$ 21,343	\$ 27,359,211	\$ 4,436,273	\$ 2,256,046	\$ (3,084,005)
Debt service as a percentage of noncapital expenditures	4.59%	9.95%	7.48%	14.11%	13.95%	13.99%	14.61%	14.33%	14.80%	14.38%

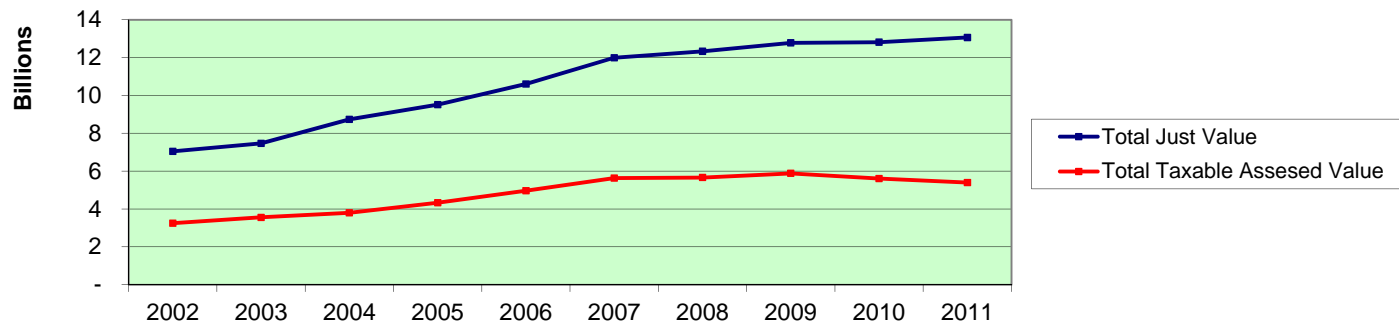


City of Gainesville

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Tax Year	Just Value			Exemptions					Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property	Centrally Assessed Property	Governmental	Agricultural	Institutional	Homestead	Other		
2003	2002	5,583,918,487	1,462,695,450	876,190	2,797,872,400	36,296,700	293,761,160	656,539,633	10,201,087	3,252,819,147	4.9416
2004	2003	5,973,598,600	1,494,298,767	1,442,544	2,796,295,760	36,614,800	341,737,970	721,498,130	11,528,885	3,561,664,366	4.9416
2005	2004	7,244,067,100	1,493,401,961	1,737,804	3,641,123,420	34,963,100	369,084,360	876,134,257	12,690,560	3,805,211,168	4.9416
2006	2005	7,991,469,700	1,523,306,918	1,033,801	3,723,073,730	39,875,900	388,002,325	1,014,315,873	13,456,130	4,337,086,461	4.9355
2007	2006	9,127,221,600	1,475,928,616	1,025,098	3,801,414,175	34,506,400	562,036,537	1,221,910,900	15,135,250	4,969,172,052	4.8509
2008	2007	10,059,735,400	1,931,740,674	1,111,824	4,354,225,897	28,451,900	574,033,101	1,385,629,369	16,885,367	5,633,362,264	4.2544
2009	2008	10,599,500,250	1,732,004,529	1,149,322	4,195,267,980	35,549,700	647,733,978	1,773,423,757	14,341,607	5,666,337,079	4.2544
2010	2009	10,534,674,944	2,245,414,910	1,234,487	4,251,801,982	39,408,200	874,389,881	1,594,957,710	134,747,020	5,886,019,548	4.3963
2011	2010	10,569,755,018	2,241,968,355	987,726	4,815,548,071	37,517,700	896,937,822	1,313,405,085	141,081,893	5,608,220,528	4.2544
2012	2011	10,756,478,800	2,308,068,145	1,130,083	5,343,081,038	39,115,900	1,029,746,160	1,134,254,774	117,240,859	5,402,238,297	4.2544

Just and Taxable Values



Source: Alachua County Property Appraiser

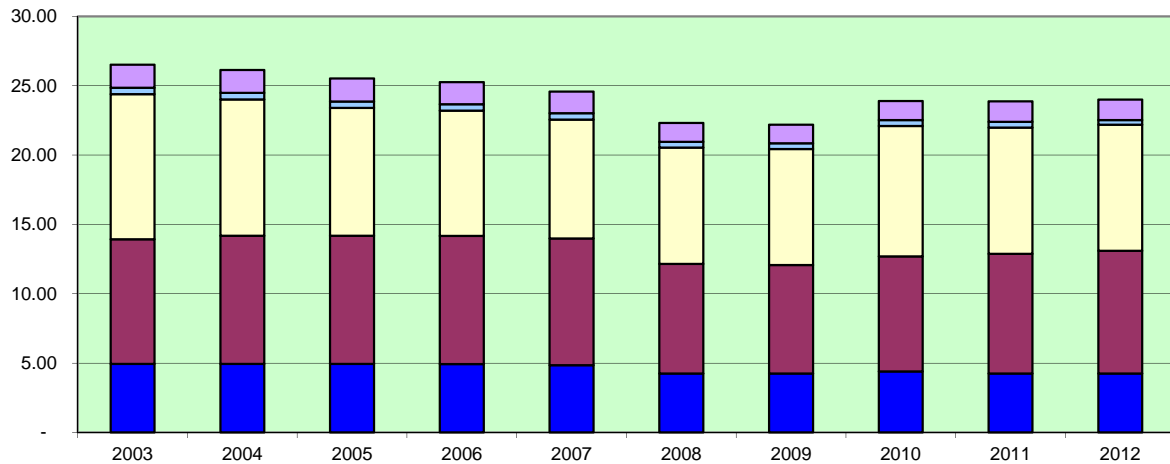
Note: The Property Appraiser assesses the value of property in a manner that does not provide a reasonable basis for estimating the actual value of property.

Exempt property makes up 58% of total assed value. Disclosing the nature of the exemptions provides more relevant information than detailing real property categories.

**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 Gainesville Direct Rate	Overlapping Rates				Total Direct & Overlapping Rates
			Alachua County	Alachua County School District	St. Johns Water Management District	Alachua County Library District	
2003	2002	4.9416	8.9887	10.4660	0.4620	1.6632	26.5215
2004	2003	4.9416	9.2387	9.8390	0.4620	1.6566	26.1379
2005	2004	4.9416	9.2387	9.2240	0.4620	1.6566	25.5229
2006	2005	4.9355	9.2387	9.0340	0.4620	1.5920	25.2622
2007	2006	4.8509	9.1387	8.5710	0.4620	1.5615	24.5841
2008	2007	4.2544	7.8968	8.3950	0.4158	1.3560	22.3180
2009	2008	4.2544	7.8208	8.3590	0.4158	1.3406	22.1906
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	8.8456	9.0920	0.3313	1.4790	24.0023

**Overlapping Millage Rates  
(for City Residents)**



■ City of Gainesville ■ Alachua County □ Alachua County School District ■ St. Johns Water Mgmt ■ Alachua Co Library

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 Nine Years Ago**

	2012			2003		
	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Oaks Mall Gainesville Ltd Partnership	\$ 120,000,000	1	2.32%	\$ 52,652,800	2	1.62%
HCA Health Services of Florida	68,782,000	2	1.33%	26,958,400	4	0.83%
Oak Hammock at the Univ of Florida	56,405,900	3	1.09%	n/a		n/a
S Clark Butler Properties Land, Trust	39,825,500	4	0.77%	n/a		n/a
Inland American Lodging, Gvl, LLC	35,908,080	5	0.70%	n/a		n/a
ELPF Gainesville LLC LIC, Gainesville	31,296,900	6	0.61%	n/a		n/a
Ball Container LLC	29,142,850	7	0.56%	n/a		n/a
Bellsouth Telecommunications	28,718,778	8	0.56%	69,792,400	1	2.15%
Florida Power Corp	26,883,956	9	0.52%	39,607,010	3	1.22%
Gainesville Place LLC	24,975,790	10	0.48%	n/a		n/a
Metal Container Corporation	n/a		n/a	24,463,300	5	0.75%
Colonial Realty Ltd partnership	n/a		n/a	18,067,300	6	0.56%
Cox Comm Inc.	n/a		n/a	17,164,730	7	0.53%
Clariant Life Science, Molecules	n/a		n/a	16,713,560	8	0.51%
North Florida Regional Hospital	n/a		n/a	14,911,540	9	0.46%
W9/KL Real Estate Ltd Partnership	n/a		n/a	13,915,400	10	0.43%
<b>Total</b>	<b>\$ 461,939,754</b>		<b>8.94%</b>	<b>\$ 294,246,440</b>		<b>9.06%</b>

