



Comprehensive Annual Financial Report



Fiscal Year Ended
September 30, 2010
City of Gainesville, Florida

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
City of Gainesville, Florida
Fiscal Year Ended September 30, 2010**

**Prepared By
The Budget & Finance Department**

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

<i>Craig Lowe</i>	<i>Mayor</i>
<i>Jeanna Mastrodicasa</i>	<i>Mayor-Commissioner Pro-Tem</i>
<i>Warren Nielsen</i>	<i>Commissioner</i>
<i>Thomas Hawkins</i>	<i>Commissioner</i>
<i>Randy Wells</i>	<i>Commissioner</i>
<i>Scherwin Henry</i>	<i>Commissioner</i>
<i>Lauren Poe</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>Marion Radson</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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CITY OF
GAINESVILLE
every path starts with passion
FLORIDA



March 24, 2011

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, 2010. 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, 2010, 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, 2010, 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 mandated “Single Audit” designed to meet the special needs of federal 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 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, 2010, the official population estimate was 132,217.

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 Manager 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**
- **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 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 in order to reserve the encumbered portion of the appropriation. Encumbrances outstanding at year end are reported as reservations of fund balance and 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 8.3%, which is significantly lower than the state and national averages but is an increase from 7.2% at the same time last year, which is due to the national economic downturn. Enrollment at the University of Florida, the engine for the area's economy, has decreased slightly with a 2010 enrollment of just over 48,000 students.

The General Fund's main revenue sources include Property Tax, State Revenue Sharing, Half-Cent Sales Tax, 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 and with significant cuts in expenditure budgets over the past four fiscal years. These are described in more detail in the MD&A, on pages MDA-9 and MDA-10.

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.
- Traffic signal synchronization project to improve traffic flow.
- Renovation and relocation of an existing fire station (#1).
- Construction of a one-stop homeless center.
- Construction of a senior recreation center.
- Renovation of the Police Department's administrative 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 2023. 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 undesignated, unreserved fund balance of the General Fund will be at least 8.33% of the proposed General Fund revenue budget.
- **General Insurance Fund Reserve Policy** – The General Insurance Fund will maintain fiscal year-end current assets equal to current liabilities.
- **Budget Administration Policy** – Systematic procedures that are used in the development, review, adoption, monitoring, and revision of the budget.
- **Debt Management Policy** – Outlines allowable debt issuance purposes, debt structure, limitations on debt levels, allowable types of debt, promotes sound financial management and enhances the City's credit rating.
- **Capital Improvement Planning Policy** – Requires a fully funded five-year Capital Improvement Plan and Capital Budget.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. 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 annual appropriated budget dated October 1, 2009. 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
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, 2009

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.



President

Executive Director

City of Gainesville 2010 Organizational Chart



CITIZENS OF GAINESVILLE

CITY COMMISSION

CITY AUDITOR

CITY ATTORNEY

**CLERK OF THE
COMMISSION**

CITY MANAGER

**GENERAL MANAGER
FOR UTILITIES**

EQUAL OPPORTUNITY

**ASSISTANT CITY
MANAGER**

POLICE

**HUMAN
RESOURCES**

**ADMINISTRATIVE
SERVICES**

**PLANNING AND
DEVELOPMENT SERVICES**

**ASSISTANT CITY
MANAGER**

**COMMUNICATIONS
OFFICE**

**PARKS, RECREATION
& CULTURAL AFFAIRS**

FIRE RESCUE

PUBLIC WORKS

**REGIONAL TRANSIT
SYSTEM**

**BUDGET AND
FINANCE**

**INFORMATION
TECHNOLOGY**

**RISK
MANAGEMENT**

PLANNING

**BUILDING
INSPECTION**

**COMMUNITY
REDEVELOPMENT
AGENCY**

**NEIGHBORHOOD
IMPROVEMENT**

GENERAL SERVICES



CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

Independent Auditors' 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, 2010, 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 90 percent, respectively, of the assets and 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.

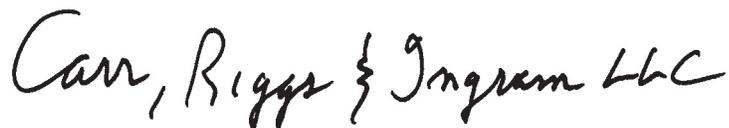
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2010, 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 24, 2011 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 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.

Management's discussion and analysis and the schedules listed in the table of contents as "required supplementary information" are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents as "supplemental information" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the information provided in the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such additional information has 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 express no opinion on it.

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

March 24, 2011
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, 2010. 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 of the City exceeded its liabilities at the close of the most recent fiscal year by \$693,912,395 (*net assets*). Of this amount, \$66,215,101 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$48,811,481 as a result of fiscal year 2010 operations.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$100,650,736, an increase of \$4,436,273 in comparison with the prior year. Of the total ending fund balances, \$84,531,961 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, the undesignated fund balance in the General Fund was \$10,476,155.
- The City's total bonded debt decreased by \$48.2 million (4.25%) 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets have changed during the most recent fiscal year. All changes in net assets 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, and a legally separate redevelopment agency for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

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-four 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-three 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 15-56 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 57-63 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 64-133 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$693,912,395 at the close of the most recent fiscal year. Approximately 71% of the City's net assets reflect 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.

	City of Gainesville's Net Assets					
	Governmental Activities		Business-type Activities		Total	
	FY10	FY09	FY10	FY09	FY10	FY09
Current and other assets	\$ 214,905,867	\$ 214,824,606	\$ 427,090,774	\$ 469,701,159	\$ 641,996,641	\$ 684,525,765
Capital assets	157,511,401	145,858,627	1,132,274,331	1,091,449,465	1,289,785,732	1,237,308,092
Total assets	372,417,268	360,683,233	1,559,365,105	1,561,150,624	1,931,782,373	1,921,833,857
Long-term liabilities						
outstanding	165,697,933	171,607,109	911,938,445	952,815,913	1,077,636,378	1,124,423,022
Other liabilities	15,872,418	16,391,915	144,361,182	135,918,006	160,233,600	152,309,921
Total liabilities	181,570,351	187,999,024	1,056,299,627	1,088,733,919	1,237,869,978	1,276,732,943
Net assets:						
Invested in capital assets,						
net of related debt	116,698,998	109,776,558	373,193,617	355,449,225	489,892,615	465,225,783
Restricted	63,393,549	54,338,573	74,411,130	59,072,730	137,804,679	113,411,303
Unrestricted	10,754,370	8,569,078	55,460,731	57,894,750	66,215,101	66,463,828
Total net assets	\$ 190,846,917	\$ 172,684,209	\$ 503,065,478	\$ 472,416,705	\$ 693,912,395	\$ 645,100,914

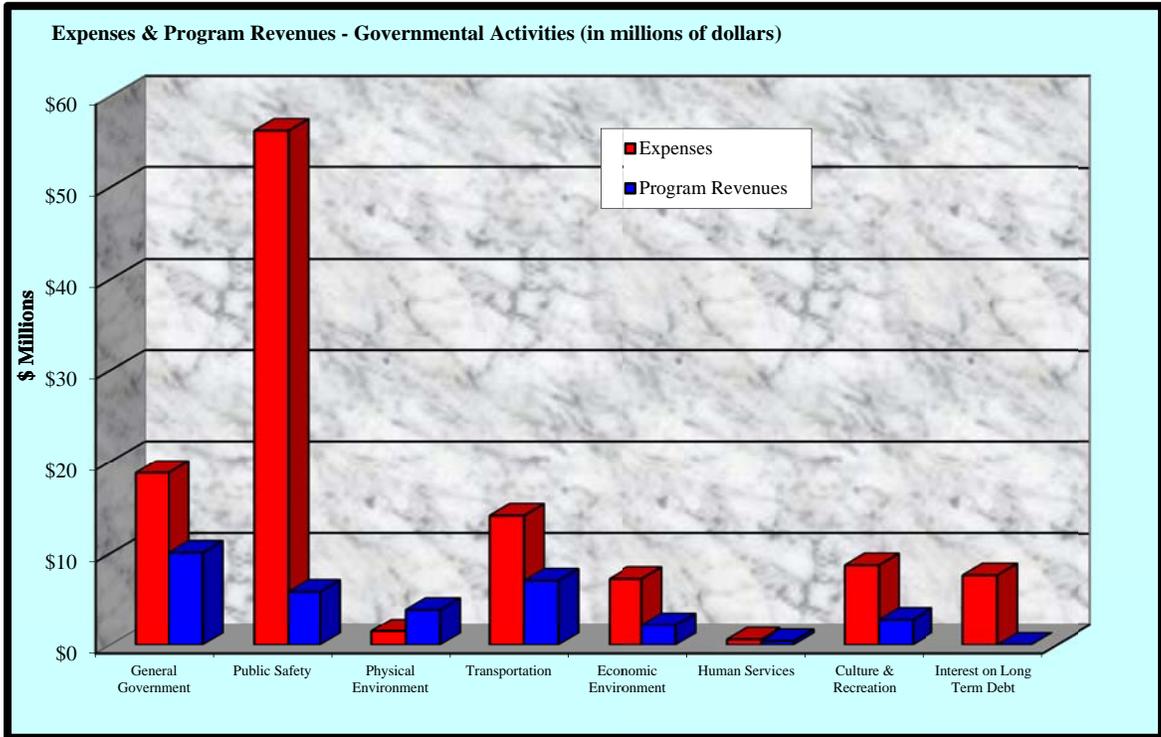
An additional portion of the City's net assets -- \$137,804,679 or 20% -- represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* - - \$66,215,101) -- may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net assets increased by \$48,811,481 during the current fiscal year. This increase is explained further in the following sections.

City of Gainesville Changes in Net Assets						
	Governmental activities		Business-type activities		Total	
	FY10	FY09	FY10	FY09	FY10	FY09
Revenues:						
Program revenues:						
Charges for services	\$ 17,246,314	\$ 17,707,527	\$ 386,202,240	\$ 373,531,984	\$ 403,448,554	\$ 391,239,511
Operating grants and contrib.	6,817,388	7,634,880	11,661,662	7,739,337	18,479,050	15,374,217
Capital grants and contrib.	8,224,492	15,249,638	3,554,922	4,253,489	11,779,414	19,503,127
General revenues:						
Property taxes	29,016,964	26,499,911	-	-	29,016,964	26,499,911
Other taxes	27,865,426	24,326,238	-	-	27,865,426	24,326,238
State revenue sharing	3,487,190	3,523,204	-	-	3,487,190	3,523,204
Interest	2,706,332	3,240,737	7,176,761	6,930,659	9,883,093	10,171,396
Other revenues	3,593,703	2,817,165	15,231,842	26,280,406	18,825,545	29,097,571
Total revenues	98,957,809	100,999,300	423,827,427	418,735,875	522,785,236	519,735,175
Expenses:						
General government	18,762,647	20,156,210	-	-	18,762,647	20,156,210
Public safety	56,238,741	52,968,413	-	-	56,238,741	52,968,413
Physical environment	1,510,055	1,126,951	-	-	1,510,055	1,126,951
Transportation	14,089,516	4,527,795	-	-	14,089,516	4,527,795
Economic environment	7,239,951	7,537,152	-	-	7,239,951	7,537,152
Human services	593,420	293,829	-	-	593,420	293,829
Culture & recreation	8,713,366	9,479,058	-	-	8,713,366	9,479,058
Interest on long-term debt	7,632,165	7,367,850	-	-	7,632,165	7,367,850
Electric	-	-	234,835,876	230,822,719	234,835,876	230,822,719
Gas	-	-	24,599,071	24,405,725	24,599,071	24,405,725
Water	-	-	22,290,808	21,323,742	22,290,808	21,323,742
Wastewater	-	-	24,925,561	24,722,167	24,925,561	24,722,167
GRUCom	-	-	10,719,866	9,993,228	10,719,866	9,993,228
Regional transit system	-	-	20,299,166	18,275,948	20,299,166	18,275,948
Stormwater	-	-	5,486,082	4,650,703	5,486,082	4,650,703
Ironwood	-	-	1,304,741	1,259,517	1,304,741	1,259,517
Florida building code enf.	-	-	2,362,379	2,577,306	2,362,379	2,577,306
Solid waste	-	-	7,101,229	6,285,562	7,101,229	6,285,562
Total expenses	114,779,861	103,457,258	353,924,779	344,316,617	468,704,640	447,773,875
Increase(Decrease) in net assets						
before special items & transfers	(15,822,052)	(2,457,958)	69,902,648	74,419,258	54,080,596	71,961,300
Special item	-	-	(5,269,115)	-	(5,269,115)	-
Transfers	33,984,760	34,507,596	(33,984,760)	(34,507,596)	-	-
Increase in net assets	18,162,708	32,049,638	30,648,773	39,911,662	48,811,481	71,961,300
Net assets - October 1	172,684,209	140,539,469	472,416,705	432,600,145	645,100,914	573,139,614
Restatement	-	95,102	-	(95,102)	-	-
Net assets - October 1, as restated	172,684,209	140,634,571	472,416,705	432,505,043	645,100,914	573,139,614
Net assets - September 30	\$ 190,846,917	\$ 172,684,209	\$ 503,065,478	\$ 472,416,705	\$ 693,912,395	\$ 645,100,914

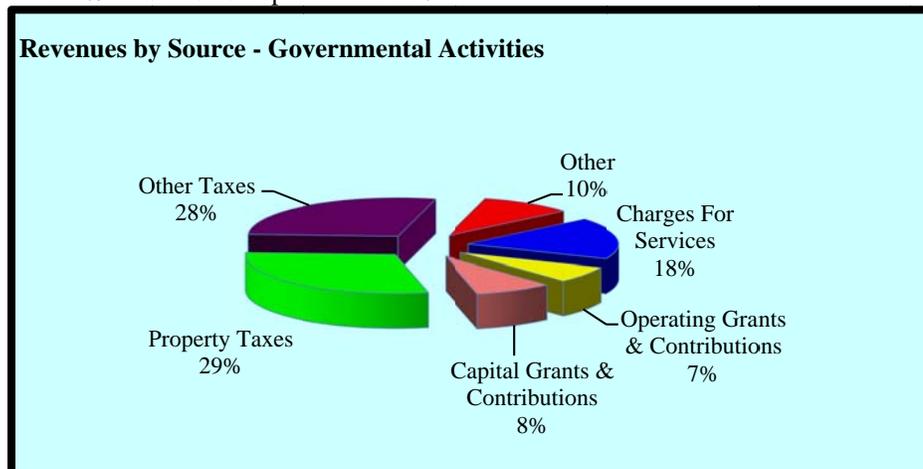
Governmental activities. Governmental activities' expense increased by \$11,322,603 or 11%. The principal components of this increase are shown below:

- Due to the recession, the City continued to make significant cuts in spending, including \$6.1 million of spending reductions and the elimination of 18 positions in the General Fund. A portion of these cuts account for the \$1.4 million decrease in general government expenses.
- The \$3.3 million (6%) increase in public safety expenses are due to the continuation of raises for the majority of police personnel along with increased pension contributions.
- The \$9.5 million increase in transportation expenses represents a return to normal expense levels. FY09 had a larger than usual amount of transportation expenditures capitalized.



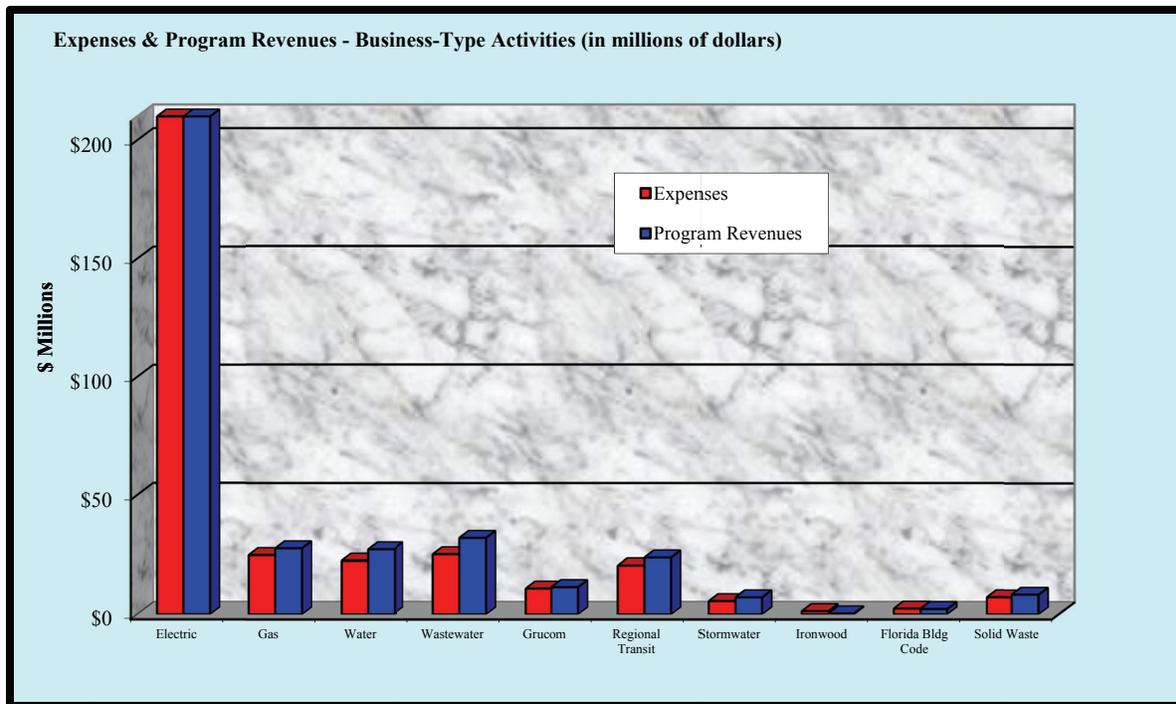
Key elements of governmental activities revenues are as follows:

- Property taxes increased due to the increase in the millage rate from 4.2544 to 4.3963, despite the reduction in property values experienced locally.
- The City experienced an approximately \$7 million decrease in capital grants and contributions in the current year. This is primarily due to the receipt of funding from the University of Florida for a variety of capital projects associated with the Campus Development Agreement during FY09 that was not repeated in FY10.



Business-type activities. Business-type activities' key elements for fiscal year 2010 are as follows:

- Utilities operating sales revenue increased \$11.7 million, or approximately 3.4%. The increase in sales revenue is primarily a result of rate increases implemented in October 2009, and higher consumption of electric and gas as a result of extended cold periods during the winter followed by a much hotter than average summer. This increase in sales is offset by a decrease in revenue of approximately \$4.1 million related to lower fuel costs in FY10, as compared to FY09. Fuel costs are passed directly through to customers as part of a fuel adjustment charge, which is recorded as revenue.
- The year-end fuels payable decreased \$4.1 million, or approximately 47.7%. The primary reason for this decrease is a decrease in coal prices due to a new coal contract initiated during FY09.
- The number of customers for electric decreased 0.8%, while water, wastewater and gas services decreased 1.0%, 0.1%, and 0.7% respectively in FY10.
- Gainesville Regional Utilities is in the process of remediation efforts at a former manufactured gas plant site. The costs incurred to date total \$12.2 million and the remaining costs of the project are estimated at \$25.9 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, 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 \$100,650,736, an increase of \$4,436,273 in comparison with the prior year adjusted balance. Approximately 84% (\$84,531,961) of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$11,633,600), 2) noncurrent receivables (\$3,874,445), and 3) for a variety of other restricted purposes (\$610,730).

The general fund is the chief operating fund of the City. At the end of the current fiscal year there was \$10,476,155 undesignated fund balance of the general fund, while total fund balance was \$15,316,662. As a measure of the general fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures. Undesignated fund balance is 12.69% of total expenditures, while total fund balance represents 18.55% of that same amount.

The fund balance of the City's general fund increased by \$888,851 during the current fiscal year. The key factor in this increase from the prior year is that departments and management monitored the budget projections regularly during the year, and made spending adjustments to compensate for reduced revenue receipts. This resulted in total expenditures ending the year at \$3.3 million under budgeted amounts.

The special revenue funds have a total fund balance of \$23,076,232, which represents a decrease of \$307,675 from last year's balance of \$23,383,907. The debt service funds have a total fund balance of \$965,256. The net decrease in fund balance for the current year for these funds was \$353,178, primarily due to the payoff of a debt issue that previously required a \$499,000 reserve balance. Fund balance in the capital projects funds increased by \$4,208,275 to end the fiscal year at \$61,292,586. This increase is primarily due to the issuance of \$3 million from the CIRB 2010 debt issue for capital projects, the receipt of \$6.3 million in new Wild Spaces Public Places sales tax revenue, and the receipt of \$2 million in Additional Five Cents Local Option Gas Taxes.

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 \$7,838 or 0.01%. The difference between the original and final general fund budget for expenditures was \$1,092,867, or 1.29%. Accordingly, there are no significant revenue or expenditure budget amendments to discuss.

The only significant variances between the final budget and actual results for general fund revenues occurred in taxes, intergovernmental revenues, and fines and forfeitures. Taxes increased primarily due to increased collections of utility taxes from higher than expected usage due to an unusually warm summer and cold winter during FY10. The variance in intergovernmental revenue was due to the decrease in sales taxes (\$0.6 million below budget) due to the continued downturn in the economy, resulting in lower levels of consumer spending. Fines and forfeitures were \$0.6 million below budgeted amounts due to reduced traffic and parking fines.

The most significant variances between final budget and actual expenditures are found in general government, public safety and transportation. Due to regular budget monitoring and continuation of soft freezes on hiring for vacant positions, most departments ended the fiscal year with expenditures below budgeted amounts. The largest savings were realized by Public Works (\$1 million), Police (\$0.3 million) and Parks, Recreation and Cultural Affairs (\$0.4 million).

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, 2010 totals \$1,289,785,732 (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:

- Expenditure of \$1.5 million of Federal Stimulus funding for road improvements and energy efficiency projects.
- Approximately \$2.5 million in road maintenance, repair and construction.
- Acquisition of about \$1.8 million in vehicles for the fleet. \$1.3 million of that total was spent on new, more fuel efficient police cruisers.
- Approximately \$2.9 million for the traffic signal synchronization project.
- \$1.3 million to renovate the greens, irrigation, drainage and tees at Ironwood Golf Course.
- Over \$2.5 million to improve parks, nature trails and pools, including construction of the senior recreation center.
- Energy efficiency projects in City Hall, the Thomas Center and the Old Library building totaling over \$800,000.
- Regional Transit System expended approximately \$6.3 million for 17 new buses.
- Construction for the Utility's Eastside Operations facility is well underway and \$11.4 million has been incurred during FY10. The project will total over \$50 million when complete in FY11.
- Electric transmission and distribution expansion was \$15.5 million in 2010, with \$4.0 million of that amount pertaining to underground system improvements.
- Work is complete on the \$147 million Air Quality Control project at Deerhaven 2 with sections of the unit currently in operation. \$7.7 million in costs were added in FY10.
- Murphree Water Treatment Plant has completed construction of an \$8.5 million expansion to its filter system. In 2010, the Utility incurred costs of \$1.0 million.
- Telecommunication fiber cable expansion was \$2.1 million in 2010.
- Gas distribution plant was expanded \$2.7 million in 2010.
- In 2010, the Utility made a decision to sell some parcels of land previously held for construction of a future railspur. 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. The remaining project costs of \$5.3 million were written off.

City of Gainesville's Capital Assets (net of depreciation)						
	Governmental activities		Business-type activities		Total	
	FY10	FY09	FY10	FY09	FY10	FY09
Land	\$ 27,586,849	\$ 26,627,815	\$ 5,093,244	\$ 4,216,545	\$ 32,680,093	\$ 30,844,360
Utility P&E	-	-	862,301,454	656,982,917	862,301,454	656,982,917
Buildings	27,715,523	26,719,717	4,170,781	3,661,746	31,886,304	30,381,463
Improvements	4,513,754	3,177,243	1,121,164	1,219,465	5,634,918	4,396,708
Mach & equip	12,402,811	11,994,974	16,872,414	12,398,839	29,275,225	24,393,813
Infrastructure	62,439,230	64,289,529	8,354,235	7,669,469	70,793,465	71,958,998
Const in prog	22,853,234	13,049,349	234,361,039	405,300,484	257,214,273	418,349,833
Total	\$ 157,511,401	\$ 145,858,627	\$ 1,132,274,331	\$ 1,091,449,465	\$ 1,289,785,732	\$ 1,237,308,092

Additional information on the City's capital assets can be found in Note 6 on pages 48-50 of this report.

Bonded debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,086,893,909. 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	\$ 105,308,616	\$ -	\$ 105,308,616
Revenue bonds & notes	<u>55,824,127</u>	<u>925,761,166</u>	<u>981,585,293</u>
Total	<u>\$ 161,132,743</u>	<u>\$ 925,761,166</u>	<u>\$ 1,086,893,909</u>

The City's total bonded debt decreased by approximately \$48.2 million, or 4.25% during the current fiscal year. In addition to the scheduled pay down of existing debt, the prominent components of this change were:

- On October 22, 2009, \$14 million of the proceeds from the Utilities System Revenue Bonds, Series 2009A, were used to refund the entire outstanding balance of \$14 million of Series D Notes.
- On July 13, 2010, the City issued \$4.35 million in Capital Improvement Revenue Bonds to fund the construction of a one-stop homeless center, the renovation of the Ironwood Golf Course and the transition of street lights to LED bulbs.

The City's utility system debt is rated Aa2 and AA by Moody's Investors Services and Standard & Poor's, respectively for its revenue bonds. The utility system has ratings of A-1+ and P-1 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 37-48 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 2011 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 5% from FY 2010 to FY 2011. The City Commission also approved a 3.25% reduction in the millage rate from 4.3963 in FY 2010 to 4.2544 in FY 2011, further reducing property tax revenue.

- Two significant revenues which are expected to continue their five-year decline are State Revenue Sharing and Half Cent Sales Tax which combined are projected to generate \$2.5 million in FY 2011 less than was received in FY 2006 (the last year with growth).
- The City Commission approved a new fire assessment for 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 2011.
- 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 2011 budget in the form of increased employer contributions to the plan.
- 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. In addition to those cuts, no raises are budgeted for FY 2011. The City approves a biennial budget, and the cuts implemented in FY 2011 are projected to be sufficient to also balance the FY 2012 budget without the need for additional revenues or cuts.
- Despite the current economic downturn, the FY 11-15 capital improvement plan includes over \$68.8 million 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.
 - UF plans to increase graduate school enrollment by approximately 300 students per year.
 - 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 will house 15-20 startup technology companies and six to eight service providers when it is completed in the Fall of 2011. In addition to tech startups, the Hub will be 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 2nd Avenue. It is expected to produce 3,000 jobs in growing industries such as health technologies and green energy.

Utility highlights for the 2011 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.
- Reinstatement of the Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR), or the promulgation of other rules to the same end, create uncertainty as to the capital, operating and maintenance expenditures which will be required by the Deerhaven and JR Kelly generating stations in 2011, which 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, 2010, the Utility implemented a 2.25% revenue requirement increase in the electric system to be recovered across all classes. The customer charge for non-residential general service non-demand and demand customers increased 1.9% and 11.1%, respectively. The Utility also increased the revenue requirement by 7.00% for the water system, by 3.50% for the wastewater system, and by 2.25% for the gas system. When combined with the reduced fuel adjustment component of the bill, this represents an overall monthly decrease of \$2.55 for about 70% of Utility customers.
- To meet increased costs of service, the Utility increased water connection fees 0.40% and wastewater connection fees 16.13%.
- 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 differs from previous years due to additional generation capacity, new population forecasts, and changed economic circumstances. Additional capacity includes 7 megawatts (MW) of distributed generation (four combined heat and power and three renewable), and 2.5 megawatts of additional nuclear capacity due to Progress Energy Florida's planned upgrade of the Crystal River 3 nuclear unit (of which the Utility owns a small share). 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 4MW 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 taking 50 MW of the output and reselling the remaining 50 MW 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.