Source: Alachua County Property Appraiser

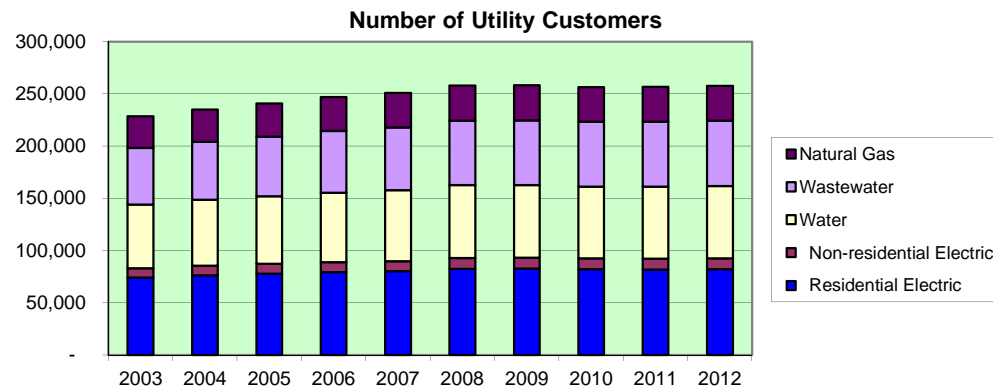
**City of Gainesville  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<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>2003</b>	16,052,323	15,460,840	96.3%	58,051	15,518,891	96.7%
<b>2004</b>	17,524,213	16,876,396	96.3%	27,367	16,903,763	96.5%
<b>2005</b>	18,753,650	18,055,672	96.3%	34,383	18,090,055	96.5%
<b>2006</b>	21,250,298	20,448,202	96.2%	35,150	20,483,352	96.4%
<b>2007</b>	24,060,912	23,172,540	96.3%	23,629	23,196,169	96.4%
<b>2008</b>	23,911,595	23,035,894	96.3%	21,269	23,057,163	96.4%
<b>2009</b>	24,106,864	23,191,605	96.2%	40,872	23,232,477	96.4%
<b>2010</b>	25,876,708	24,912,341	96.3%	44,989	24,957,330	96.4%
<b>2011</b>	23,859,613	23,007,885	96.4%	11,172	23,019,057	96.5%
<b>2012</b>	23,010,703	22,085,295	96.0%	-	22,085,295	96.0%

Source: Alachua County Tax Collector

**City of Gainesville  
Utility Base  
Number of Customers and Sales Quantities  
Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>Number of Customers</u></b>										
Electric:										
Residential Electric	74,164	76,435	77,918	79,262	80,237	82,399	82,668	82,038	81,900	82,039
Non-residential Electric	8,912	9,203	9,342	9,555	9,675	10,450	10,461	10,383	10,372	10,422
Water	61,015	62,818	64,620	66,405	67,774	69,784	69,496	68,819	68,952	69,329
Wastewater	54,246	55,604	57,166	59,206	60,205	61,552	62,071	61,999	62,164	62,536
Natural Gas	30,200	30,895	31,700	32,520	33,125	33,777	33,451	33,202	33,208	33,264
<b><u>Sales</u></b>										
Electric (gigawatt hours):										
Residential Electric	866	874	875	901	878	829	807	857	821	754
Non-residential Electric	1,189	1,147	1,164	981	983	992	964	994	967	945
Gallons of Water (million gallons)	7,814	8,401	7,697	8,315	9,053	8,435	7,892	7,371	7,775	7,369
Gallons of Wastewater (million gallons)	5,212	542,934	5,322	5,402	6,271	5,229	4,899	4,696	4,666	4,706
Therms of Natural Gas (million therms)	24	24	22	22	21	21	21	23	22	18



Source: GRU Annual Reports

		2003	2004	2005	2006	2007
<b>Electric:</b>						
<b>Residential Service</b>						
Customer Charge	per month	\$ 4.66	\$ 4.66	\$ 4.89	\$ 5.17	\$ 5.17
Energy Charge <sup>2</sup>	per kWh					
0-250 kWh		n/a	n/a	n/a	n/a	0.02400
250-750 kWh		0.04613	0.04613	0.04613	0.04982	0.05800
over 750 kWh		0.05576	0.05576	0.05966	0.07398	0.08300
<b>Residential Service - Time of Use</b>						
Customer Charge	per month	7.86	7.86	8.25	8.75	8.75
Energy Charge <sup>2</sup>	per kWh					
On-Peak		0.09880	0.09880	0.09880	0.12251	0.10280
Off-Peak		0.02900	0.02900	0.03100	0.03351	0.03230
<b>General Service Non-Demand &amp; Demand &lt; 50 kW</b>						
Customer Charge	per month	8.37	8.37	8.79	15.18	15.18
Energy Charge <sup>2</sup>	per kWh					
0-1500 kWh		0.05090	0.05090	0.05090	0.05548	0.05548
over 1500 kWh		0.05770	0.05770	0.06087	0.07183	0.07183
Business Partner Discount Rate		7%	7%	7%	7%	7%
<b>General Service Demand - 50kW &gt; Demand &lt; 1000 kW</b>						
Customer Charge	per month	15.82	15.82	16.61	30.92	30.92
Demand Charge	per kW	5.75	5.75	6.33	7.56	7.56
Energy Charge <sup>2</sup>	per kWh	0.02400	0.02400	0.02400	0.02633	0.02633
Business Partner Discount Rate		10%	10%	10%	10%	10%
<b>Large Power Service - Demand &gt; 1000 kW</b>						
Customer Charge	per month	60.84	60.84	63.88	245.05	245.05
Demand Charge	per kW	5.25	5.25	5.85	7.08	7.08
Energy Charge <sup>2</sup>	per kWh	0.02350	0.02350	0.02350	0.02597	0.02597
Business Partner Discount Rate		13%	13%	13%	13%	13%
<b>Water:</b>						
<b>Residential Service</b>						
Customer Charge	per month	3.00	3.15	3.53	4.86	4.86
Usage Charge	per kGal					
0 - 9,000		1.01	1.01	1.27	1.42	1.42
9,001 - 24,999		1.33	1.33	1.69	2.35	2.35
Over 25,000		2.29	2.29	2.91	4.04	4.04
<b>Non-Residential Service</b>						
Customer Charge	per month	3.00	3.15	3.53	4.86	4.86
Usage Charge	per kGal	1.02	1.23	1.69	2.35	2.35
<b>Irrigation Service</b>						
Customer Charge	per month	3.00	3.15	3.53	4.86	4.86
Usage Charge	per kGal					
0 - 15,000		1.33	1.33	1.69	2.35	2.35
over 15,000		2.29	2.29	2.91	4.04	4.04
<b>University of Florida</b>						
Customer Charge	per month	3.00	3.15	3.53	4.86	4.86
Usage Charge	per kGal					
On-Campus		0.71	0.82	0.91	1.04	1.04
Off-Campus		0.91	1.02	1.11	1.15	1.15
<b>City of Alachua</b>						
Customer Charge	per month	3.00	3.15	3.53	3.53	4.86
Usage Charge	per kGal	0.98	0.98	1.08	1.35	1.21
<b>Fire Hydrant History of Monthly Charges</b>						
Installed, Maintained, Supported		19.45	19.45	rolled into base	rolled into base	
Maintained, Supported		14.63	14.63	rolled into base	rolled into base	
Supported only (UF)		11.96	11.96	11.96	rolled into base	

(continued)