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
every path starts with passion
FLORIDA



CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Primary Government			Component Units	
	Governmental	Business-	Total	GEZDA	CRA
	Activities	Type Activities			
ASSETS					
Cash and cash equivalents	\$ 153,236	\$ 3,550	\$ 156,786	\$ -	\$ -
Equity in pooled cash and investments	111,712,969	23,668,063	135,381,032	4,805	770,525
Investments	1,334,404	-	1,334,404	-	-
Receivables	13,653,760	53,840,766	67,494,526	-	113
Internal balances	(3,502,421)	3,502,421	-	-	-
Inventories	127,011	20,926,203	21,053,214	-	-
Prepays	18,323	-	18,323	-	-
Assets held for evidence	151,077	-	151,077	-	-
Deferred charges and other assets	2,110,080	29,946,243	32,056,323	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	295,203,528	295,203,528	-	-
Negative net pension obligation asset	68,311,129	-	68,311,129	-	-
Negative net OPEB obligation asset	20,836,299	-	20,836,299	-	-
Capital assets (net of accumulated depreciation):					
Utility plant and equipment	-	862,301,454	862,301,454	-	-
Buildings	27,715,523	4,170,781	31,886,304	-	-
Improvements other than buildings	4,513,754	1,121,164	5,634,918	-	-
Machinery and equipment	12,402,811	16,872,414	29,275,225	-	-
Infrastructure	62,439,230	8,354,235	70,793,465	-	-
Capital Assets (not depreciated):					
Land	27,586,849	5,093,244	32,680,093	-	-
Construction in progress	22,853,234	234,361,039	257,214,273	-	-
Total assets	<u>\$ 372,417,268</u>	<u>\$ 1,559,365,105</u>	<u>\$ 1,931,782,373</u>	<u>\$ 4,805</u>	<u>\$ 770,638</u>
LIABILITIES					
Accounts payable	\$ 12,805,874	\$ 12,215,519	\$ 25,021,393	\$ -	\$ 6,574
Accounts payable - payroll	1,883,674	2,125,647	4,009,321	-	22,819
Accrued interest payable	455,626	-	455,626	-	-
Unearned revenue	727,244	45,642,448	46,369,692	-	-
Liabilities payable from restricted assets:					
Accrued interest payable	-	17,821,828	17,821,828	-	-
Other liabilities payable from restricted assets	-	66,555,740	66,555,740	-	-
Long-term debt due within one year	9,325,493	35,560,099	44,885,592	-	209,793
Long-term debt due in more than one year	156,372,440	876,378,346	1,032,750,786	-	3,615,583
Total liabilities	<u>\$ 181,570,351</u>	<u>\$ 1,056,299,627</u>	<u>\$ 1,237,869,978</u>	<u>\$ -</u>	<u>\$ 3,854,769</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$ 116,698,998	\$ 373,193,617	\$ 489,892,615	\$ -	\$ -
Restricted for:					
Debt service	-	35,448,073	35,448,073	-	-
Capital projects	45,611,751	-	45,611,751	-	-
Utility plant improvement	-	25,542,502	25,542,502	-	-
Investment in The Energy Authority	-	3,214,557	3,214,557	-	-
Nuclear decommissioning reserve	-	9,737,398	9,737,398	-	-
Tax increment zones	10,381,508	-	10,381,508	-	-
Federal and state grants	5,903,088	-	5,903,088	-	-
Cemetery care	1,422,652	-	1,422,652	-	-
Other purposes	74,550	468,600	543,150	-	-
Unrestricted	10,754,370	55,460,731	66,215,101	4,805	(3,084,131)
Total net assets	<u>\$ 190,846,917</u>	<u>\$ 503,065,478</u>	<u>\$ 693,912,395</u>	<u>\$ 4,805</u>	<u>\$ (3,084,131)</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, 2010

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET(EXPENSE)REVENUE AND CHANGES IN NET ASSETS				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	GEZDA	CRA
PRIMARY GOVERNMENT									
Governmental activities:									
General government	\$ 18,762,647	\$ 10,078,544	\$ 2,399	\$ -	\$ (8,681,704)	\$ -	\$ (8,681,704)	\$ -	\$ -
Public safety	56,238,741	2,692,994	2,985,709	175,163	(50,384,875)	-	(50,384,875)	-	-
Physical environment	1,510,055	36,809	258,311	3,585,477	2,370,542	-	2,370,542	-	-
Transportation	14,089,516	2,482,311	698,076	3,867,699	(7,041,430)	-	(7,041,430)	-	-
Economic environment	7,239,951	692,943	1,500,209	-	(5,046,799)	-	(5,046,799)	-	-
Human services	593,420	-	416,717	-	(176,703)	-	(176,703)	-	-
Culture & recreation	8,713,366	1,262,713	955,967	596,153	(5,898,533)	-	(5,898,533)	-	-
Interest on long-term debt	7,632,165	-	-	-	(7,632,165)	-	(7,632,165)	-	-
Total governmental activities	114,779,861	17,246,314	6,817,388	8,224,492	(82,491,667)	-	(82,491,667)	-	-
Business-type activities:									
Electric	234,835,876	262,530,880	-	-	-	27,695,004	27,695,004	-	-
Gas	24,599,071	27,403,504	-	-	-	2,804,433	2,804,433	-	-
Water	22,290,808	25,705,213	-	1,300,904	-	4,715,309	4,715,309	-	-
Wastewater	24,925,561	30,640,750	-	1,109,373	-	6,824,562	6,824,562	-	-
GRUCom	10,719,866	11,304,326	-	-	-	584,460	584,460	-	-
Regional Transit System	20,299,166	11,225,191	11,661,662	690,476	-	3,278,163	3,278,163	-	-
Stormwater Management	5,486,082	6,607,601	-	454,169	-	1,575,688	1,575,688	-	-
Ironwood Golf Course	1,304,741	345,216	-	-	-	(959,525)	(959,525)	-	-
Florida Building Code Enforcement	2,362,379	2,208,617	-	-	-	(153,762)	(153,762)	-	-
Solid Waste	7,101,229	8,230,942	-	-	-	1,129,713	1,129,713	-	-
Total business-type activities	353,924,779	386,202,240	11,661,662	3,554,922	-	47,494,045	47,494,045	-	-
Total primary government	\$ 468,704,640	\$ 403,448,554	\$ 18,479,050	\$ 11,779,414	(82,491,667)	47,494,045	(34,997,622)	-	-
COMPONENT UNITS									
Gainesville Enterprise Zone Development Agency	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
Community Redevelopment Agency	1,689,467	-	-	-	-	-	-	-	(1,689,467)
Total component units	\$ 1,689,467	\$ -	\$ -	\$ -	-	-	-	-	(1,689,467)
General revenues:									
Property taxes					29,016,964	-	29,016,964	-	-
Franchise & utility taxes					10,739,825	-	10,739,825	-	-
Communications services tax					5,415,879	-	5,415,879	-	-
Half cent sales tax					5,461,335	-	5,461,335	-	-
Additional half cent sales tax - wild spaces/public places					6,248,387	-	6,248,387	-	-
State revenue sharing (unrestricted)					3,487,190	-	3,487,190	-	-
Gain on sale of capital assets					31,744	113,084	144,828	-	-
Other unrestricted general revenues					3,561,959	15,118,758	18,680,717	-	1,979,640
Interest					2,706,332	7,176,761	9,883,093	91	4,068
Special Item-Impairment of asset held for future use					-	(5,269,115)	(5,269,115)	-	-
Transfers					33,984,760	(33,984,760)	-	-	-
Total general revenues, special items and transfers					100,654,375	(16,845,272)	83,809,103	91	1,983,708
Change in net assets					18,162,708	30,648,773	48,811,481	91	294,241
Net assets - beginning of year					172,684,209	472,416,705	645,100,914	4,714	(3,378,372)
Net assets - ending					\$ 190,846,917	\$ 503,065,478	\$ 693,912,395	\$ 4,805	\$ (3,084,131)

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

CITY OF GAINESVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 65,236	\$ 65,236
Equity in pooled cash and investments	4,407,361	83,547,391	87,954,752
Investments	-	1,334,404	1,334,404
Receivables	8,232,373	5,421,289	13,653,662
Due from other funds	7,027,598	229,339	7,256,937
Inventories	19,999	-	19,999
Assets held for evidence	-	151,077	151,077
Total assets	<u>\$ 19,687,331</u>	<u>\$ 90,748,736</u>	<u>\$ 110,436,067</u>
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	\$ 3,841,587	\$ 837,328	\$ 4,678,915
Due to other funds	-	3,766,172	3,766,172
Deferred revenue	529,082	811,162	1,340,244
Total liabilities	<u>4,370,669</u>	<u>5,414,662</u>	<u>9,785,331</u>
Fund balances:			
Reserved	4,051,937	12,066,838	16,118,775
Unreserved, reported in:			
General Fund			
Designated for Future Use	788,570	-	788,570
Undesignated	10,476,155	-	10,476,155
Special Revenue Funds			
Designated for Future Use	-	14,096,459	14,096,459
Undesignated	-	3,581,189	3,581,189
Debt Service Funds			
Undesignated	-	965,256	965,256
Capital Projects Funds			
Designated for Future Use	-	51,345,401	51,345,401
Undesignated	-	3,278,931	3,278,931
Total fund balances	<u>15,316,662</u>	<u>85,334,074</u>	<u>100,650,736</u>
Total liabilities and fund balances	<u>\$ 19,687,331</u>	<u>\$ 90,748,736</u>	<u>\$ 110,436,067</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 ASSETS
SEPTEMBER 30, 2010

Total fund balances: governmental funds balance sheet		\$ 100,650,736
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$288,424,918 and the accumulated depreciation is \$139,451,480. This excludes internal service fund capital assets which are included in the internal service fund adjustment below.		148,973,438
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	161,132,743	
Capital lease payable	669,111	
Compensated absences	3,462,693	(165,264,547)
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.		2,110,080
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.		(455,626)
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	94,979	
Premiums	(424,234)	(329,255)
Liabilities for earned but unavailable revenues are reported in the funds, but not in the statement of net assets.		613,000
Negative net pension obligation and OPEB obligation assets created through treatment of Taxable Pension Obligation Bonds and Taxable OPEB Obligation Bonds as employer contribution to defined benefit pension plans are not recognized in the funds.		
Negative net pension obligation asset	68,311,129	
Negative net OPEB obligation asset	20,836,299	89,147,428
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 \$8,537,963 and compensated absences liabilities of \$104,131, are included in governmental activities in the statement of net assets.		15,401,663
Net assets of governmental activities		\$ 190,846,917

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, 2010

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Taxes	\$ 43,066,261	\$ 12,172,637	\$ 55,238,898
Licenses and permits	745,274	-	745,274
Intergovernmental	9,918,184	17,048,443	26,966,627
Charges for services	7,307,357	1,826,654	9,134,011
Fines and forfeitures	1,473,559	252,670	1,726,229
Miscellaneous	1,209,234	3,518,435	4,727,669
Total revenues	<u>63,719,869</u>	<u>34,818,839</u>	<u>98,538,708</u>
EXPENDITURES			
Current:			
General government	15,763,889	346,616	16,110,505
Public safety	49,597,290	3,339,460	52,936,750
Physical environment	217,115	731,912	949,027
Transportation	9,790,258	2,878,999	12,669,257
Economic environment	264,208	9,446,396	9,710,604
Human services	5,719	587,701	593,420
Culture and recreation	6,942,891	1,870,273	8,813,164
Debt service:			
Principal	-	8,511,487	8,511,487
Interest and fiscal charges	-	7,472,283	7,472,283
Bond issuance costs	-	84,974	84,974
Capital outlay	-	13,410,389	13,410,389
Total expenditures	<u>82,581,370</u>	<u>48,680,490</u>	<u>131,261,860</u>
Excess of revenues over(under) expenditures	<u>(18,861,501)</u>	<u>(13,861,651)</u>	<u>(32,723,152)</u>
OTHER FINANCING SOURCES(USES)			
Debt issuance	-	3,036,907	3,036,907
Bond discount	-	(15,320)	(15,320)
Transfers in	34,774,022	19,494,142	54,268,164
Transfers out	(15,023,670)	(5,106,656)	(20,130,326)
Total other financing sources(uses)	<u>19,750,352</u>	<u>17,409,073</u>	<u>37,159,425</u>
Net change in fund balances	888,851	3,547,422	4,436,273
Fund balances - beginning	<u>14,427,811</u>	<u>81,786,652</u>	<u>96,214,463</u>
Fund balances - ending	<u>\$ 15,316,662</u>	<u>\$ 85,334,074</u>	<u>\$ 100,650,736</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, 2010

Net changes in fund balances - total governmental funds	\$	4,436,273
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay recorded in the current period, excluding internal service fund activity.		19,143,135
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense recorded in the current period, excluding internal service fund activity.		(7,277,007)
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.		(143,383)
The issuance of long-term debt provides current financial resources to governmental funds. These transactions, however, have no effect on net assets. This is the amount of long-term debt issued in the current period, net of discount of \$15,320.		(3,021,587)
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. Governmental funds report such outlays as expenditures. However, the outlay is reported as an asset on the Statement of Net Assets. The impact on the Statement of Activities is the amortization of the Negative NPO and Negative Net OPEB Obligation during the current fiscal year.		
Amortization of Negative Net Pension Obligation	(2,634,619)	
Amortization of Negative Net OPEB Obligation	(674,121)	(3,308,740)
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 assets. This is the amount of repayment of principal of long-term debt recorded in the current period.		8,511,487
Governmental funds report the effect of bond premiums and discounts when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the effect of the difference in treatment of bond premiums and discounts.		
Amortization of bond premiums	53,988	
Amortization of bond discounts	(6,308)	47,680
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 amount of the effect of the difference in treatment of unamortized debt issuance costs.		
Amortization of debt issuance costs	(161,376)	
Deferral of current year debt issuance costs	84,974	(76,402)
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 account, excluding the amount attributable to internal service funds, which is included in the internal service fund adjustment below.		372,676
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 account.		(46,186)
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.		(475,238)
Change in net assets of governmental activities	\$	18,162,708