		2008	2009	2010	2011	2012
<b>Electric:</b>						
<b>Residential Service</b>						
Customer Charge	per month	\$ 5.54	\$ 7.60	\$ 8.45	\$ 8.45	\$ 8.67
Energy Charge <sup>2</sup>	per kWh					
0-250 kWh		0.02500	0.02600	0.02800	0.03200	0.03400
250-750 kWh		0.06500	0.06600	0.06700	0.06800	0.06800
over 750 kWh		0.09700	0.09800	0.10200	0.10200	0.10200
<b>Residential Service - Time of Use</b>						
Customer Charge	per month	9.36	17.60	17.60	17.60	17.60
Energy Charge <sup>2</sup>	per kWh					
On-Peak		0.11000	0.13900	0.13900	0.13900	0.13900
Off-Peak		0.03500	0.03500	0.03500	0.03500	0.03500
<b>General Service Non-Demand &amp; Demand &lt; 50 kW</b>						
Customer Charge	per month	16.00	16.00	25.50	26.00	26.00
Energy Charge <sup>2</sup>	per kWh					
0-1500 kWh		0.06200	0.06800	0.07000	0.08000	0.08000
over 1500 kWh		0.08000	0.09500	0.10300	0.10800	0.10800
Business Partner Discount Rate		0%	0%	0%	0%	0%
<b>General Service Demand - 50kW &gt; Demand &lt; 1000 kW</b>						
Customer Charge	per month	33.00	45.00	45.00	50.00	50.00
Demand Charge	per kW	9.00	9.20	9.25	9.25	9.25
Energy Charge <sup>2</sup>	per kWh	0.02900	0.03200	0.04200	0.05100	0.05100
Business Partner Discount Rate		0%	0%	0%	0%	2%
<b>Large Power Service - Demand &gt; 1000 kW</b>						
Customer Charge	per month	265.00	300.00	300.00	300.00	300.00
Demand Charge	per kW	9.00	9.20	9.25	9.25	9.25
Energy Charge <sup>2</sup>	per kWh	0.02700	0.03100	0.03900	0.04600	0.04600
Business Partner Discount Rate		0%	0%	0%	0%	2%
<b>Water:</b>						
<b>Residential Service</b>						
Customer Charge	per month	5.35	7.00	7.30	7.75	8.65
Usage Charge	per kGal					
0 - 9,000		1.56	1.59	1.65	1.99	2.05
9,001 - 24,999		2.82	3.11	3.30	3.65	3.65
Over 25,000		4.93	5.50	6.00	6.00	6.00
<b>Non-Residential Service</b>						
Customer Charge	per month	5.35	7.00	7.30	7.75	8.65
Usage Charge	per kGal	2.82	3.11	3.30	3.40	3.65
<b>Irrigation Service</b>						
Customer Charge	per month	4.86	4.86	7.30	7.75	8.65
Usage Charge	per kGal					
0 - 15,000		2.82	3.11	3.30	3.65	3.65
over 15,000		4.93	5.50	6.00	6.00	6.00
<b>University of Florida</b>						
Customer Charge	per month	5.35	7.00	7.30	7.75	8.65
Usage Charge	per kGal					
On-Campus		1.13	1.54	1.92	1.67	2.17
Off-Campus		1.30	1.80	2.67	2.57	3.21
<b>City of Alachua</b>						
Customer Charge	per month	5.35	7.00	7.30	7.75	8.65
Usage Charge	per kGal	1.33	1.45	1.51	1.62	1.62
<b>Fire Hydrant History of Monthly Charges</b>						
Installed, Maintained, Supported						
Maintained, Supported						
Supported only (UF)						

(continued)

City of Gainesville  
Utility Rates  
Last Ten Fiscal Years

Legislative No. 120980

		2003	2004	2005	2006	2007
<b>Wastewater:</b>						
<b>Residential Service</b>						
Customer Charge	per month	2.27	2.39	2.75	3.52	3.52
Usage Charge	per kGal	2.61	2.75	3.16	3.94	3.94
<b>Residential not connected, but required to be by ordinance</b>		21.15	22.27	18.55	23.22	23.22
<b>Residential, on wells, flat rate per month</b>		21.15	22.27	18.55	23.22	23.22
<b>Multi-family</b>						
Customer Charge	per month	2.27	2.39	2.75	3.52	3.52
Usage Charge - flat rate	per month	12.96	13.65	15.70	19.70	19.70
<b>Non-Residential Service</b>						
Customer Charge	per month	2.27	2.39	2.75	3.52	3.52
Usage Charge	per kGal	2.61	2.75	3.16	3.94	3.94
<b>Tacachale</b>						
Customer Charge	per month	2,783.50	2,931.03	3,370.69	4,213.36	4,213.36
Usage Charge	per kGal	0.88	0.93	1.07	1.34	1.34
<b>University of Florida - Maguire Village</b>						
Customer Charge	per month	2.11	2.11	2.11	2.70	n/a
Usage Charge	per kGal	1.55	1.55	1.55	1.98	n/a
<b>Natural Gas:</b>						
<b>Residential Service</b>						
Customer Charge	per month	7.04	7.04	7.04	7.04	7.04
Energy Charge <sup>1</sup>	per therm	0.40537	0.40537	0.40537	0.40537	0.40537
MGP	per therm	0.03210	0.03210	0.03210	0.03210	0.03210
<b>General Firm Service</b>						
Customer Charge	per month	\$ 17.60	\$ 17.60	\$ 17.60	\$ 17.60	\$ 17.60
Energy Charge <sup>1</sup>	per therm	\$ 0.23490	\$ 0.23490	\$ 0.23490	\$ 0.23490	\$ 0.23490
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
<b>Interruptible Service</b>						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge <sup>2</sup>	per therm	\$ 0.17153	\$ 0.17153	\$ 0.17153	\$ 0.17153	\$ 0.17153
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
<b>Contract Interruptible Service</b>						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge <sup>3</sup>	per therm	by contract	by contract	by contract	by contract	
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
<b>Large Volume Interruptible Service</b>						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge <sup>2</sup>	per therm	\$ 0.10486	\$ 0.10486	\$ 0.10486	\$ 0.10486	\$ 0.10486
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
<b>Liquid Propane (LP) Service</b>						
Customer Charge	per month	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04
Energy Charge <sup>4</sup>	per gallon					
3-yr recovery		\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513
5-yr recovery		\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513
7-yr recovery		\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013
> 7-yr recovery		\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513
<b>Average Annual PGA</b>	per therm	\$ 0.57469	\$ 0.68027	\$ 1.03350		

Notes:

(continued)

1 Includes \$0.06906 per therm of fuel

2 Includes 6.5 mills of fuel

Source: GRU Annual Reports

		2008	2009	2010	2011	2012
<b><u>Wastewater:</u></b>						
<b>Residential Service</b>						
Customer Charge	per month	4.00	6.00	6.00	6.50	7.40
Usage Charge	per kGal	4.63	4.94	5.07	5.29	5.50
<b>Residential not connected, but required to be by ordinance</b>		23.22	23.22	31.35	32.95	34.90
<b>Residential, on wells, flat rate per month</b>		23.22	23.22	31.35	32.95	34.90
<b>Multi-family</b>						
Customer Charge	per month	4.00	6.00	6.00	6.50	7.40
Usage Charge - flat rate	per month	23.15	24.70	25.35	26.45	27.50
<b>Non-Residential Service</b>						
Customer Charge	per month	4.00	6.00	6.00	6.50	7.40
Usage Charge	per kGal	4.63	4.94	5.07	5.29	5.50
<b>Tacachale</b>						
Customer Charge	per month	4,929.63	5,259.69	n/a	n/a	n/a
Usage Charge	per kGal	1.36	1.44	n/a	n/a	n/a
<b>University of Florida - Maguire Village</b>						
Customer Charge	per month	n/a	n/a	n/a	n/a	n/a
Usage Charge	per kGal	n/a	n/a	n/a	n/a	n/a
<b><u>Natural Gas:</u></b>						
<b>Residential Service</b>						
Customer Charge	per month	7.15	9.52	9.52	9.52	9.52
Energy Charge <sup>1</sup>	per therm	0.42400	0.48300	0.48300	0.48300	0.48300
MGP	per therm	0.03210	0.03700	0.03700	0.04340	0.05050
<b>General Firm Service</b>						
Customer Charge	per month	\$ 19.89	\$ 30.00	\$ 30.00	\$ 35.00	\$ 35.00
Energy Charge <sup>1</sup>	per therm	\$ 0.26990	\$ 0.30800	\$ 0.30800	\$ 0.34300	\$ 0.34300
MGP	per therm	\$ 0.32100	\$ 0.03700	\$ 0.03700	\$ 0.04340	\$ 0.05050
<b>Interruptible Service</b>						
Customer Charge	per month	\$ 360.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge <sup>2</sup>	per therm	\$ 0.20590	\$ 0.28600	\$ 0.28600	\$ 0.31500	\$ 0.31500
MGP	per therm	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340	\$ 0.05050
<b>Contract Interruptible Service</b>						
Customer Charge	per month	\$ 360.00	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge <sup>3</sup>	per therm	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340	\$ 0.05050
MGP	per therm	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340	\$ 0.05050
<b>Large Volume Interruptible Service</b>						
Customer Charge	per month	\$ 351.90	\$ 375.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge <sup>2</sup>	per therm	\$ 0.11990	\$ 0.14268	\$ 0.14268	\$ 0.15730	\$ 0.15730
MGP	per therm	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340	\$ 0.05050
<b>Liquid Propane (LP) Service</b>						
Customer Charge	per month	\$ 7.15	\$ 9.52	\$ 9.52	\$ 9.52	\$ 9.52
Energy Charge <sup>4</sup>	per gallon	\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513
3-yr recovery		\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513
5-yr recovery		\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013
7-yr recovery		\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013
> 7-yr recovery		\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513
<b>Average Annual PGA per therm</b>						

Notes:

(concluded)