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - Internal Service Funds
	<u>Utility</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 3,550	\$ 3,550	\$ 88,000
Equity in pooled cash and investments	14,061,821	9,606,242	23,668,063	23,758,217
Receivables	47,778,607	6,062,159	53,840,766	98
Due from other funds	324,648	6,199,072	6,523,720	396,286
Inventories	20,189,393	736,811	20,926,204	107,012
Prepaid expenses	-	-	-	18,323
Deferred charges	3,582,869	-	3,582,869	-
Restricted assets - cash and investments	119,422,568	-	119,422,568	-
Total current assets	<u>205,359,906</u>	<u>22,607,834</u>	<u>227,967,740</u>	<u>24,367,936</u>
Noncurrent assets:				
Restricted assets - cash and investments	175,780,960	-	175,780,960	-
Other noncurrent assets	26,363,374	-	26,363,374	-
Capital assets (net of accumulated depreciation)				
Utility plant & equipment	862,301,454	-	862,301,454	-
Buildings	-	4,170,781	4,170,781	26,049
Improvements other than buildings	-	1,121,164	1,121,164	19
Machinery and equipment	-	16,872,414	16,872,414	6,766,252
Infrastructure	-	8,354,235	8,354,235	-
Capital assets (not depreciated)				
Land	-	5,093,244	5,093,244	1,738,293
Construction in progress	226,340,121	8,020,918	234,361,039	7,350
Total capital assets	<u>1,088,641,575</u>	<u>43,632,756</u>	<u>1,132,274,331</u>	<u>8,537,963</u>
Total noncurrent assets	<u>1,290,785,909</u>	<u>43,632,756</u>	<u>1,334,418,665</u>	<u>8,537,963</u>
Total assets	<u>1,496,145,815</u>	<u>66,240,590</u>	<u>1,562,386,405</u>	<u>32,905,899</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	11,185,833	1,029,686	12,215,519	9,929,729
Accounts payable - payroll	1,600,970	524,677	2,125,647	80,905
Due to other funds	5,138,891	5,271,880	10,410,771	-
Current portion of long-term debt	146,000	369,099	515,099	4,005
Deferred credits	19,619,048	-	19,619,048	-
Current liabilities payable from restricted assets:				
Rate stabilization deferred credit	49,833,829	-	49,833,829	-
Accrued interest payable	17,821,828	-	17,821,828	-
Current portion of long-term debt	35,045,000	-	35,045,000	-
Other liabilities payable from restricted assets	16,721,911	-	16,721,911	-
Total current liabilities	<u>157,113,310</u>	<u>7,195,342</u>	<u>164,308,652</u>	<u>10,014,639</u>
Noncurrent liabilities:				
Long-term debt	872,108,366	4,269,980	876,378,346	100,126
Other noncurrent liabilities	26,023,400	-	26,023,400	-
Total noncurrent liabilities	<u>898,131,766</u>	<u>4,269,980</u>	<u>902,401,746</u>	<u>100,126</u>
Total liabilities	<u>1,055,245,076</u>	<u>11,465,322</u>	<u>1,066,710,398</u>	<u>10,114,765</u>
NET ASSETS				
Invested in capital assets, net of related debt	329,560,861	43,632,756	373,193,617	8,537,963
Restricted for:				
Debt service	35,448,073	-	35,448,073	-
Utility plant improvement	25,542,502	-	25,542,502	-
Other purposes	12,951,955	468,600	13,420,555	-
Unrestricted	37,397,348	10,673,912	48,071,260	14,253,171
Total net assets	<u>\$ 440,900,739</u>	<u>\$ 54,775,268</u>	<u>\$ 495,676,007</u>	<u>\$ 22,791,134</u>

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

Total net assets of Enterprise Funds on the statement of net assets of proprietary funds **\$ 495,676,007**

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 assets.

Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.

7,389,471

Net assets of business-type activities

\$ 503,065,478

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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	<u>Utility</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>ACTIVITIES - Internal Service Funds</u>
Operating revenues:				
Sales and service charges	\$ 357,584,673	\$ 28,617,567	\$ 386,202,240	\$ 17,325,639
Employer contributions	-	-	-	9,361,058
Employee contributions	-	-	-	4,680,229
Other operating revenues	12,874,729	244,883	13,119,612	235,321
Total operating revenues	<u>370,459,402</u>	<u>28,862,450</u>	<u>399,321,852</u>	<u>31,602,247</u>
Operating expenses:				
Operations and maintenance	201,044,530	30,092,604	231,137,134	9,316,568
Administrative and general	33,432,407	3,321,793	36,754,200	1,975,650
Depreciation and amortization	44,558,540	2,968,341	47,526,881	1,999,194
Benefits paid and other expenses	-	-	-	19,441,420
Total operating expenses	<u>279,035,477</u>	<u>36,382,738</u>	<u>315,418,215</u>	<u>32,732,832</u>
Operating income (loss)	<u>91,423,925</u>	<u>(7,520,288)</u>	<u>83,903,637</u>	<u>(1,130,585)</u>
Nonoperating revenues (expenses):				
Investment income	7,060,072	116,689	7,176,761	410,821
Interest expense	(38,256,984)	(37,622)	(38,294,606)	-
Gain on disposal of capital assets	-	113,085	113,085	151,663
Local option gas tax	-	1,999,146	1,999,146	-
Operating grants	-	11,661,662	11,661,662	-
Total nonoperating revenue(expenses)	<u>(31,196,912)</u>	<u>13,852,960</u>	<u>(17,343,952)</u>	<u>562,484</u>
Income before capital contributions, special items, and transfers	60,227,013	6,332,672	66,559,685	(568,101)
Capital contributions	2,410,277	1,144,645	3,554,922	33,978
Special item - impairment of assets held for future use	(5,269,115)	-	(5,269,115)	-
Transfers in	-	2,289,116	2,289,116	-
Transfers out	(34,348,831)	(1,925,045)	(36,273,876)	(153,078)
Change in net assets	23,019,344	7,841,388	30,860,732	(687,201)
Total net assets - beginning of year	<u>417,881,395</u>	<u>46,933,880</u>	<u>464,815,275</u>	<u>23,478,335</u>
Total net assets - ending	<u>\$ 440,900,739</u>	<u>\$ 54,775,268</u>	<u>\$ 495,676,007</u>	<u>\$ 22,791,134</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 ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Change in net assets - Enterprise Funds	\$ 30,860,732
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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.

Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.	<u>(211,959)</u>
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Change in net assets of business-type activities	<u>\$ 30,648,773</u>
--	-----------------------------

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	ENTERPRISE FUNDS			ACTIVITIES
	UTILITY	OTHER	TOTAL	INTERNAL
	FUND	ENTERPRISE	ENTERPRISE	SERVICE
		FUNDS	FUNDS	FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 358,415,125	\$ 28,698,132	\$ 387,113,257	\$ 31,607,095
Cash Paid to Suppliers	(180,008,434)	(18,742,264)	(198,750,698)	(27,107,609)
Cash Paid to Employees	(53,103,508)	(15,056,296)	(68,159,804)	(2,997,840)
Cash Paid for Operating Transactions with Other Funds	(9,168,428)	-	(9,168,428)	-
Other Operating Receipts	12,874,729	-	12,874,729	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	129,009,484	(5,100,428)	123,909,056	1,501,646
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Local Option Gas Tax	-	1,999,146	1,999,146	-
Operating Grants	-	10,517,017	10,517,017	-
Interest Paid	-	(125,909)	(125,909)	-
Transfers from Other Funds	-	2,289,116	2,289,116	-
Transfers to Other Funds	(34,348,831)	(1,925,045)	(36,273,876)	(153,078)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	(34,348,831)	12,754,325	(21,594,506)	(153,078)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Principal Repayments on Long-Term Debt	(43,875,000)	(242,828)	(44,117,828)	-
Proceeds from Sale of Capital Assets	113,885	113,085	226,970	151,663
Interest Paid on Long-term Debt	(38,642,256)	(37,622)	(38,679,878)	-
Capital Contributions	-	1,144,645	1,144,645	-
Proceeds from Interest Rebate-Build America Bonds	3,031,436	-	3,031,436	-
Acquisition and Construction of Capital Assets	(69,432,857)	(9,644,350)	(79,077,207)	(1,751,859)
Proceeds from Debt Issued	-	1,313,093	1,313,093	-
Capitalized Connection Fees	1,670,692	-	1,670,692	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(147,134,100)	(7,353,977)	(154,488,077)	(1,600,196)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Received	2,869,051	242,598	3,111,649	410,821
Purchase of Investments	(935,938,311)	(1,767,549)	(937,705,860)	(4,371,511)
Investment in The Energy Authority	(1,300,000)	-	(1,300,000)	-
Distributions from The Energy Authority	747,292	-	747,292	-
Proceeds from Investment Maturities	929,148,633	4,983,818	934,132,451	12,986,543
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(4,473,335)	3,458,867	(1,014,468)	9,025,853
NET INCREASE (DECREASE) IN CASH	(56,946,782)	3,758,787	(53,187,995)	8,774,225
CASH - OCTOBER 1	83,921,296	4,083,456	88,004,752	10,700,481
CASH - SEPTEMBER 30	\$ 26,974,514	\$ 7,842,243	\$ 34,816,757	\$ 19,474,706

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, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	UTILITY FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING INCOME (LOSS)	\$ 91,423,925	\$ (7,520,288)	\$ 83,903,637	\$ (1,130,585)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation and Amortization	44,558,540	2,968,341	47,526,881	1,999,194
(Increase)/Decrease in Receivables	129,363	(164,318)	(34,955)	4,848
(Increase)/Decrease in Due from Other Funds	-	147,859	147,859	14,659
(Increase)/Decrease in Inventories	(3,641,898)	27,810	(3,614,088)	2,648
(Increase)/Decrease in Prepaid Expenses	4,310,853	-	4,310,853	(957)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	595,698	308,081	903,779	611,839
Increase/(Decrease) in Due to Other Funds	486,494	(867,913)	(381,419)	-
Increase/(Decrease) in Deferred Credits	24,582,322	-	24,582,322	-
(Increase)/Decrease in Deferred Debits	(34,136,902)	-	(34,136,902)	-
Increase/(Decrease) in Utility Deposits	701,089	-	701,089	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 129,009,484	\$ (5,100,428)	\$ 123,909,056	\$ 1,501,646
 RECONCILIATION OF CASH TO STATEMENT OF NET ASSETS				
Cash	\$ 26,974,514	\$ 7,842,243	\$ 34,816,757	\$ 19,474,706
Accrued Interest	254,531	-	254,531	-
CR3 Decommissioning Reserve	9,737,398	-	9,737,398	-
Investment in TEA	3,214,557	-	3,214,557	-
Investments	269,084,349	1,767,549	270,851,898	4,371,511
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 309,265,349	\$ 9,609,792	\$ 318,875,141	\$ 23,846,217
 NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES				
Contribution of Capital Assets	\$ 2,410,277	\$ 29,994	\$ 2,440,271	\$ 33,978

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

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010

	<u>PENSION AND OPEB TRUST FUNDS</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 8,029,704
Equity in Pooled Cash and Investments	3,136,055
Receivables	1,180,604
Investments, at fair value:	
Equities	342,860,356
Real Estate	23,527,294
Alternative Investments	45,304,455
Fixed Income:	
Government Bonds	8,832,363
Corporate Bonds	16,489,453
Mortgage & Asset Backed Securities	<u>4,615,590</u>
Total Investments, at fair value	441,629,511
Investment Adjustments:	
Dividends Receivable	155,465
Interest Receivable	257,648
Receivable for Investments Sold	272,964
Payable for Investments Purchased	<u>(569,124)</u>
Total Investment Adjustments	<u>116,953</u>
TOTAL ASSETS	<u>454,092,827</u>
 <u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	<u>10,546</u>
TOTAL LIABILITIES	<u>10,546</u>
 NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS	 <u>\$ 454,082,281</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	PENSION AND OPEB TRUST FUNDS
<u>ADDITIONS:</u>	
Contributions:	
Employer Contributions:	
Required	\$ 8,736,697
State on Behalf Payments, through General Fund	<u>1,180,604</u>
Total Employer Contributions	9,917,301
 Employee Contributions	 <u>11,504,189</u>
Total Contributions	<u>21,421,490</u>
 Investment Income:	
Net Appreciation in Fair Value of Investments	40,796,252
Dividends & Interest	<u>5,560,265</u>
Total Investment Income	46,356,517
 Less Investment Expense	 <u>2,663,006</u>
Net Investment Income	<u>43,693,511</u>
 TOTAL ADDITIONS	 <u>65,115,001</u>
 <u>DEDUCTIONS:</u>	
Benefit Payments	39,170,372
Refunds of Contributions	558,452
Administrative Expenses	<u>1,007,299</u>
TOTAL DEDUCTIONS	<u>40,736,123</u>
 CHANGE IN NET ASSETS	 24,378,878
 NET ASSETS - beginning	 <u>429,703,403</u>
 NET ASSETS - ending	 <u>\$ 454,082,281</u>

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

CITY OF GAINESVILLE, FLORIDA

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September 30, 2010

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CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2010

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, although legally separate entities, are in substance part of the primary government's operations and data from these units would be combined with the data of the City. Each discretely presented component unit, would be presented in a separate column in the combined financial statements to emphasize it is legally separate from the City. The City has no blended component units.

Discretely Presented Component Units - The Community Redevelopment Agency (CRA) and the Gainesville Enterprise Zone Development Agency (GEZDA) were 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 boards of these organizations and approves their budgets. These organizations have a September 30 year-end. Separate financial statements of the individual component units 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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2010

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 2010 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in Note 14.

(B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 certain 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.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2010

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 & 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 required to be 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.

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.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2010

(D) Deposits with Financial Institutions and Investments

Deposits and Investments

Deposits and investments as of September 30, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and cash equivalents	\$ 156,786
Equity in pooled cash and investments	135,381,032
Investments	1,334,404
Restricted cash and cash equivalents	295,203,528

Statement of fiduciary net assets:

Cash and cash equivalents	8,029,704
Equity in pooled cash and investments	3,136,055
Investments:	
Equities	342,860,356
Real Estate	23,527,294
Alternative Investments	45,304,455
Government Bonds	8,832,363
Corporate Bonds	16,489,453
Mortgage & Asset Backed Securities	4,615,590

Total cash and investments	<u><u>\$ 884,871,020</u></u>
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Deposits and investments as of September 30, 2010 consist of the following:

Defined benefit pension:

Deposits with financial institutions	\$ 8,840,265
Investments	397,651,887

Other post employment benefit (OPEB):

Deposits with financial institutions	2,325,494
Investments	43,977,624

Other than defined benefit pension and OPEB:

Deposits with financial institutions	26,894,514
Investments	391,974,750
Utilities investment in The Energy Authority	3,214,557
Utilities CR3 decommissioning reserve	9,737,398
Accrued interest receivable	254,531

Total cash and investments	<u><u>\$ 884,871,020</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 \$397,651,887 of the City's total fair value of investments, and are exclusive of the \$8,840,265 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.

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

Equity Funds (domestic)

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

Equity Funds (international)

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

Fixed Income Funds (domestic)

- Must have a rating of investment grade (BBB/Baa) or better
- United States Treasury and Agency Securities
- Commercial Paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1 and a maturity of 270 days or less
- Certificates of Deposit up to FDIC or FSLIC insurance coverage or any amount fully collateralized by 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

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

Restricted Direct Investments – Prohibited

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

Other Post Employment Benefit (OPEB) Investments

These funds represent investments administered by the City’s OPEB Fund Investment Managers. They comprise \$ 43,977,624 of the City’s total fair value of investments, and are exclusive of the \$2,325,494 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

CITY OF GAINESVILLE, FLORIDA
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- 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
- 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.