1 Includes \$0.06906 per therm of fuel

2 Includes 6.5 mills of fuel

Source: GRU Annual Reports

**City of Gainesville  
Principal Utility Rate Contributors  
Current Year and Nine Years Ago**

	2012			2003		
	Total Payments	Rank	Percentage of Total Utility Value	Total Payments	Rank	Percentage of Total Utility Value
City of Gainesville	\$ 8,094,408	1	2.32%	\$ 3,661,763	1	1.59%
Alachua County School Board	5,398,080	2	1.55%	3,219,818	2	1.40%
Publix Super Markets Inc	4,502,735	3	1.29%	1,697,009	5	0.74%
VA Medical Center	4,424,076	4	1.27%	1,880,740	4	0.82%
Shands Healthcare	3,961,677	5	1.14%	2,156,127	3	0.94%
North FL Regional Medical Center	3,698,113	6	1.06%	950,341	9	0.41%
University of Florida	2,550,658	7	0.73%	756,148	10	0.33%
Alachua County Board of County Comm	2,296,677	8	0.66%	1,246,167	6	0.54%
Santa Fe Community College	1,797,800	9	0.52%	1,155,988	7	0.50%
Metal Container Corp	1,733,417	10	0.50%	981,502	8	0.43%
Total	\$ 38,457,641		11.02%	\$ 17,705,603		7.70%

Source: GRU Annual Reports

**City of Gainesville**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Presented by Governmental and Business-Type Activities**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Total % of	
	Revenue Bonds	Notes	Capital Leases	Revenue Bonds	Revenue Notes		Personal Income	Per Capita
2003	125,120,811	1,489,009	-	376,436,480	73,625,952	576,672,252	18.91%	4,921
2004	122,036,108	-	-	365,874,265	69,985,702	557,896,075	16.31%	4,738
2005	158,791,270	-	-	354,697,051	96,822,250	610,310,571	16.48%	5,091
2006	174,699,926	2,319,485	942,136	620,165,000	-	798,126,547	20.30%	6,601
2007	169,864,822	1,836,310	879,513	616,050,000	-	788,630,645	19.17%	6,491
2008	162,789,829	1,234,366	808,654	730,495,000	62,000,000	957,327,849	21.78%	7,690
2009	155,036,095	11,500,000	740,339	889,600,000	78,965,901	1,135,842,335	27.30%	9,021
2010	149,632,743	11,500,000	669,111	859,725,000	66,036,166	1,087,563,020	23.84%	8,226
2011	140,886,047	11,128,468	594,846	963,180,000	65,690,256	1,181,479,617	26.76%	9,499
2012	125,439,382	20,643,225	517,414	944,695,000	65,337,135	1,156,632,156	26.04%	9,335

**Presented by City Government and Gainesville Regional Utilities (GRU)**

Fiscal Year	City Government	Utility (GRU)	Total Primary Government	City Government		Utility (GRU)	
				% of Personal Income	Per Capita	% of Personal Income	Per Customer
2003	128,720,772	447,951,480	576,672,252	4.22%	1,098	7.24%	1,885
2004	123,147,060	434,749,015	557,896,075	3.60%	1,046	6.12%	1,777
2005	158,791,270	451,519,301	610,310,571	4.29%	1,324	5.91%	1,826
2006	177,961,547	620,165,000	798,126,547	4.53%	1,472	7.54%	2,453
2007	172,580,645	616,050,000	788,630,645	4.19%	1,420	7.08%	2,397
2008	164,832,849	792,495,000	957,327,849	3.75%	1,324	8.49%	2,997
2009	170,242,335	965,600,000	1,135,842,335	4.09%	1,352	11.04%	3,649
2010	165,838,020	921,725,000	1,087,563,020	3.64%	1,254	10.14%	3,500
2011	156,299,617	1,025,180,000	1,181,479,617	3.54%	1,257	10.97%	3,895
2012	149,937,156	1,006,695,000	1,156,632,156	3.38%	1,210	10.63%	3,810

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.

The increase in General Government's debt ratios in fiscal year 2003 is attributable to the issuance of the 2003 Series A & B Taxable Pension Obligation Bonds. These bonds were issued to take advantage of the opportunity to issue taxable debt at rates well below the interest charges on the unfunded accrued actuarial liability of the City's defined benefit pension plans.

The increase in General Government's debt ratios in fiscal year 2005 is attributable to the issuance of the 2005 Taxable Other Post Employment Benefit Obligation Bonds. These bonds were issued to take advantage of the opportunity to issue taxable debt at rates well below the interest charges on the unfunded accrued actuarial liability of the City's retiree health care plan.

**City of Gainesville**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2012**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Alachua County:			
Sales Tax Revenue Bonds	\$ 73,160,000	42.114%	\$ 30,810,577
Commercial Paper Notes Payable	9,615,000	42.114%	4,049,258
Capital Improvement bank loan	6,193,000	42.114%	2,608,118
Local Option Gas Tax bank loan	8,776,000	42.114%	3,695,922
Alachua County School Board District			
General Obligation Bonds	3,615,000	42.114%	1,522,420
State Motor Vehicle License Tax Revenue Bonds	888,243	42.114%	374,074
Certificates of Participation	81,996,775	42.114%	<u>34,532,094</u>
Subtotal, Overlapping Debt			77,592,463
City of Gainesville Governmental Activities Direct Debt			<u>146,600,021</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 224,192,484</u></u>

**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		Coverage	Utilities Revenues (1)	Less: Operating Expenses (2)	Net Available Revenues	Debt Service		
		Principal	Interest					Principal	Interest	Coverage
2003	1,100,340	495,000	599,891	1.0050	229,879,820	144,689,344	85,190,476	9,585,000	15,917,972	3.3404
2004	1,100,340	525,000	412,574	1.1736	244,500,436	161,501,757	82,998,679	10,100,000	16,573,276	3.1117
2005	1,100,340	580,000	462,613	1.0554	254,112,058	177,618,895	76,493,163	9,385,000	15,491,978	3.0749
2006	1,100,340	600,000	442,613	1.0554	292,422,154	215,149,976	77,272,178	9,815,000	24,292,669	2.2655
2007	1,100,340	620,000	421,313	1.0567	297,747,273	203,665,825	94,081,448	13,015,000	27,530,456	2.3204
2008	1,100,340	645,000	396,513	1.0565	352,615,563	241,084,088	111,531,475	18,555,000	28,572,033	2.3666
2009	1,100,340	670,000	370,713	1.0573	363,585,373	237,644,597	125,940,776	21,985,000	29,077,280	2.4664
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

## 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.

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





City of Gainesville  
Demographic and Economic Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(1) Median Age (Alachua County)</b>	<b>(3) Public School Enrollment (Alachua County)</b>	<b>(4) Unemployment Rate</b>
<b>2003</b>	117,182	6,300,208,000	26,030	29.0	28,135	3.80%
<b>2004</b>	117,754	7,121,241,000	29,050	29.3	28,086	3.30%
<b>2005</b>	119,889	7,708,777,000	30,890	29.4	28,043	3.00%
<b>2006</b>	120,919	8,313,660,000	32,510	29.2	28,118	2.80%
<b>2007</b>	121,497	8,781,243,000	33,866	29.3	27,535	3.00%
<b>2008</b>	124,491	9,240,924,000	35,313	29.6	28,198	4.70%
<b>2009</b>	125,904	8,706,501,000	33,044	29.7	27,100	7.40%
<b>2010</b>	132,217	9,122,844,000	34,505	30.1	28,581	8.30%
<b>2011</b>	124,379	9,455,400,000	35,497	30.5	28,085	8.10%
<b>2012</b>	123,903	9,549,954,000	35,852	N/A	27,491	6.90%

## 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>2012</u>			<u>2003</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	14,723	1	12.76%	12,297	1	10.91%
Shands Hospital	12,588	2	10.91%	8,225	2	7.30%
VA Hospital	4,317	3	3.74%	1,627	7	1.44%
Alachua County School Board	4,299	4	3.73%	4,064	3	3.61%
City of Gainesville	2,200	5	1.91%	2,005	5	1.78%
Publix Supermarkets	2,056	6	1.78%	1,876	6	1.66%
North Florida Regional Medical Ctr.	1,700	7	1.47%	1,560	8	1.38%
Nationwide Insurance	1,300	8	1.13%	1,058	9	0.94%
Alachua County	1,120	9	0.97%	-	-	n/a
Santa Fe Community College	796	10	0.69%	926	10	0.82%
Florida Dept. Of Children & Family	-	-	n/a	2,319	4	2.06%
<b>Total</b>	<b>45,099</b>		<b>39.10%</b>	<b>35,957</b>		<b>31.90%</b>

Source: Gainesville Council for Economic Research

Note:

(1) Alachua County employment includes employees of constitutional officers, such as the Sheriff's Office

**City of Gainesville**  
**Full-time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	9.50	9.50	8.00	8.00	8.00	8.00	8.00	6.50	6.50	5.50
Assistant City Manager	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager's Office	6.00	6.00	6.00	6.00	6.00	6.00	5.00	4.00	4.00	5.00
City Auditor's Office	4.50	4.50	5.50	5.50	5.50	5.50	5.50	4.50	4.50	4.50
City Attorney's Office	13.00	13.00	14.50	16.00	16.00	16.00	16.00	15.00	15.00	17.00
Equal Opportunity Office	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>General Government:</b>										
Administrative Services	2.00	2.00	2.00	5.00	4.50	4.50	4.50	4.00	4.00	4.00
Computer Services	16.00	16.00	16.00	18.00	18.00	18.00	17.00	19.00	17.00	-
Budget & Finance	-	-	-	49.00	45.50	45.50	47.00	36.00	37.00	37.00
Finance	44.50	45.50	45.50	-	-	-	-	-	-	-
Office of Management and Budget	7.50	7.50	7.50	-	-	-	-	-	-	-
Human Resources	21.50	21.50	21.50	19.00	19.00	19.00	19.00	15.00	15.00	16.00
Risk Management	11.00	11.00	13.00	15.00	15.00	15.00	15.00	15.00	15.00	16.00
Communications and Marketing	-	-	-	7.00	7.00	7.00	5.00	4.00	4.00	4.00
<b>Public Safety:</b>										
<b>Police</b>										
Officers	273.00	278.00	278.00	284.00	284.00	284.00	299.00	295.00	301.00	301.00
Civilians	70.00	80.00	73.00	90.00	88.00	94.00	87.00	80.00	80.00	80.00
<b>Fire Rescue</b>										
Officers	142.00	141.00	143.00	144.00	144.00	144.00	144.00	155.00	158.00	158.00
Civilians	8.00	10.00	8.00	10.00	10.00	10.00	9.00	10.00	7.00	7.00
<b>Physical Environment:</b>										
Codes Enforcement	-	-	-	-	19.00	19.00	19.00	16.00	16.00	16.08
Planning & Development Services	-	-	-	-	45.50	46.50	48.00	38.00	38.50	39.50
Community Development	57.50	57.50	59.00	82.50	-	-	-	-	-	-
Building Inspection	20.00	20.00	20.00	-	-	-	-	-	-	-
Public Works	147.25	147.25	158.75	161.75	163.75	163.75	164.75	160.38	161.87	163.38
Facilities Management	28.00	28.00	28.00	-	-	-	-	-	-	-
<b>Transportation:</b>										
Regional Transit System	212.00	212.00	219.50	232.00	232.00	235.00	236.00	238.00	262.50	272.50
General Services	-	-	-	53.00	52.00	52.00	51.00	48.38	48.38	48.38
Fleet Management	30.00	30.00	30.00	-	-	-	-	-	-	-
<b>Economic Environment:</b>										
Housing	-	-	-	-	8.00	8.00	5.00	1.00	1.70	1.57
Community Development Block Grant	-	-	-	-	4.00	4.00	4.00	9.00	8.30	8.30
Community Redevelopment Agency	-	-	-	-	-	8.00	10.00	11.00	11.00	11.00
Economic Development	2.00	3.00	3.00	3.00	3.00	-	-	-	-	1.00
Small Business Development	2.00	-	-	-	-	-	-	-	-	-
<b>Culture &amp; Recreation:</b>										
Parks, Recreation and Cultural Affairs	-	-	-	108.13	103.13	103.00	102.00	80.50	80.50	78.50
Cultural Affairs	16.50	16.50	14.88	-	-	-	-	-	-	-
Recreation & Parks	94.00	94.00	87.25	-	-	-	-	-	-	-
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 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.

In 2007, a reorganization was put in place to streamline planning & permitting processes.

In 2006, a major reorganization was implemented which combined various departments. Finance and the Office of Management and Budget were combined into Budget and Finance, Building Inspections was combined with Public Works, Facilities Management and Fleet were combined into General Services, and Cultural Affairs and Recreation & Parks were combined into Parks, Recreation and Cultural Affairs.

City of Gainesville  
Operating Indicators by Functional Department  
Last Ten Fiscal Years

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Fire &amp; EMS <sup>3</sup></b>					
Total EMS incidents per 1,000 population served	2.84	2.52	1.70	1.15	33.78
Total Non-EMS incidents per 1,000 population served	n/a	83.16	96.93	84.65	81.10
Total arson incidents per 10,000 population served	1.01	1.42	0.92	0.66	0.41
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to EMS Incidents	-	-	-	-	-
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to Building Fires	-	-	-	-	-
90 <sup>th</sup> percentile Travel Time for Fire Apparatus to EMS Incidents	-	-	-	-	-
90 <sup>th</sup> percentile Travel Time for First Arriving Unit at Building Fires	-	-	-	-	-
% of fire calls with a response time of 8 min or less	73.0%	81.0%	77.1%	72.4%	91.0%
% of fire calls with a response time of 4 min or less	n/a	n/a	38.0%	41.0%	41.0%
% of EMS calls with a response time of 4 min or less	n/a	n/a	45.0%	46.0%	48.0%
<b>Fleet</b>					
Average age of police vehicles (months)	51	37	43	40	52
Average age of fire apparatus (months)	72	45	57	91	88
Hours billed as a percentage of hours available	60.2%	62.7%	n/a	82.9%	82.4%
No. of work orders completed - police vehicles	1,201	1,644	n/a	n/a	1,106
No. of work orders completed - fire apparatus	261	303	n/a	n/a	164
Total vehicle and heavy equipment work orders	9,143	8,279	n/a	8,025	8,814
<b>Highway and Road Maintenance</b>					
Number of potholes repaired	22,263	18,076	22,445	17,848	23,062
% lane miles assessed as satisfactory or better	n/a	94.0%	69.9%	88.0%	70.0%
Number of linear miles swept	11,387	16,049	17,136	16,073	20,319
<b>Housing</b>					
# of homes purchased or constructed	44	19	25	6	31
Number of properties rehabilitated	n/a	n/a	50	66	58
Number of families served through housing programs	n/a	n/a	658	697	978
<b>Police</b>					
Police 911 calls received	n/a	143,464	144,279	119,090	124,138
UCR Part I violent crimes reported per 1,000 pop	8.12	7.52	8.29	8.62	9.43
% of UCR Part I violent crimes cleared	40.06%	46.73%	39.96%	54.03%	43.72%
UCR Part I property crimes reported per 1,000 pop	43.45	42.40	41.39	57.77	49.78
% of UCR Part I property crimes cleared	14.02%	18.65%	16.83%	20.53%	19.00%
Injury-producing traffic accidents per 1,000 pop	11.07	18.62	7.47	27.33	5.89
Traffic fatalities per 1,000 population	0.07	0.03	0.07	0.03	0.15
Moving violation citations issued per 1,000 pop	202.22	206.21	199.29	168.82	219.08
DUI arrests per 1,000 population	1.53	1.98	2.64	1.58	2.06
<b>Purchasing</b>					
Dollar amount of purchasing card expenditures	n/a	n/a	\$ 2,612,506	\$ 2,824,290	\$ 2,731,400
Number of purchasing card transactions	n/a	n/a	16,500	17,442	15,575
Average number of days for a formal bid process	n/a	44	44	45	45
<b>Refuse &amp; Recycling</b>					
Avg # accounts served per on-route hour	133	130	99	150	139
Tons of refuse collected & disposed	21,441	55,536	20,266	18,000	20,423
Tons yard waste collected & composted <sup>2</sup>	4,627	7,984	9,000	11,280	4,604
Tons recycling materials collected	4,749	5,311	n/a	6,000	4,783
Complaints per 1,000 accounts	66	77	84	137	135
<b>Utility</b>					
Residential customers - Electric	74,164	76,435	77,918	79,125	80,237
Commercial & industrial - Electric	8,912	9,203	9,342	9,538	9,675
Customers - Natural Gas	30,206	30,901	31,704	32,522	33,125
Customers - Water	61,078	62,890	64,692	66,475	67,774
Customers - Wastewater	54,310	55,821	57,553	59,206	60,205

## Sources:

Gainesville Regional Utilities Annual Report; ICMA Center for Performance Measurement

## Note:

<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 mm:ss format.