CITY OF GAINESVILLE, FLORIDA
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- Except for treasury and agency obligations, the debt portion of the OPEB fund shall contain no more than 10% of a given issuer irrespective of the number of differing issues.
- If commercial paper is used, it must be only of the highest quality (A-1 or P-1).
- Private placement debt is not permissible.

Other than Defined Benefit Pension and OPEB Investments

These funds comprise \$391,974,750 of the City's total fair value of investments. This figure excludes \$26,894,514 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.

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

Custodial Credit Risk - Deposits

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

All deposits of the City are either covered by depository insurance or are collateralized by the pledging financial institution's trust department or agent in the City's name. 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

Investment Type	Fair Value	Unrated/ Exempt	AAA	AA	A	BBB
Common Stock	\$ 162,178,080	\$ 162,178,080	\$ -	\$ -	\$ -	\$ -
Mutual Funds	211,204,425	211,204,425	-	-	-	-
Real Estate Inv Trust	1,629,660	1,629,660	-	-	-	-
US Government Bonds	2,243,335	-	2,243,335	-	-	-
Corporate Bonds	16,489,453	-	229,212	1,823,461	11,126,110	3,310,670
Mortgage & Asset Backed	3,906,934	731,777	3,175,157	-	-	-
Totals	<u>\$ 397,651,887</u>	<u>\$ 375,743,942</u>	<u>\$ 5,647,704</u>	<u>\$ 1,823,461</u>	<u>\$ 11,126,110</u>	<u>\$ 3,310,670</u>

CITY OF GAINESVILLE, FLORIDA
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OPEB Investments

Investment Type	Fair Value	Exempt from Disclosure	AAA
Common Stock	\$ 36,679,940	\$ 36,679,940	\$ -
US Government Bonds	6,589,028	-	6,589,028
Mortgage & Asset Backed	<u>708,656</u>	<u>-</u>	<u>708,656</u>
Totals	<u>\$ 43,977,624</u>	<u>\$ 36,679,940</u>	<u>\$ 7,297,684</u>

Other than Defined Benefit Pension and OPEB Investments – Governmental Activities

Investment Type	Fair Value	Exempt from Disclosure	AAA
Money Market	\$ 88,630,365	\$ -	\$ 88,630,365
Mutual Funds	1,334,404	1,334,404	-
US Government Bonds	<u>23,239,390</u>	<u>-</u>	<u>23,239,390</u>
Totals	<u>\$ 113,204,159</u>	<u>\$ 1,334,404</u>	<u>\$ 111,869,755</u>

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

Investment Type	Fair Value	AAA	A-1
Money Market	\$ 9,606,242	\$ 9,606,242	\$ -
Commercial Paper	191,328,083	-	191,328,083
Government Agencies	70,493,916	70,493,916	-
Government Bonds	<u>7,342,350</u>	<u>7,342,350</u>	<u>-</u>
Totals	<u>\$ 278,770,591</u>	<u>\$ 87,442,508</u>	<u>\$ 191,328,083</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

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

Other than Defined Benefit Pension and OPEB Investments – Governmental Activities

Issuer	Investment Type	Fair Value	%
Federal National Mortgage Association	Federal Agency Securities	15,012,500	13.7%

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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Other than Defined Benefit Pension and OPEB Investments – Business-Type Activities

Issuer	Investment Type	Fair Value	%
Federal Home Loan Banks	Federal Agency Securities	\$ 14,095,670	5.2%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	17,396,494	6.4%
Federal National Mortgage Association	Federal Agency Securities	26,543,694	9.9%

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 *	\$ 162,178,080	\$ -	\$ -	\$ -	\$ -
Mutual Funds *	211,204,425	-	-	-	-
Real Estate Inv Trust *	1,629,660	-	-	-	-
US Government Bonds	2,243,335	129,841	343,004	430,492	1,339,998
Corporate Bonds	16,489,453	2,588,645	4,488,156	5,961,914	3,450,738
Mortgage & Asset Backed	3,906,934	-	92,328	35,323	3,779,283
Totals	<u>\$ 397,651,887</u>	<u>\$ 2,718,486</u>	<u>\$ 4,923,488</u>	<u>\$ 6,427,729</u>	<u>\$ 8,570,019</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 yrs
Common Stock	\$ 36,679,940	\$ 36,679,940	\$ -	\$ -	\$ -
US Government Bonds	6,589,028	-	4,500,863	2,088,165	-
Mortgage & Asset Backed Securities	708,656	-	-	-	708,656
Totals	<u>\$ 43,977,624</u>	<u>\$ 36,679,940</u>	<u>\$ 4,500,863</u>	<u>\$ 2,088,165</u>	<u>\$ 708,656</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	\$ 88,630,365	\$ 88,630,365	\$ -	\$ -	\$ -
Mutual Funds	1,334,404	1,334,404	-	-	-
US Government Bonds	23,239,390	-	-	15,012,500	8,226,890
Totals	<u>\$ 113,204,159</u>	<u>\$ 89,964,769</u>	<u>\$ -</u>	<u>\$ 15,012,500</u>	<u>\$ 8,226,890</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	\$ 9,606,242	\$ 9,606,242	\$ -	\$ -
Commercial Paper	191,328,083	-	182,295,125	9,032,958
US Agencies	70,493,916	-	6,000,455	64,493,461
US Government Bonds	7,342,350	-	-	7,342,350
Totals	<u>\$ 278,770,591</u>	<u>\$ 9,606,242</u>	<u>\$ 188,295,580</u>	<u>\$ 80,868,769</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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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 offset by a fund balance reserve account 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, 2010 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, 2010, the allowance was \$647,061 for the General Fund and \$999,415 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 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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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Depreciation of utility plant is computed using the straight-line method over estimated service lives ranging from 6 to 50 years. The overall depreciation rate was 2.95% in fiscal 2010.

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 15 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. An allowance for interest on borrowed funds used during construction of \$5.1 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 3.34%. 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 assets. 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.

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) Amortization and Deferred Charges/Credits

Currently, GRU prepares its financial statements in accordance with FASB Accounting Standards Codification 980 (ASC 980), Regulated Operations, formerly known as Statement of Financial Accounting Standards No. 71, and records various regulatory assets and liabilities. For a company to report under ASC 980, the company's rates must be designed to recover its costs of providing services, and the company 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 ASC 980, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

Deferred charges are presented on the balance sheets under current assets, other non-current assets, current liabilities and other non-current liabilities. The largest deferred charge is for estimated environmental costs of

CITY OF GAINESVILLE, FLORIDA
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\$20,300,000 at September 30, 2010. The manufactured gas plant remediation portion of this item is discussed in Note 12. Also included in deferred charges are unamortized bond issuance costs of \$6,800,000. These costs are being amortized straight-line over the life of the bonds, which approximates the effective interest method. Unrecognized hedge adjustments were \$1,000,000 at September 30, 2010. Accrued fuel adjustment was a deferred inflow of \$4,100,000 at September 30, 2010. Electric distribution plant acquisition costs of \$2,500,000 are being amortized over the expected life of the acquired assets. Remaining smaller items make up the balance of the deferred charges.

Also included in deferred charges as a current liability is a temporary transfer from the Rate Stabilization reserve of \$16.1 million to the operating fund. A transfer of \$3.0 million was made at September 30, 2009. This transfer is made in accordance with our bond resolution for the purpose of meeting temporary cash requirements, primarily due to timing differences.

Included in deferred outflows are the changes in fair value of the interest rate swaps agreements for both the effective and ineffective hedge instruments.

(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.

(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 2010 were paid from current year's revenues.

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

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2009-2010	\$3,337,000	\$1,237,502	\$1,237,502	\$3,337,000
2008-2009	\$3,337,000	\$1,408,819	\$1,408,819	\$3,337,000

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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:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2009-2010	\$6,854,000	\$2,804,312	\$2,804,312	\$6,854,000
2008-2009	\$6,714,000	\$3,024,748	\$2,884,748	\$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 \$165,000 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:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2009-2010	\$1,423,030	\$17,320,626	\$17,667,469	\$1,076,187
2008-2009	\$1,423,030	\$13,902,350	\$13,902,350	\$1,423,030

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 **4.3963 mills**. Taxes are levied and collected according to Florida State Statutes under the following calendar:

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

The 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.

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(N) Revenue Recognition

Revenue is recorded as earned. GRU accrues for services rendered but unbilled, which amounted to approximately \$12.8 million for fiscal year 2010. 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 amount to be collected through future rates. As of September 30, 2010, deferred costs were a liability of \$8.3 million. The deferred fuel balances are reported as part of current deferred charges on the balance sheet.

(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.

(Q) Enterprise Activities

For its enterprise activities, the City applies all applicable GASB pronouncements. Additionally, the City applies pronouncements of the FASB and its predecessor bodies issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. In accordance with the Utilities System Revenue Bond Resolution as Supplemental and Amended (Bond Resolution), utility rates are designed to cover operating and maintenance expense, debt service 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 net 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) Futures and Options Contracts

GRU has implemented GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*. For effective hedging transactions, hedge accounting is applied and fair market values changes are recorded on the balance sheet as either a deferred inflow or a deferred outflow until such time that the transaction ends. Per GASB No. 53, the changes in value of ineffective hedging instruments are required to be recognized in investment income. However, GRU follows the guidelines of the Financial Accounting Standards Board (FASB) No. 71, *Accounting for the Effects of Certain Types of Regulation*, which permits the deferral of recognition of certain costs that would otherwise be charged to expense. Accordingly, GRU has deferred the changes in value of the ineffective instruments, which is consistent with its rate-setting model. At September 30, 2010 deferred outflows of \$5.0 million were included in current assets on the balance sheet. The related settled gains and losses from these transactions are recognized as fuel expense on the statement of revenues, expenses and changes in net assets.

CITY OF GAINESVILLE, FLORIDA
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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 32602 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 2010 for retirement and death benefits was 5.48% of covered payroll. This reduced rate was brought about through the issuance of the Taxable Pension Obligation Bonds, Series 2003A. The proceeds from this issue were utilized to retire the unfunded actuarial accrued liability 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	\$ 4,742,293
Interest on net pension obligation	(2,800,605)
Adjustment to annual required contribution	<u>3,065,858</u>
Annual Pension Cost	\$ 5,007,546
Contributions Made	<u>4,431,480</u>
Change in net pension obligation	\$ 576,066
Net Pension Obligation (Asset), beginning of year	<u>(31,563,864)</u>
Net Pension Obligation(Asset), end of year	<u>\$ (30,987,798)</u>

The annual required contribution for the current year was determined as part of the October 1, 2008 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.

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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, 2010 was 30 years.

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Contribution</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation (Asset)</u>
09/30/08	\$ 4,302,288	\$ 3,173,929	73.8%	\$ (31,722,026)
09/30/09	3,437,526	3,279,364	95.4%	(31,563,864)
09/30/10	5,007,546	4,431,480	88.5%	(30,987,798)

Funded Status.

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u> <u>Entry Age</u> <u>(b)</u>	<u>Unfunded</u> <u>(UAAL)</u> <u>(b) - (a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as %</u> <u>of covered</u> <u>payroll</u> <u>(b-a)/c</u>
09/30/10	\$ 287,894,287	\$ 377,439,159	\$ 89,544,872	76.28%	\$ 84,806,744	105.59%

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 32602 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 2010 for disability benefits was 0.60% of covered payroll. 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 Disability Plan for the current year were as follows:

Annual required contribution	\$ 489,768
Interest on net pension obligation	(14,339)
Adjustment to annual required contribution	15,424
Annual Pension Cost	\$ 490,853
Contributions Made	478,115
Change in net pension obligation	\$ 12,738
Net Pension Obligation (Asset), beginning of year	(155,011)
Net Pension Obligation (Asset), end of year	\$ (142,273)

CITY OF GAINESVILLE, FLORIDA
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Annual Contribution: The annual contribution for the current year was determined as part of the October 1, 2008 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, 2010 was 15 years.

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/08	\$ 446,775	\$ 503,785	112.8%	\$ (134,498)
09/30/09	467,388	487,901	104.4%	(155,011)
09/30/10	490,853	478,115	97.4%	(142,273)

Funded Status.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/10	\$ 5,459,769	\$ 4,110,026	\$ (1,349,743)	132.84%	\$ 84,806,744	-1.59%

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 32602 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 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 2010 was 6.10% of covered payroll. This reduced rate was brought about through the issuance of the Taxable Pension Obligation Bonds, Series 2003B. In addition, State contributions, which totaled \$1,180,604, 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.

CITY OF GAINESVILLE, FLORIDA
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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	\$ 2,665,018
Interest on net pension obligation	(3,540,809)
Adjustment to annual required contribution	<u>5,708,570</u>
Annual Pension Cost	\$ 4,832,779
Contributions Made	<u>2,786,964</u>
Change in net pension obligation	\$ 2,045,815
Net Pension Obligation (Asset), beginning of year	<u>(39,226,873)</u>
Net Pension Obligation (Asset), end of year	<u><u>\$ (37,181,058)</u></u>

The annual required contribution for the current year was determined as part of the October 1, 2008 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 ranging from 4% to 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 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, 2010 was 30 years.

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Contribution</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation (Asset)</u>
09/30/08	\$ 3,530,336	\$ 2,710,636	76.8%	\$ (40,781,672)
09/30/09	4,131,257	2,576,458	62.4%	(39,226,873)
09/30/10	4,832,779	2,786,964	57.7%	(37,181,058)

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>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u> <u>Entry Age</u> <u>(b)</u>	<u>Unfunded</u> <u>(UAAL)</u> <u>(b) - (a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as %</u> <u>of covered</u> <u>payroll</u> <u>(b-a)/c</u>
10/01/09	\$ 174,013,284	\$ 189,206,289	\$ 15,193,005	91.97%	\$ 25,211,502	60.26%

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.

(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.

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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 2010, plan members contributed \$259,875 and the City contributed \$281,539.

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 32602 or by calling (352)334-5054.