(continued)

City of Gainesville  
Operating Indicators by Functional Department  
Last Ten Fiscal Years

	Fiscal Year				
	2008	2009	2010	2011	2012
<b>Fire &amp; EMS <sup>3</sup></b>					
Total EMS incidents per 1,000 population served	29.90	33.70	27.80	99.60	114.30
Total Non-EMS incidents per 1,000 population served	90.12	96.20	92.70	27.90	23.15
Total arson incidents per 10,000 population served	1.46	0.64	0.54	-	1.13
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to EMS Incidents	-	-	-	1:08	1:18
90 <sup>th</sup> percentile Turnout Time for Fire Apparatus to Building Fires	-	-	-	1:26	1:27
90 <sup>th</sup> percentile Travel Time for Fire Apparatus to EMS Incidents	-	-	-	7:27	7:04
90 <sup>th</sup> percentile Travel Time for First Arriving Unit at Building Fires	-	-	-	6:21	6:20
% of fire calls with a response time of 8 min or less	85.0%	87.0%	83.0%	-	-
% of fire calls with a response time of 4 min or less	42.0%	40.0%	47.0%	-	-
% of EMS calls with a response time of 4 min or less	48.0%	47.0%	44.0%	-	-
<b>Fleet</b>					
Average age of police vehicles (months)	56	44	50	46	49
Average age of fire apparatus (months)	81	92	106	107	79
Hours billed as a percentage of hours available	79.1%	78.3%	79.9%	95.2%	82.7%
No. of work orders completed - police vehicles	1,697	1,736	1,822	1,063	1,362
No. of work orders completed - fire apparatus	170	152	279	235	160
Total vehicle and heavy equipment work orders	8,025	7,711	7,327	7,466	8,243
<b>Highway and Road Maintenance</b>					
Number of potholes repaired	14,335	16,943	16,375	10,940	2,630
% lane miles assessed as satisfactory or better	66.0%	64.0%	60.0%	71.5%	73.7%
Number of linear miles swept	19,293	18,337	14,016	11,998	13,668
<b>Housing</b>					
# of homes purchased or constructed	30	2	10	7	26
Number of properties rehabilitated	68	66	49	50	48
Number of families served through housing programs	784	798	558	314	367
<b>Police</b>					
Police 911 calls received	124,955	133,768	142,486	136,085	137,943
UCR Part I violent crimes reported per 1,000 pop	8.46	9.18	7.11	7.26	7.33
% of UCR Part I violent crimes cleared	56.41%	65.14%	66.60%	62.56%	62.22%
UCR Part I property crimes reported per 1,000 pop	47.11	50.71	43.05	42.17	42.08
% of UCR Part I property crimes cleared	23.56%	29.95%	29.85%	29.93%	30.42%
Injury-producing traffic accidents per 1,000 pop	5.35	6.03	5.67	6.42	6.80
Traffic fatalities per 1,000 population	0.05	0.06	0.05	0.05	0.07
Moving violation citations issued per 1,000 pop	233.25	176.48	216.00	215.89	214.18
DUI arrests per 1,000 population	2.96	2.75	3.06	3.88	2.50
<b>Purchasing</b>					
Dollar amount of purchasing card expenditures	\$ 4,049,230	\$ 4,370,367	\$ 4,001,232	\$ 3,898,638	\$ 4,167,550
Number of purchasing card transactions	17,008	14,919	13,815	14,971	14,917
Average number of days for a formal bid process	45	53	53	53	53
<b>Refuse &amp; Recycling</b>					
Avg # accounts served per on-route hour	133	133	138	138	133
Tons of refuse collected & disposed	19,720	19,501	19,189	18,274	19,856
Tons yard waste collected & composted <sup>2</sup>	8,494	8,481	8,099	7,814	8,325
Tons recycling materials collected	4,693	4,692	5,017	4,890	4,795
Complaints per 1,000 accounts	93	67	51	48	50
<b>Utility</b>					
Residential customers - Electric	82,399	82,668	82,038	81,900	82,039
Commercial & industrial - Electric	10,450	10,461	10,383	10,372	10,422
Customers - Natural Gas	33,777	33,451	33,202	33,208	33,264
Customers - Water	69,784	69,496	68,819	68,952	69,329
Customers - Wastewater	61,552	62,071	61,999	62,164	62,536

(concluded)

**City of Gainesville**  
**Capital Asset Statistics by Functional Department**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Fire &amp; EMS</b>										
Total number of fire apparatus	13	12	12	13	13	13	13	13	14	14
Average age of fire apparatus (in months)	72	45	61	91	89	81	92	106	107	79
Average annual mileage per fire apparatus	n/a	n/a	9,794	7,673	8,337	8,839	8,998	13,912	8,345	8,561
Number of fire stations	7	7	7	7	7	7	7	7	8	8
<b>Fleet</b>										
Light vehicles:										
Number	583	1,218	1,279	591	543	549	347	339	616	574
Number using alternative fuel	-	3	5	6	4	4	4	4	40	52
Average age (in months)	62	n/a	81	92	44	52	67	78	73	73
Medium-duty vehicles:										
Number	39	63	65	48	36	36	79	82	68	120
Average age (in months)	49	62	81	87	112	87	91	68	72	91
Heavy-duty vehicles:										
Number	137	174	164	126	48	36	128	107	90	96
Average age (in months)	83	38	53	93	108	101	103	89	103	78
Heavy equipment:										
Number	81	14	14	12	11	11	22	13	14	18
Average age (in months)	130	56	68	132	142	67	132	67	126	121
<b>Highway and Road Maintenance</b>										
Total paved lane miles maintained	1,473	1,473	1,473	1,473	779	779	764	773	773	777
Number of traffic signals	n/a	3,970	4,004	4,049	4,275	4,495	7,994	8,042	8,279	8,279
<b>Parks and Recreation</b>										
Park acres per 1,000 population	21.17	21.36	20.94	20.77	19.10	19.24	18.90	20.28	21.56	21.64
Total park acres	2,481	2,515	2,511	2,512	2,321	2,395	2,379	2,681	2,681	2,681
Recreation/community centers	8	8	8	8	8	8	8	8	8	8
Athletic fields	37	32	37	37	37	35	35	35	35	36
Play structures	78	80	78	89	93	112	112	98	98	98
Tennis courts	22	22	23	23	23	23	23	23	23	23
Basketball courts	24	24	24	24	24	23	23	23	23	23
Swimming pools	3	3	3	3	3	3	3	3	3	3
Miles of bike, walking, and hiking trails	23.7	23.7	24.7	24.7	24.7	30.6	31.4	37.4	49.8	50.9
<b>Police</b>										
Number of police vehicles - marked	208	285	244	244	223	201	268	210	227	232
Average age of police vehicles (in months)	51	37	44	40	52	56	44	50	46	49
Average annual mileage per police vehicle	n/a	n/a	11,297	11,000	10,554	6,856	5,311	8,472	9,087	10,783
<b>Regional Transit System</b>										
Number of buses	105	105	104	113	107	110	105	105	106	116
Average age of buses (in months)	n/a	137	125	126	125	118	108	82	88	77
<b>Electricity</b>										
Combined system net capability (megawatts)	611	612	611	611	611	611	611	611	616	610
Distribution - overhead (circuit miles)	611	597	594	595	589	583	580	575	575	568
Distribution - underground (circuit miles)	719	743	753	772	798	814	832	838	849	846
Distribution substations	9	9	9	9	10	10	10	11	11	11
<b>Natural Gas</b>										
Distribution mains (miles)	637	641	692	713	723	731	739	742	747	752
Delivery points	5	5	5	6	6	6	6	6	5	5
<b>Water</b>										
FDEP permitted treatment capacity (million gallons/day)	54	54	54	54	54	54	54	54	54	54
Storage capacity (million gallons)	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	18.5
Distribution mains (miles)	1,003	1,029	1,034	1,051	1,069	1,095	1,102	1,106	1,115	1,128
Supply wells	15	15	15	15	16	16	16	16	16	16
<b>Wastewater</b>										
Gravity mains (miles)	553	567	568	568	568	607	608	612	618	629
Force mains (miles)	126	127	127	127	127	133	137	137	139	139
Lift stations	156	152	154	154	154	165	164	164	164	165
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)	234	259	268	275	301	318	341	351	389	420
Maximum bandwidth (2.5 gigabits/second)	OC-48	OC-48	OC-48	OC-48	OC-48	OC-48	OC-48	OC-192	OC-192	OC-192
On-net locations	248	266	302	343	363	436	463	454	524	503

## Sources:

Gainesville Regional Utilities Annual Report  
ICMA Center for Performance Measurement

## Management Letter

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

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, 2012, and have issued our report thereon dated March 22, 2013. 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. Our report emphasized that the City changed its method of reporting the CRA from a discretely presented component unit to a blended component unit. Our audit was conducted 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; Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Pursuant to the Rules of the Auditor General, which govern the conduct of governmental audits performed in the State of Florida, we make the following representations:

- As required by the Rules of the Auditor General, we determined that the annual financial report for the City, for the fiscal year ended September 30, 2012, was filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit report.
- The scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, *Determination of Financial Emergency*. We determined that the City has not met one or more of the conditions described in that section that are indicative of a state of financial emergency.
- As required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

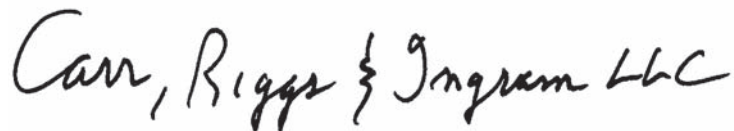
Honorable Mayor and City Commissioners  
City of Gainesville, Florida  
Page 2

- As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.
- The Rules of the Auditor General stipulate that auditors should review the status of prior-audit findings. If the audit findings in the preceding audit report are uncorrected, auditors are required to identify those findings that were also included in the second preceding audit report. In that regard, there are no uncorrected prior audit findings.

Following this letter are our reports on internal control and compliance relative to financial reporting and financial assistance programs. Also, other auditors have issued separate communications relative to Gainesville Regional Utilities. The comments in those documents should be considered in conjunction with this management letter.

This management letter is intended solely for the information and use of the Honorable Mayor and City Commissioners, the Audit and Finance Committee, management and oversight audit agencies, 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

March 22, 2013  
Gainesville, Florida



**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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Gainesville, Florida (the "City"), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2013. Our report on the basic financial statements included a reference to the report of other auditors and emphasized that the City changed its method of reporting the CRA from a discretely presented component unit to a blended component unit. 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. Other auditors audited the financial statements of the Utility Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' 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

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

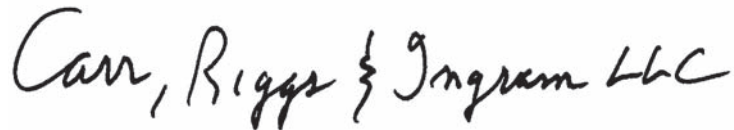
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and City Commissioners  
City of Gainesville, Florida  
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Compliance and Other Matters

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

This report is intended solely for the information and use of the Honorable Mayor and City Commissioners, the Audit and Finance Committee, management and oversight audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

March 22, 2013  
Gainesville, Florida

**Schedule of Federal Awards and State Financial Assistance  
as of September 30, 2012  
City of Gainesville, FL**

Federal Grantor/ Program Title	Federal CFDA NUMBER	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
FEMA						
FY 2009 Assistance to Firefighters Grant Program	97.044	EMW-2009-FO-10454	10,511			
FY 2011 Assistance to Firefighters Grant Program	97.044	EMW-2011-FP-00667	1,600			
FY 2010 Staffing for Adequate Fire and Emergency Response (SAFER)	97.044	EMW-2010-FH-00337	784,141	796,252		
Passed Through Florida Department of Financial Services 2010 State Homeland Security Grant Program	97.067	11-DS-9Z-13-00-16-436	54,500			
Passed Through Florida Division of Emergency Management FEMA-HMGP Clear Lake Lift Station Rehab. Phase II	97.039	FM-1561-131-R/ 10HM-23-03-11-01-014	70,969			
FEMA-HMGP S.W. 34th Street Industrial Park Phase II	97.039	FM-1561-102-R/ 10HM-23-03-11-02-021	144,698	215,667		
Passed Through DEM via Florida Department of Financial Services 2008-2009 State Homeland Security Grant Program	97.073	09-DS-51-13-00-16-409	16,314			
2009-2010 State Homeland Security Grant Program	97.073	10-DS-39-13-00-16-414	1,481	17,795		
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
Passed Through Florida Commission on Community Service (Volunteer Florida) 2011-2012 BEST Neighborhoods H.O.P.E. Program	94.021	10VG118289	13,982			
<u>EXECUTIVE OFFICE OF THE PRESIDENT-OFFICE OF NATIONAL DRUG POLICY</u>						
Passed Through NFHIDTA via Alachua County Sheriff Department North Florida HIDTA	95.001	G09NF0001A	28,081			
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
Passed Through Florida Department of Environmental Protection Capitalization Grant for State Revolving Funds	66.458	NP49717S	365,584			
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through FL Dept. of Edu. Via School Board of Alachua County 21st Century Community Learning Center	84.287	010-2442A-2CCC2	134,253			
<u>U.S. DEPARTMENT OF ENERGY</u>						
ARRA-EECBG- City of Gainesville, FL	81.128	SC0002611	100,271			
<u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u>						
Community Development Block Grant-Entitlement Program	14.218	B-09/10 MC-12-0007	1,492,771			
ARRA-Community Development Block Grant Recovery	14.253	B09-MY-12-007	146,055		1,638,826	
Supportive Housing Program-MHS	14.235	FL10110B4H081003/(B4H081104)	94,827			93,278
Supportive Housing Program-VETSPACE	14.235	FL10112B4H081003/(B4H081104)	118,149	212,977		115,902
EDI-Depot Regional Stormwater Park	14.251	B-05-SP-FL-0422	104,636			
EDI-Downtown Revitalization Project Depot Avenue	14.251	B-06-SP-FL-0240	39,600	144,236		
Passed Through Florida Department of Community Affairs via Alachua County- Dept. of Growth and Management						
Community Development Block Grant-Disaster Recovery Program	14.228	10DB-D4-03-11-01-K01	79,958			
HOME Investment Partnership Grant	14.239	M-07/08/09/10-MC-12-0206	1,101,322			
ARRA-Homelessness Prevention & Rapid Rehousing	14.257	S09-MY-12-0025	2,246			2,246
<u>U.S. DEPARTMENT OF JUSTICE</u>						
OJJDP FY 09 Recovery Act Internet Crimes Against Children-ARRA	16.800	2009-SN-B9-K015	110,724			110,724
2009 Internet Crimes Against Children	16.543	2009MCCXK059	324,570			57,458
A Coordinated Community Response to Preventing Violence Against Women	16.590	2007WEAX0054	156,170			
2010 COPS Hiring Program	16.710	2010UMWX0066	367,898			
BPV	16.607	2010 Regular Solicitation	6,394			
Federal Equitable Sharing Proceeds	16.XXX	N/A	429,196			
Edward Byrne Memorial Justice Assistance -ARRA	16.804	2009-SB-B9-2446	82,682			
Law Enforcement, Crime Prevention, & Technological Enhancement Project	16.738	2010-DJ-BX-1609	4,070			
Law Enforcement & Technological Enhancement Program	16.738	2011-DJ-BX-2842	64,582			
Passed Through Florida Department of Law Enforcement: 2011 You And The Law	16.738	2011-JAGC-ALAC-2-B2-255	1,832			
2012 You And The Law	16.738	2012-JAGC-ALAC-3-C4-249	10,280			
GPD Mobile Safe-T Kiosk	16.738	2011-JAGC-ALAC-7-B2-181	12,000			
Sexual Predator & Offender Tracking	16.738	2012-JAGC-ALAC-2-C4-222	133			
Passed Through Alachua County Sheriff Department 2011 Problem Oriented Policing	16.738	2010-JAGC-ALAC-4-B2-136	2,708			
2012 Problem Oriented Policing	16.738	2011-JAGC-ALAC-5-C4-075	14,175	109,780	192,462	

Schedule of Federal Awards and State Financial Assistance  
as of September 30, 2012  
City of Gainesville, FL

Federal Grantor/ Program Title	Federal CFDA NUMBER	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Passed Through Federal Transit Administration						
FY06 Section 5309 Grant-Facility Expansion	20.500	FL-04-0011	89,314			
FY06 Section 5309 Grant-Facility Expansion	20.500	FL-04-0048	761,429			
FY07 Section 5309 Grant-Facility Expansion	20.500	FL-04-0089	276,784			
FY10 Section 5309 Grant-Bus Replacement	20.500	FL-04-0100	750,000			
FY11 SGR - Facility Expansion	20.500	FL-04-0126	436,082			
FY11 - Livability Grant	20.500	FL-04-0150	45,416	2,359,025		
FY10 ARRA - FHWA Flex Funds	20.507	FL-66-X004	397,399			
FY07 Urbanized Area Formula Grant	20.507	FL-90-X624	2,561			
FY08 Section 5307 Grant	20.507	FL-90-X678	40,247			
FY08 Urbanized Area Formula Grant	20.507	FL-90-X655	229,798			
FY09 Urbanized Area Formula Grant	20.507	FL-90-X694	405,800			
FY10 Urbanized Area Formula Grant	20.507	FL-90-X737	511,954			
FY11 Urbanized Area Formula Grant	20.507	FL-90-X763	778,249			
FY12 Urbanized Area Formula Grant	20.507	FL-90-X873	1,700,000	4,066,008	6,425,033	
FY11 - Clean Fuels Grant	20.519	FL-58-0002	1,500			
Passed Through Florida Department of Transportation						
LAPA/ Old Historic Gainesville Depot Rehabilitation	20.205	404628-1-A8-01/AL819	604,607			
LAPA/ Enhancement of Depot Road	20.205	420537-1-38-01/088849/07	129,972			
LAPA/ NE 25th St. & NE 19th Drive	20.205	420541-2-38-01& 420541-2-58-01	651,529	1,386,109		
GPD-Speed & Aggressive Driving Project	20.600	SC-12-13-03/ AQK55	53,722			
Passed Through NHTSA via Western Michigan University						
GPD Aggressive Driving Project	20.614	DTNH22-06-00036	12,920			
FY10/11 Transit to Non-Urbanized Areas of Alachua County Supplement	20.509	APX92: #423292-1-84-10	433,036			
FY11/12 Transit to Non-Urbanized Areas of Alachua County Supplement	20.509	AQH21: #423312-1-84-12	139,821	572,857		
Sec 5317 One Small Cutaway with Lift	20.521	AQP25: #431862-1-94-12	1,564			
FY09/10 - Sec 5317 New Freedom (NU) Transportation	20.521	APS99: #425290-1-84-01	28,409			
FY10/11 - Sec 5317 New Freedom (NU) Transportation	20.521	APW75: #427289-1-84-10	9,795	39,767		
TOTAL EXPENDITURES OF FEDERAL AWARDS			14,985,271			379,608