The RHCP has 1,050 retirees, spouses and dependents receiving benefits and has a total of 1,773 active participants. Of that total, 1,404 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 2010, the City's annual OPEB cost for the RHCP was \$2,894,863. 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, 2010 were as follows:

Annual required contribution	\$ 2,749,025
Interest on net OPEB obligation	(1,789,083)
Adjustment to annual required contribution	1,934,921
Annual OPEB cost	\$ 2,894,863
Contributions made	2,220,742
Change in net OPEB obligation (asset)	\$ 674,121
Net OPEB obligation (asset), beginning of year	(21,510,420)
Net OPEB obligation (asset), end of year	\$ (20,836,299)

Trend Information

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation (Asset)
09/30/08	\$ 4,153,871	\$ 2,900,961	69.84%	\$ (23,058,138)
09/30/09	3,466,806	1,919,088	55.36%	(21,510,420)
09/30/10	2,894,863	2,220,742	76.71%	(20,836,299)

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 \$1,793,845, \$1,341,535 and \$2,344,674 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 2010, 2009, and 2008, respectively.

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

CITY OF GAINESVILLE, FLORIDA
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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 October 1, 2009, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used included a 9% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend rate of 7% 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 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.

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Funded Status.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/10	\$ 46,302,803	\$ 62,824,947	\$ 16,522,144	73.70%	\$ 136,000,000	12.15%

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

GOVERNMENTAL ACTIVITIES:

\$15,892,220 Guaranteed Entitlement Revenue and Refunding Bonds, Series 1994 - 3.0-6.1%, final maturity 2024; payable solely from and secured by a lien upon and pledge of monies from the City's Guaranteed Entitlement Funds (Intergovernmental Revenues). *Current Interest Paying Bonds* were paid in full August 1, 2006. For *Capital Appreciation Bonds*, principal is payable August 1 and February 1 beginning August 1, 2018. Interest accrues to principal and is payable upon maturity or prior redemption.

\$4,990,000 First Florida Governmental Financing Commission Loan, Series 1996 - 3.75% - 6.0%, issued May 1, 1996, final maturity July, 2010; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 1997. Interest payable semi-annually.

\$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.

\$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.

\$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.

\$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 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.

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\$134,920,000 Utilities System Revenue Bonds, Series 1992B - 6.5%-7.5%, dated March 1, 1992, final maturity 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.

\$143,215,000 1996 Utilities System Revenue Bonds Series 1996A – 5.0%-5.75%, dated February 1, 1996, final maturity October 1, 2026. The 1996A Series A Bonds maturing on or after October 1, 2010 are subject to redemption at the option of the City on or after October 1, 2006 as a whole or in part at anytime, at the following redemption prices, plus accrued interest to the date of the redemption.

<u>Redemption Period(dated inclusive)</u>	<u>Redemption Price</u>
October 1, 2006 to September 30, 2007	102%
October 1, 2007 to September 30, 2008	101%
October 1, 2008 and thereafter	100%

In August 2003, the 2003C Utility System Revenue Bonds were issued to advance-refund to the maturity dates a portion of the Bonds maturing from October 1, 2004 to October 1, 2008 (\$6.235 million). The bonds were defeased, in substance, and will be paid from escrowed funds. There were no defeased bonds outstanding as of September 30, 2010. In November 2005, the 2005 Series C Bonds totaling \$53,190,000 were issued to advance-refund to the maturity dates a portion of the bonds maturing from October 1, 2010 to October 1, 2026. In July 2006, the 2006 Series A Bonds totaling \$51,675,000 were issued to refund to the maturity dates the remainder of the bonds maturing from October 1, 2010 to October 1, 2026. The proceeds related to the refunded bonds for both series were deposited into an escrow account to refund the bonds on October 1, 2006 at 102% of par.

\$37,300,000 2002 Utilities System Subordinated Utilities System Revenue Bonds Series 2002A – variable interest rates, based on market rates, 2.80% at April 30, 2008 (date of redemption), dated July 20, 2002. The 2002A bonds were issued as multi-modal variable interest rate bonds, initially issued as variable-rate auction notes. The 2002A Bonds mature on October 1, 2017. In April 2008, the Utilities System Commercial Paper Notes, Series C, were issued to refund the 2002A Bonds in the amount of \$22,000,000 and the 2003A Bonds.

\$40,000,000 2002 Utilities System Subordinated Utilities System Revenue Bonds Series 2002B – variable interest rates, based on market rates, 2.83% at May 7, 2008 (date of redemption), dated July 20, 2002. The 2002B bonds were issued as multi-modal variable interest rate bonds, initially issued as variable-rate auction notes. The 2002B Bonds mature on October 1, 2032. In April 2008, the Utilities System Commercial Paper Notes, Series C, were issued to refund the 2002B Bonds in the amount of \$40,000,000 and the 2002A Bonds. This refunding is anticipated to result in approximately \$888,000 of net present value savings for the Utility, with yearly cash savings from \$5,000 to \$110,000.

\$33,000,000 2003 Utilities System Revenue Bonds Series 2003A – 4.625%-5.25%, 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 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 – 2.75%-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, final maturity October 1, 2036. 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

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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.

\$55,135,000 2005 Utilities System Revenue Bonds Series 2005C – Variable interest rates based on market rates, 0.40% at September 30, 2010, 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, 0.38% at September 30, 2010, 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, 0.23% at September 30, 2010, 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 – 2.98-5.27%, 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, 0.31% at September 30, 2010, 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.

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\$24,190,000 Utilities System Revenue Bonds Series 2009A – 0.85%-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.

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, 2010 was \$1,223,073.

\$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

The following Utility System notes are available as of September 30, 2010:

\$85,000,000 Commercial Paper Notes, Series C Notes (Tax-exempt)- 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 Gironzentrale. This agreement has been extended to November 30, 2015. 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 0.55% at September 30, 2010. Series C Notes of \$62,000,000 are outstanding as of September 30, 2010.

\$25,000,000 Commercial Paper Notes, Series D (Federally Taxable) - In June 2000, a Utilities System Commercial Paper Note Program, Series D (taxable) was established in a principal amount not to exceed \$25,000,000. Liquidity support for the Series D Notes is provided under a long-term credit agreement dated June 1, 2000 with SunTrust Bank. This agreement has been extended to September 13, 2010. The obligation of the bank may be substituted by another bank which meets certain credit standards and is approved by the Utility. Under the terms of the agreement, the Utility may borrow up to \$25,000,000 with same day availability ending on the termination date, as defined in the agreement. Interest is at a variable market rate. Series D Notes were fully retired in fiscal year 2010.

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COMMUNITY REDEVELOPMENT AGENCY (CRA):

\$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.

\$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 / 2nd 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.

\$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.

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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
2011	\$ 9,118,228	\$ 7,441,479	\$ 35,390,910	\$ 27,029,663
2012	9,840,889	7,289,362	36,988,121	25,678,847
2013	9,380,372	7,141,683	38,557,513	24,234,462
2014	12,254,986	7,054,411	40,252,007	22,662,982
2015	5,068,012	6,866,870	35,366,495	21,239,741
2016-2020	29,210,111	33,592,688	181,404,253	88,272,582
2021-2025	31,620,913	34,113,807	137,527,257	59,845,491
2026-2030	34,084,232	22,713,617	147,584,610	39,045,510
2031-2035	20,555,000	1,788,329	171,040,000	21,054,456
2036-2039	-	-	101,650,000	7,179,550
Total	<u>\$ 161,132,743</u>	<u>\$ 128,002,246</u>	<u>\$ 925,761,166</u>	<u>\$ 336,243,284</u>

Interest rates used are per GASB 38, which requires the rate used in the calculations be that in effect as of September 30, 2009. Interest rates on variable-rate long-term debt belonging to the Utility were valued to be equal to 0.45% for the 2005C Series Bonds, 0.45% for the 2006A Series Bonds, 0.25% for the 2007A Series Bonds, 0.25% for the 2008B Series Bonds, 0.70% for the 2008 TECP, and 2.07% for the 2009 TCP.

Debt Service Requirements for Capital Lease

Year ending September 30,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 74,265	\$ 27,127	\$ 101,392
2012	77,432	23,960	101,392
2013	80,733	20,659	101,392
2014	84,176	17,216	101,392
2015	87,765	13,627	101,392
2016-2018	264,740	17,783	282,523
Total	<u>\$ 669,111</u>	<u>\$ 120,372</u>	<u>\$ 789,483</u>

Debt Service Requirements for CRA

Year ending September 30,	Promissory Notes		
	Principal	Interest	Total
2011	\$ 209,793	\$ 164,359	\$ 374,152
2012	217,151	163,906	381,057
2013	244,874	155,503	400,377
2014	232,240	144,874	377,114
2015	241,184	135,138	376,322
2016-2020	1,376,921	506,977	1,883,898
2021-2025	1,303,213	197,843	1,501,056
Total	<u>\$ 3,825,376</u>	<u>\$ 1,468,600</u>	<u>\$ 5,293,976</u>

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DERIVATIVES:

GRU is a party to certain interest rate swap agreements. In 2010, GRU implemented GASB No. 53, and applies hedge accounting where applicable for effective hedging instruments. For effective hedging instruments, the changes in fair value are recorded as deferred outflows and inflows and are included on the statement of net assets in noncurrent assets and liabilities. According to GASB No. 53, the changes in fair value of ineffective hedging instruments would be recorded on the income statement as an adjustment to investment income. However, GRU has applied FAS No. 71, 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 as deferred outflows.

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 assets. 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 separate floating-to-fixed 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, 2010 were as follows. The notational amounts of the swaps match the principal amounts of the outstanding debt.

Associated Bond Issue	2008C*	2005B*	2005C*
Notational 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	60.36% of 10 YR
		LIBOR	LIBOR
Fair Value	\$(3,669,231)	\$(840,366)	\$(3,233,388)
Termination Date	10/01/2017	10/01/2021	10/01/2026
Counterparty Credit Rating	A2/A/A+	Aa1/AAA	Aa1/AA-/AA-
Associated Bond Issue	2006A*	2008B*	2008B*
Notational 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	SIFMA	SIFMA
	LIBOR-.365%		
Fair Value	\$(3,417,464)	\$(13,560,175)	\$(7,303,049)
Termination Date	10/01/2026	10/01/2038	10/01/2038
Counterparty Credit Rating	Aa1/AAA	Aa1/AA-/AA-	Aa1/AA-/AA-
Associated Bond Issue	2007A*		
Notational Amounts	\$ 139,505,000		
Effective Date	03/01/2007		
Fixed Payer Rate	3.944%		
Variable Receiver Rate	SIFMA		
Fair Value	\$(26,142,582)		
Termination Date	10/01/2036		
Counterparty Credit Rating	Aa1/AAA		

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* 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, 2010. Due to the low interest rate environment, as compared to the period when the swaps were entered into, the fixed payer rates exceeded 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 at September 30, 2010, 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		
2011	\$ 6,155,000	\$ 1,374,579	\$ 875,000	\$ 3,101,321	\$ 11,177,533	\$ 22,683,433
2012	6,360,000	1,327,032	920,000	3,055,189	11,062,902	22,725,123
2013	6,580,000	1,302,239	965,000	3,006,745	10,944,271	22,798,255
2014	6,805,000	1,276,600	1,015,000	2,955,859	10,735,144	22,787,603
2015	10,830,000	1,224,583	1,070,000	2,902,274	10,401,454	26,428,311
2016-2020	61,715,000	5,258,758	40,980,000	9,214,546	45,746,145	162,914,449
2021-2025	51,375,000	4,307,409	13,395,000	560,072	41,332,316	110,969,797
2026-2030	66,095,000	3,303,224	-	-	32,420,700	101,818,924
2031-2035	130,120,000	1,535,040	-	-	16,171,909	147,826,949
2036-2039	53,410,000	202,854	-	-	1,215,844	54,828,698
Total	\$399,445,000	\$ 21,112,318	\$ 59,220,000	\$ 24,796,006	\$191,208,218	\$ 695,781,542

The interest rates used are those in effect as of September 30, 2010.

	Fair Value of Interest Swaps at September 30, 2010	Changes in Fair Value	Deferred Outflow	Deferred Outflows for Ineffective Instruments
2008CP	\$ (3,669,231)	\$ (1,021,872)	\$ 1,271,229	\$ (249,357)
2005B	(840,366)	(43,126)	-	43,126
2005C	(3,233,388)	(1,532,257)	-	1,532,257
2006A	(3,417,464)	(1,649,042)	-	1,649,042
2008B	(13,560,175)	(4,120,386)	4,120,386	-
2008B	(7,303,049)	(2,219,003)	2,219,003	-
2007A	(26,142,582)	(9,499,907)	9,499,907	-
	\$ (58,166,255)	\$ (20,085,593)	\$ 17,110,525	\$ 2,975,068

Credit Risk. As of September 30, 2010 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.

CITY OF GAINESVILLE, FLORIDA
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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, 2010, the SIFMA rate was 0.27%.
- 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, 2010 the one month LIBOR rate was 0.25625%, which places the SIFMA at approximately 105% of one month LIBOR at that date.
- The 2005C Swap is exposed to basis risk through the potential mismatch of 68% 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, 2010, the 10-year LIBOR rate was 2.591%.
- The 2007A Swap is 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. The swap 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.

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, 2010 total \$16,013,963, payable semiannually through July 1, 2024. Pledged revenue is \$1,100,340 each year, which is slightly greater than the annual debt requirement (in 2010, the coverage ratio was 1.0573).

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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CHANGES IN LONG-TERM LIABILITIES:

Long-term liability activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within one year
Governmental activities:					
Bonds payable:					
Revenue bonds and loans	\$ 45,117,220	\$ 3,036,907	\$ 3,830,000	\$ 44,324,127	\$ 3,600,193
Bond premium	478,222	-	53,988	424,234	-
Pension obligation bonds	85,778,875	-	1,025,259	84,753,616	1,186,503
OPEB obligation bonds	24,140,000	-	3,585,000	20,555,000	3,960,000
Less deferred amounts:					
For issuance discounts	85,967	15,320	6,308	94,979	-
Total bonds payable	155,428,350	3,021,587	8,487,939	149,961,998	8,746,696
Capital lease	740,339	-	71,228	669,111	74,265
Revenue note	11,500,000	-	-	11,500,000	371,532
Compensated absences	3,938,420	1,669,000	2,040,596	3,566,824	133,000
Total	<u>\$ 171,607,109</u>	<u>\$ 4,690,587</u>	<u>\$ 10,599,763</u>	<u>\$ 165,697,933</u>	<u>\$ 9,325,493</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
Business-type activities:					
Bonds payable:					
Utility revenue bonds	\$ 889,600,000	\$ -	\$ 29,875,000	\$ 859,725,000	\$ 35,045,000
Add: Issuance premiums	5,698,697	-	1,263,928	4,434,769	-
Less deferred amounts:					
For loss on refundings	25,603,711	-	3,026,459	22,577,252	-
For issuance discounts	230,627	-	150,777	79,850	-
Total bonds payable	869,464,359	-	27,961,692	841,502,667	35,045,000
Utility notes payable	76,000,000	-	14,000,000	62,000,000	-
Other notes payable	2,965,901	1,313,093	242,828	4,036,166	345,910
Compensated absences	4,385,653	2,630,000	2,616,041	4,399,612	169,189
Total	<u>\$ 952,815,913</u>	<u>\$ 3,943,093</u>	<u>\$ 44,820,561</u>	<u>\$ 911,938,445</u>	<u>\$ 35,560,099</u>

Community Redevelopment Agency:

CRA promissory notes	<u>\$ 3,661,410</u>	<u>\$ 361,856</u>	<u>\$ 197,890</u>	<u>\$ 3,825,376</u>	<u>\$ 209,793</u>
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SHORT TERM NOTES

\$127,500 Construction Promissory Note – Variable interest rate based on 5 Year Treasury Index plus 2.75%. In November 2009, a promissory note was entered into for construction of a model home for the CRA for resale with Sunstate Federal Credit Union to be repaid from sales proceeds of the model home. \$127,500 was drawn against the note during FY 2010. Loan was fully paid on August 18, 2010.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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\$123,750 Construction Promissory Note – Variable interest rate based on 5 Year Treasury Index plus 2.75%. In November 2009, a promissory note was entered into for construction of a model home for the CRA for resale with Sunstate Federal Credit Union to be repaid from sales proceeds of the model home. \$120,965 was drawn against the note during FY 2010. Loan was fully paid on June 2, 2010.

\$116,100 Construction Promissory Note – Variable interest rate based on 5 Year Treasury Index plus 2.75%. In November 2009, a promissory note was entered into for construction of a model home for the CRA for resale with Sunstate Federal Credit Union to be repaid from sales proceeds of the model home. \$114,145 was drawn against the note during FY 2010. Loan was fully paid on June 30, 2010.

	Beginning Balance	Additions	Reductions	Ending Balance
Community Redevelopment Agency:				
CRA promissory notes	\$ -	\$ 362,610	\$ 362,610	\$ -

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 26,627,815	\$ 1,031,869	\$ 72,835	\$ 27,586,849
Construction in progress	13,049,349	10,652,211	848,326	22,853,234
Total capital assets, not being depreciated	39,677,164	11,684,080	921,161	50,440,083
Capital assets, being depreciated:				
Buildings	45,911,704	3,104,867	700,979	48,315,592
Improvements other than buildings	8,505,047	1,645,889	60,389	10,090,547
Machinery and equipment	38,766,392	4,359,567	2,270,182	40,855,777
Infrastructure	159,082,337	1,873,912	-	160,956,249
Total capital assets being depreciated	252,265,480	10,984,235	3,031,550	260,218,165
Less accumulated depreciation for:				
Buildings	(19,191,987)	(1,429,314)	(21,232)	(20,600,069)
Improvements other than buildings	(5,327,804)	(289,565)	(40,576)	(5,576,793)
Machinery and equipment	(26,771,418)	(3,833,111)	(2,151,563)	(28,452,966)
Infrastructure	(94,792,808)	(3,724,211)	-	(98,517,019)
Total accumulated depreciation	(146,084,017)	(9,276,201)	(2,213,371)	(153,146,847)
Total capital assets, being depreciated, net	106,181,463	1,708,034	818,179	107,071,318
Governmental activities capital assets, net	\$ 145,858,627	\$ 13,392,114	\$ 1,739,340	\$ 157,511,401

CITY OF GAINESVILLE, FLORIDA
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Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

General Government	\$ 684,401
Public Safety	1,688,034
Transportation	4,028,286
Economic Environment	70,811
Culture & Recreation	805,475
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>1,999,194</u>
Total depreciation expense - governmental activities	<u><u>\$ 9,276,201</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,216,545	\$ 876,699	\$ -	\$ 5,093,244
Construction in progress	<u>405,300,484</u>	<u>79,885,229</u>	<u>250,824,674</u>	<u>234,361,039</u>
Total capital assets, not being depreciated	409,517,029	80,761,928	250,824,674	239,454,283
Capital assets, being depreciated:				
Utility plant and equipment	1,210,127,507	244,157,458	15,672,499	1,438,612,466
Buildings	5,593,461	714,468	-	6,307,929
Improvements other than buildings	3,167,901	-	-	3,167,901
Machinery and equipment	27,332,802	6,956,493	4,179,588	30,109,707
Infrastructure	<u>25,601,282</u>	<u>873,647</u>	<u>-</u>	<u>26,474,929</u>
Total capital assets, being depreciated	1,271,822,953	252,702,066	19,852,087	1,504,672,932
Less accumulated depreciation for:				
Utility plant and equipment	(553,144,590)	(39,065,837)	(15,899,415)	(576,311,012)
Buildings	(1,931,715)	(205,433)	-	(2,137,148)
Improvements other than buildings	(1,948,436)	(98,301)	-	(2,046,737)
Machinery and equipment	(14,933,963)	(2,475,726)	(4,172,396)	(13,237,293)
Infrastructure	<u>(17,931,813)</u>	<u>(188,881)</u>	<u>-</u>	<u>(18,120,694)</u>
Total accumulated depreciation	(589,890,517)	(42,034,178)	(20,071,811)	(611,852,884)
Total capital assets, being depreciated, net	<u>681,932,436</u>	<u>210,667,888</u>	<u>(219,724)</u>	<u>892,820,048</u>
Business-type activities capital assets, net	<u><u>\$ 1,091,449,465</u></u>	<u><u>\$ 291,429,816</u></u>	<u><u>\$ 250,604,950</u></u>	<u><u>\$ 1,132,274,331</u></u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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Depreciation expense was charged to business-type activities functions/programs of the primary government as follows:

Utility	\$ 39,065,837
Regional Transit System	2,358,987
Stormwater	217,813
Ironwood	59,122
Florida Building Code Enforcement	325,614
Solid Waste	6,805
Total depreciation expense - business type activities	<u>\$ 42,034,178</u>

NOTE 7 - INDIVIDUAL FUND DEFICITS

The following funds had deficit net assets or fund balances at September 30, 2010:

Special Revenue Fund

Emergency Management Dove Incident Fund \$(74,431)

Capital Projects Fund

FFGFC '07 Capital Projects Fund \$(7,333)

Enterprise Fund

Ironwood Golf Course \$(1,342,275)

The Emergency Management Dove Incident Fund was set up to capture expenses associated with the City providing security and other services during a protest at a local church. The General Fund will make a transfer in fiscal year 2011 to eliminate the deficit.

The FFGFC '07 Capital Projects Fund deficit is anticipated to be eliminated in FY 2011.

The Ironwood Golf Course Fund has reported expenses in excess of revenues for several years, which has depleted the fund's net assets. 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, including major capital improvements 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, 2010 are comprised of approximately 12% taxes (communications services tax, half cent sales tax, and local option gas tax), 21% due from other governments, 42% notes receivable, 5% receivables from employees, and 20% other receivables.

Nonmajor governmental funds – Net accounts receivable as of September 30, 2010 consist of approximately 11% loans receivable, 75% intergovernmental receivables, and 14% other receivables.

Payables:

General Fund – As of September 30, 2010, the payables balance in the General Fund consists of 50% wages payable and 50% other payables.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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Nonmajor governmental funds – Payables balances as of September 30, 2010 are comprised of 36% construction related obligations, 11% wages payable and 53% other payables.

Business-type activities

Receivables:

Utility Fund – As of September 30, 2010 the net accounts receivable balance in the Utility Fund consists of 92.6% customer receivables for billed and unbilled utility services and 7.4% other receivables.

Nonmajor Enterprise Funds – Net accounts receivable as of September 30, 2010 are comprised of approximately 42% intergovernmental receivables and 58% other receivables.

Payables:

Utility Fund – As of September 30, 2010 the payables balance in the Utility Fund consists of 14.6% fuels payable, 44.9% standard vendor payables, 16.2% intergovernmental payables, 18.6% wages payable and 5.7% other payables.

Nonmajor Enterprise Funds – As of September 30, 2010 payables balances consist of 100% standard vendor payables.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from other funds:

Due to:	Due from:			Total
	Utility	Nonmajor governmental	Nonmajor Enterprise	
General	\$ 3,789,960	\$ 3,237,638	\$ -	\$ 7,027,598
Utility	-	304,933	19,715	324,648
Nonmajor				
Governmental	5,738	223,601	-	229,339
Internal Service	396,286	-	-	396,286
Nonmajor				
Enterprise	<u>946,907</u>	<u>-</u>	<u>5,252,165</u>	<u>6,199,072</u>
Total	<u>\$ 5,138,891</u>	<u>\$ 3,766,172</u>	<u>\$ 5,271,880</u>	<u>\$ 14,176,943</u>

The \$5,252,165 interfund payable between enterprise funds resulted from Ironwood and Regional Transit overdrawing their share of the pooled cash account. The \$3,237,638 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.

Interfund transfers:

Transfers to:	Transfers from:					Total
	General	Utility	Nonmajor governmental	Internal Service	Nonmajor Enterprise	
General	\$ -	\$ 34,348,831	\$ 72,874	\$ -	\$ 352,317	\$ 34,774,022
Nonmajor						
Governmental	13,223,448	-	4,544,888	153,078	1,572,728	19,494,142
Nonmajor						
Enterprise	<u>1,800,222</u>	<u>-</u>	<u>488,894</u>	<u>-</u>	<u>-</u>	<u>2,289,116</u>
Total	<u>\$ 15,023,670</u>	<u>\$ 34,348,831</u>	<u>\$ 5,106,656</u>	<u>\$ 153,078</u>	<u>\$ 1,925,045</u>	<u>\$ 56,557,280</u>

CITY OF GAINESVILLE, FLORIDA
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The Utility transfer totaling \$34,348,831 to the General Fund is based on a formula adopted by the City Commission. Please refer to Note 11 for more detail. \$2,931,460 was transferred from Debt Service Funds to Capital Project Funds and Nonmajor Enterprise Funds in relation to a 2010 debt issue. \$9,666,467 was transferred from the General Fund to Debt Service Funds for scheduled debt service payments. The transfer from the Internal Service Funds to Nonmajor Governmental Funds is primarily (\$110,360) to fund the construction of a centralized garage for Fleet. The remaining balance and other interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

NOTE 10 -EQUITY RESERVES

Fund Balance Reserves.

In the accompanying fund financial statements, use of the term “reserved” is limited to indicating that a portion of reported equity is legally restricted to a specific future use, or not available for appropriation or expenditure. Such reserves are clearly distinguished from designations, since designations represent management’s tentative future spending plans and such plans are subject to change and may never be legally authorized or result in actual expenditures.

A brief description and balances of reported reserved equity balances at September 30, 2010 follows:

<u>Fund Type</u>	<u>Encumbrances</u>	<u>Inventories</u>	<u>Noncurrent Receivable</u>	<u>Debt Service</u>	<u>Legal Restrictions for a Specific Future Use</u>	<u>TOTAL</u>
General Fund	\$ 82,943	\$ 19,999	\$ 3,874,445	\$ -	\$ 74,550	\$ 4,051,937
Special Revenue Funds	4,882,403	-	-	-	516,181	5,398,584
Capital Projects Funds	6,668,254	-	-	-	-	6,668,254
Total Reserves	<u>\$ 11,633,600</u>	<u>\$ 19,999</u>	<u>\$ 3,874,445</u>	<u>\$ -</u>	<u>\$ 590,731</u>	<u>\$ 16,118,775</u>

Restricted Net Assets.

In the accompanying government-wide and proprietary funds’ statements of net assets, *restricted net assets* are 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.

The composition of net assets “restricted for other purposes”, based on third party external restrictions, at September 30, 2010 is:

<u>Governmental activities</u>	
Royal Village	<u>\$ 74,550</u>
<u>Business-type activities</u>	
Regional Transit Capital Acquisition Reserve	<u>\$ 468,600</u>

The government-wide statement of net assets reports \$137,804,679 of restricted net assets, of which \$53,854,916 is restricted by enabling legislation.

NOTE 11- 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 ties 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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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transfers under the Bond Resolution. The transfer to the General Fund for the year ended September 30, 2010 was \$34,348,831.

NOTE 12 - 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. Current fiscal year expenses which reduce the liability balance were \$7.2 million.

During fiscal year 2008, soil samplings from the site were collected and analyzed in order to determine alternatives to complete the remediation. On November 6, 2008, the City Commission voted to approve staff’s recommendation to remove the soil to landfill. In 2009, GRU adopted GASB No. 49, which required GRU to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability. A pollution remediation liability of \$13.7 million was recorded as of September 30, 2010. In accordance with GASB No. 49, the estimated liability to a balance of \$13.7 million at September 30, 2010 is based on new estimates and probabilities for project completion.

GRU is recovering the costs of this clean-up through customer charges. A regulatory asset was established as a deferred charge in the accompanying balance sheet to represent the balance of customer charges. Fiscal 2010 billings were \$0.8 million. This reduced the deferred asset balance to \$20.3 million as of September 30, 2010.

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. 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.

NOTE 13 – LEASE/LEASEBACK TRANSACTION

On December 10, 1998, GRU entered into a lease/leaseback (LILO) transaction for all of the Deerhaven Unit 1 and a substantial portion of the Deerhaven Unit 2 generating facilities. Under the terms of the transaction, GRU entered into a 38-year lease and simultaneously a 20-year leaseback. At the end of the leaseback period term, GRU has the option to buy out the remainder of the lease for a fixed purchase option amount. Under the terms of the transaction, GRU continues to own, operate, maintain and staff the facilities.

The proceeds received by GRU from this transaction were approximately \$249 million. From these proceeds, GRU deposited \$142 million as a payment undertaking agreement and a second deposit of \$72 million in the form of a collateralized Guaranteed Investment Contract (GIC) both with Ambac Assurance Corporation (Ambac), a financial guaranty insurance company that also provided credit enhancement for the transaction. The deposit instruments will mature in amounts sufficient to meet the annual payment obligations under the leaseback including the end of term fixed purchase option if elected by GRU. The net benefit of this transaction, after payment of transaction expenses,

CITY OF GAINESVILLE, FLORIDA
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was approximately \$35 million and resulted in a deferred gain, which is being amortized as income on a straight-line basis over the leaseback period of 20 years.