**Schedule of Federal Awards and State Financial Assistance  
as of September 30, 2012  
City of Gainesville, FL**

<u>State Grantor/ Program Title</u>	<u>State CSFA NUMBER</u>	<u>Contract/Grant No.</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
SHIP 2009/2010	52.901	N/A	85,193	
SHIP 2010/2011	52.901	N/A	15,000	
SHIP 2011/2012	52.901	N/A	16,382	116,575
<u>DEPARTMENT OF CULTURAL AFFAIRS</u>				
Tranformation Thru Imagination (Superfund Pollution/Solution)	XX.XXX	12.5.0026	24,000	
<u>DEPARTMENT OF ELDER AFFAIRS</u>				
City of Gainesville/ Alachua County Senior Recreation Center	65.013	XQ916	17,692	
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Gainesville Depot Park Stormwater Treatment	37.039	LP6027	346,962	
<u>DEPARTMENT OF HEALTH</u>				
EMS- Pass through from County	64.005	C0001	24,228	
<u>DEPARTMENT OF TRANSPORTATION</u>				
FY 11/12 Block Grant	55.010	AQH63: #411757-1-84-12	1,500,596	
FY 10/11 Services Development Funds- Route 22	55.012	APN19: # 427683-1-84-11	23,588	
FY 10/11 Service Development Funds- Route 25	55.012	APZ01: #425446-1-84-12	57,745	
FY 10/11 Service Development Funds	55.012, 55.007	AQ754: # 427682-1-84-11	63,633	
FY 10/11 Service Development Funds- Route 28	55.012	AQC92: #430329-1-84-12	99,928	
FY 10/11 Service Development Funds- Route 46	55.012	AQC93: #430328-1-84-12	57,126	
FY 11/12 Service Development Funds- Route 27	55.012	AQD40: # 430962-1-84-12	53,227	
FY 11/12 Service Development Funds- Route 39	55.012	AQD41: # 430961-1-84-12	31,970	
FY 11/12 Service Development Funds- Route 62	55.012	AQD46: # 430330-1-84-12	60,012	447,227
Transportation Regional Incentive Program	55.026	423306-1-58-01 & 423306-3-58-01	539,152	
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>3,016,434</b>	

**Notes to the Schedule of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended September 30, 2012  
City of Gainesville, Florida**

**Note 1. Basis of Presentation**

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* 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.

**Note 2. Sub recipients**

The City provided federal awards to sub recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Supportive Housing Programs	14.235	\$ 209,180
Sub recipients:		
Meridian Health Services		
VETSPACE		
ARRA-Homelessness Prevention & Rapid Rehousing	14.257	2,246
Sub recipient: Alachua County Housing Authority		
ARRA-OJJDP FY09 Recovery Act Internet Crimes Against Children	16.800	110,724
Sub recipients:		
Florida Office of the OAG		
Alachua County Sheriff Office		
Marion County Sheriff Office		
Brevard County Sheriff Office		
2009 Internet Crimes Against Children	16.543	57,458
Sub recipients:		
Alachua County Sheriff Office		
Bay County Sheriff Office		
City of Tallahassee		
Clay County Sheriff Office		
Volusia County		

**Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance**

Honorable Mayor and City Commissioners  
City of Gainesville, Florida

Compliance

We have audited the compliance of the City of Gainesville, Florida (the "City"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the *State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2012. The City's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and major state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2012.

Honorable Mayor and City Commissioners  
City of Gainesville, Florida  
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#### Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 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, noncompliance 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards and State Financial Assistance

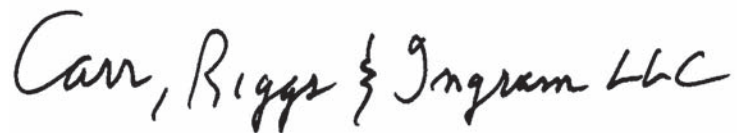
We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2013, which contained unqualified opinions on those financial statements. Our report on the basic financial statements included a reference to the report of other auditors and emphasized that the City changed its method of reporting the CRA from a discretely presented component unit to a blended component unit. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of



Honorable Mayor and City Commissioners  
City of Gainesville, Florida  
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America. In our opinion, based on our audit and the report of other auditors, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Honorable Mayor and City Commissioners, the Audit and Finance Committee, management and oversight audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

March 22, 2013  
Gainesville, Florida

**Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2012  
City of Gainesville, Florida**

**Part I - Summary of Auditors' Results**

1. The auditor's report on the basic financial statements was unqualified.
2. The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.
3. No instances of noncompliance 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 unqualified.
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>
Community Development Block Grant - Entitlement Grants Cluster	14.218; 14.253
HOME Investment Partnerships Program	14.239
FEMA Assistance to Firefighters and SAFER Grants	97.044
Formula Grants for Other than Urbanized Areas	20.509
<u>State Projects</u>	<u>CSFA No.</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039
Public Transit Block Grant	55.010

8. A threshold of \$449,558 was used to distinguish between Type A and Type B programs for federal programs and \$300,000 was used for state projects.
9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

**Part II - Financial Statement Findings**

No matters are reportable.

**Part III – Findings and Questioned Costs – Federal Programs**

No matters are reportable.

**Part IV – Findings and Questioned Costs – State Programs**

No matters are reportable.

### **Schedule of and Response to Prior Year Audit Findings**

In response to the findings reported in connection with our September 30, 2011 financial statement audit and single audit, the corrective action plans detailed below have been successfully implemented.

11-1

Condition and Criteria: OMB Circular A-133 and the Rules of the Auditor General stipulate that an auditee who receives financial assistance should prepare an accurate Schedule of Expenditures of Federal Awards and State Financial Assistance (“Schedule”). Our audit revealed various errors and omissions, related to Regional Transit System (RTS) grants, in the Schedule that was initially prepared by the City.

Effect: All known errors and omissions in the Schedule were corrected during the course of our audit.

Cause: The system of internal control did not provide for adequate oversight of the Schedule’s preparation.

Auditor’s Recommendation: Internal control procedures should be strengthened to ensure that RTS grants are accurately presented in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Corrective Action Plan: We will put stronger controls in place to ensure that RTS grants are accurately presented on the Schedule.

11-2

Condition and Criteria: Grantees who receive Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds directly from the Department of Housing and Urban Development (HUD) use the Integrated Disbursement and Information System (IDIS) to capture information for the Consolidated Annual Performance and Evaluation Report (CAPER). Our testing of the CDBG Financial Summary Report PR26 and the HOME Financial Summary Report PR27 revealed that the reports did not contain all costs incurred during the year.

Effect: Incomplete financial information was reported to HUD in the CAPER, causing a delay in the City’s receipt of its Federal reimbursements.

Cause: The City’s reporting was not kept up-to-date.

Auditor’s Recommendation: Internal control procedures should be strengthened to ensure that financial information is timely entered in IDIS.

Corrective Action Plan: The Housing and Community Development (HCD) will continue to strive to complete the draw authorizations in accordance with HCD’s IDIS Draw Request/Authorization Procedure. These procedures also include a continual process of reconciling IDIS with the City’s financial statements to ensure complete reporting to HUD.

**Response to Current Year Audit Findings and Corrective Action Plan**

We are pleased to report that in connection with our September 30, 2012 financial statement audit and single audit, our external auditors listed no findings. Therefore, there is currently no plan required for corrective action.

We would like to take this opportunity to thank Carr, Riggs & Ingram for their professional and thorough audit. It is a pleasure to work with their partners and staff.





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Report of Independent Certified Public Accountants 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*

The Honorable Mayor and  
Members of the City Commission  
City of Gainesville, FL

We have audited the financial statements of Gainesville Regional Utilities (a department of the City of Gainesville, Florida) as of and for the year ended September 30, 2012, and have issued our report thereon dated February 27, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Gainesville Regional Utilities is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Gainesville Regional Utilities' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gainesville Regional Utilities' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gainesville Regional Utilities' internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



### **Compliance and Other Matters**

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

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

*Ernst & Young LLP*

February 27, 2013



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Honorable Mayor, Members of the City  
Commission, City of Gainesville, Florida and  
Gainesville Regional Utilities

In planning and performing our audit of the financial statements of Gainesville Regional Utilities (GRU), a department of the City of Gainesville, Florida, as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GRU's internal control. Accordingly, we do not express an opinion on the effectiveness of GRU'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

We have also issued our Report of Independent Certified Public Accountants 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 dated February 27, 2013. Disclosures in that report should be considered in conjunction with this management letter.

This communication is intended solely for the information and use of management, the City Commission of the City of Gainesville, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst & Young LLP*

February 27, 2013