On May 17, 2006, President Bush signed into law an act entitled the "Tax Increase Prevention and Reconciliation Act of 2005" (the "Act"). Among other provisions, the Act imposes an excise tax on certain types of leasing transactions entered into by tax-exempt entities, including states and their political subdivisions (including the City). Based on regulations issued by the Internal Revenue Service in 2007, the City currently anticipates that it will owe little, if any, excise tax under the Act, but this result is not certain given the interpretive questions that still remain with respect to the excise tax.

In November 2008, Moody's Investors Service and Standard & Poors downgraded their respective credit ratings of Ambac. Under the terms of the lease/leaseback transaction documents, the City is required to provide substitute credit enhancement within 30 days of the occurrence of Ambac's ratings downgrades. GRU worked with its financial advisor and legal counsel to evaluate its options with respect to providing substitute credit enhancement. Based on that evaluation, GRU determined that the termination of the LILO transaction was the most appropriate action. GRU staff negotiated the termination price with the equity investor and worked with Ambac to value the GIC. In February 2009, the parties terminated the LILO transaction on mutually acceptable terms and GRU, on behalf of the City, paid a termination payment of approximately \$13.3 million. In order to fund this termination payment, GRU issued \$14 million of additional Series D CP Notes. Following the termination, the Utility continues to retain possession of and entitlement to the output of the LILO units. The remaining net benefit of \$4.7 million was recognized in 2009 as a part of other operating revenue.

NOTE 14 – 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 \$43.1 million and sales transactions of \$8.2 million in fiscal year 2010. TEA's profit on these transactions has been reflected as a reduction to GRU's reported revenue or expense. As of September 30, 2010, GRU's investment in TEA was \$3.2 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 is \$9.6 million as of September 30, 2010. GRU's aggregate obligation for TEA's natural gas marketing transactions, under similar agreements and executed guaranties, is \$30.5 million as of September 30, 2010.

TEA issues stand-alone financial statements which may be obtained by writing to 76 South Laura Street; Suite 1500; Jacksonville, Florida 32202.

NOTE 15 – 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. GRU's net investment in CR3 at September 30, 2010 is approximately \$15.7 million. CR3 operation and maintenance costs,

CITY OF GAINESVILLE, FLORIDA
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September 30, 2010

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 Progress Energy 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, 2010 is \$9.7 million.

NOTE 16 – 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.

GRU has implemented GASB No. 53 *Accounting and Financial Reporting for Derivative Instruments* (see "New Accounting Standards"). For effective hedging transactions, hedge accounting is applied and fair market value changes are recorded on the balance sheet as either a deferred inflow or a deferred outflow until such time that the transaction ends. Per GASB No. 53, the changes in value of ineffective hedging instruments are required to be recognized in investment income. However, GRU follows the guidelines of the Financial Accounting Standards Board (FASB) No. 71, *Accounting for the Effects of Certain Types of Regulation*, which permits the deferral of recognition of certain costs that would otherwise be charged to expense. Accordingly, GRU has deferred the changes in value of the ineffective instruments, which is consistent with its rate-setting model. At September 30, 2010 deferred outflows of \$5.0 million were included in current assets on the balance sheet. The related settled gains and losses from these transactions are recognized as fuel expense on the statement of revenues, expenses and changes in net assets.

The information below provides a summary of results based on GRU's risk management activity during fiscal year 2010.

	Fair Value of Interest Rate Swaps at September 30, 2010	Changes in Fair Value	Deferred Outflow	Notional Amount (MMBTU's)
Natural Gas	\$ 1,600,015	\$ (4,310,853)	\$ (4,310,853)	4,900

Realized gains or losses related to hedging positions are deferred under the rate-setting policy. During fiscal years 2010, GRU recognized losses of \$7.8 million. A realized, but unrecognized loss of \$5.1 million has been deferred at September 30, 2010.

NOTE 17 – 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, 2010, there were three Industrial Revenue bonds outstanding, with an aggregate principal amount payable of \$5,250,000.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2010

NOTE 18 – SPECIAL ITEM

In fiscal year 2010, GRU made a decision to sell some parcels of land previously held for construction of a rail spur in the future. When the parcels were sold, the land was removed from the Plant Held for Future Use and recorded in plant assets at its original book value. The remaining project costs of \$5.3 million were written off and reported as a Special Item as an impairment of assets held for future use on the Statement of Activities and Statement of Revenue, Expenses, and Changes in Fund Net Assets.

NOTE 19 – SUBSEQUENT EVENT

In November 2010, the City issued three series of 2010 Utilities System Revenue Bonds. The 2010 Series A Bonds – Federally Taxable in the amount of \$12,930,000 were issued to (a) provide funds for the payment of the cost of acquisition and construction of certain improvements to the 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. Those Bonds mature at various dates from October 1, 2027 to October 1, 2030. The Bonds are subject to redemption at the option of the City, in whole or part, at a redemption price so specified.

The 2010 Series B Bonds – Federally Taxable in the amount of \$132,445,000 were issued to (a) provide funds for the payment of the cost of acquisition and construction of certain improvements to the 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. Those Bonds mature at various dates from October 1, 2034 to October 1, 2040. The Bonds are subject to redemption at the option of the City, in whole or part, at a redemption price so specified.

The 2010 Series C Bonds in the amount of \$16,365,000 were issued to (a) provide funds to 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. Those Bonds mature at various dates from October 1, 2015 to October 1, 2019 and from October 1, 2030 to October 1, 2034. Those Bonds maturing on and prior to October 1, 2019 will not be subject to redemption prior to maturity. Those Bonds maturing October 1, 2034 are subject to redemption at the option of the City, at a redemption price so specified.

NOTE 20 – FUTURE ACCOUNTING PRONOUNCEMENT

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for the City's fiscal year beginning October 1, 2010. The objectives of Statement No. 54 are to enhance the usefulness of fund balance information and clarify the existing governmental fund type definitions. The City is currently evaluating the effects the Statement will have on its financial statements for the year ending September 30, 2011.

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUES						
Taxes	\$ 42,539,879	\$ 42,539,879	\$ 43,066,261	\$ -	\$ 43,066,261	\$ 526,382
Licenses and Permits	751,317	778,302	745,274	-	745,274	(33,028)
Intergovernmental	10,639,484	10,639,484	9,918,184	-	9,918,184	(721,300)
Charges for Services	7,386,995	7,205,544	7,307,357	-	7,307,357	101,813
Fines and Forfeitures	2,068,173	2,068,173	1,473,559	-	1,473,559	(594,614)
Miscellaneous	1,187,044	1,349,348	1,209,234	-	1,209,234	(140,114)
TOTAL REVENUES	64,572,892	64,580,730	63,719,869	-	63,719,869	(860,861)
EXPENDITURES						
Current:						
General Government	15,971,606	16,625,619	15,763,889	43,426	15,807,315	818,304
Public Safety	49,868,221	50,410,064	49,597,290	12,104	49,609,394	800,670
Physical Environment	250,462	257,376	217,115	27,413	244,528	12,848
Transportation	11,056,852	11,054,232	9,790,258	-	9,790,258	1,263,974
Economic Environment	259,822	260,192	264,208	-	264,208	(4,016)
Human Services	-	7,190	5,719	-	5,719	1,471
Culture and Recreation	7,470,566	7,355,723	6,942,891	-	6,942,891	412,832
TOTAL EXPENDITURES	84,877,529	85,970,396	82,581,370	82,943	82,664,313	3,306,083
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,304,637)	(21,389,666)	(18,861,501)	(82,943)	(18,944,444)	2,445,222
OTHER FINANCING SOURCES (USES)						
Transfers In	35,345,662	35,397,979	34,774,022	-	34,774,022	(623,957)
Transfers Out	(15,041,025)	(15,440,570)	(15,023,670)	-	(15,023,670)	416,900
TOTAL OTHER FINANCING SOURCES (USES)	20,304,637	19,957,409	19,750,352	-	19,750,352	(207,057)
NET CHANGE IN FUND BALANCES	\$ -	\$ (1,432,257)	\$ 888,851	\$ (82,943)	\$ 805,908	\$ 2,238,165

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2010

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 Economic Development Fund, the Evergreen Cemetery Trust Fund, the Thomas Center 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. Encumbrances are presented as reservations of fund balance. 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 reserved for encumbrances.

As illustrated on the previous page, on the budgetary basis, total expenditures were \$3,306,083 less than the final budget. Revenues were recognized in an amount \$860,861 less than the final budget. Including other financing sources and uses, the General Fund fund balance increased by \$2,238,165 more than was budgeted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
9/30/10	\$ 287,894,287	\$ 377,439,159	\$ 89,544,872	76.28%	\$ 84,806,744	105.59%
9/30/09	274,206,492	331,247,474	57,040,982	82.78%	82,399,453	69.22%
9/30/08	293,371,107	307,961,854	14,590,747	95.26%	76,840,947	18.99%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
DISABILITY PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/10	\$ 5,459,769	\$ 4,110,026	\$ (1,349,743)	132.84%	\$ 84,806,744	-1.59%
09/30/09	4,770,251	3,622,757	(1,147,494)	131.67%	82,399,453	-1.39%
09/30/08	4,541,364	3,218,933	(1,322,431)	141.08%	76,840,947	-1.72%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
10/1/09	\$ 174,013,284	\$ 189,206,289	\$ 15,193,005	91.97%	\$ 25,211,502	60.26%
10/1/08	174,300,297	175,909,422	1,609,125	99.09%	24,045,292	6.69%
10/1/07	168,434,939	166,905,140	(1,529,799)	100.92%	22,739,418	-6.73%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/10	\$ 46,302,803	\$ 62,824,947	\$ 16,522,144	73.70%	\$ 136,000,000	12.15%
9/30/09	43,646,711	63,847,239	20,200,528	68.36%	131,000,000	15.42%
9/30/08	48,305,411	57,006,464	8,701,053	84.74%	121,357,630	7.17%

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULES OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	EMPLOYEES' PLAN	DISABILITY PLAN	CONSOLIDATED PLAN	OPEB PLAN		
Valuation Date	09/30/10	09/30/10	10/01/09	09/30/10		
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	9.00% per annum		
Salary Increase Rate*	<u>Years of svc.</u> 6 & under 7 - 11 12 - 16 Over 16	<u>Rate</u> 7% 6 4 3.75	<u>Years of svc.</u> 6 & under 7 - 11 12 - 16 Over 16	<u>Rate</u> 7% 6 5 4	<u>Age range</u> Less than 30 30 - 35 35 - 40 40 & older	not applicable
Health Care Cost Trend Rate	not applicable	not applicable	not applicable	7%		

* 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.

CITY OF
GAINESVILLE
every path starts with passion
FLORIDA



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.

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.

Emergency Management DOVE Incident Fund – to account for the City’s costs to prepare for the Dove World Outreach Center’s threatened “International Burn a Koran Day” incident.

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.

Thomas Center Trust Fund – To account for donated funds and interest earned on such funds, which are to be used for projects at the Thomas Center.

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 1996 - to account for funds to maintain a reserve and accumulate the debt service requirements of the 1996 borrowing from the First Florida Governmental Financing Commission.

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.

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.

Information Systems Capital Projects Fund - to account for the costs of information systems capital projects to be financed with First Florida Governmental Financing Commission borrowings (1994), 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.

Communications Equipment Project Fund 98 – to account for the costs of purchasing communications equipment financed through First Florida Governmental Financing Commission 1998 and interest earnings.

Capital Acquisitions from Debt Refunding 98 – to account for the costs of various capital projects financed through the release of reserves as a result of debt refunding in 1998.

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.

Fleet Acquisition Fund 01 – to account for the costs of fleet acquisition financed through First Florida Governmental Financing Commission 2001 and interest earnings.

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

Downtown Parking Garage Fund 02 – to account for construction costs of the Alachua County Criminal Courthouse parking facilities financed by the FFGFC 2002 bond 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.

39th Avenue Fleet Garage Expansion Fund – to account for the costs of the expansion of the 39th 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.

FFGFC 07 Capital Projects Fund – to account for the costs of various capital projects financed by the First Florida Governmental Financing Commission 2007 and interest earnings.

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.

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

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
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	798,563	-	182,718	221,964
Investments	-	-	-	-	-
Receivables	503,513	472,965	430,689	439	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	151,077
TOTAL ASSETS	\$ 503,513	\$ 1,271,528	\$ 430,689	\$ 183,157	\$ 373,041
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 24,598	\$ -	\$ 3,543	\$ 3,419	\$ -
Due to Other Funds	274,511	-	229,185	-	-
Deferred Revenue	31,942	472,965	99,366	-	151,077
TOTAL LIABILITIES	331,051	472,965	332,094	3,419	151,077
<u>FUND BALANCES</u>					
Reserved for Encumbrances	80,285	-	400,811	-	-
Reserved for Legal Restrictions	29,625	-	486,556	-	-
Unreserved:					
Designated for Future Use	-	-	-	-	-
Undesignated	62,552	798,563	(788,772)	179,738	221,964
TOTAL FUND BALANCES	172,462	798,563	98,595	179,738	221,964
TOTAL LIABILITIES AND FUND BALANCES	\$ 503,513	\$ 1,271,528	\$ 430,689	\$ 183,157	\$ 373,041

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	FEDERAL LAW EN- FORCEMENT CONTRABAND FORFEITURE FUND	POLICE BILLABLE OVERTIME FUND	AMERICAN RECOVERY & REINVEST- MENT ACT GRANTS FUND	STREET, SIDEWALK AND DITCH IMPROVE- MENT FUND	ECONOMIC DEVELOP- MENT FUND
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	3,981,103	-	-	154,795	162,093
Investments	-	-	-	-	-
Receivables	-	204,954	82,457	7,341	100,293
Due from Other Funds	-	-	-	-	4,471
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 3,981,103	\$ 204,954	\$ 82,457	\$ 162,136	\$ 266,857
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 2,817	\$ 42,864	\$ 1,536	\$ -	\$ 621
Due to Other Funds	-	79,881	71,331	-	-
Deferred Revenue	-	-	9,590	7,340	-
TOTAL LIABILITIES	2,817	122,745	82,457	7,340	621
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	-	824,609	-	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	3,978,286	-	-	-	-
Undesignated	-	82,209	(824,609)	154,796	266,236
TOTAL FUND BALANCES	3,978,286	82,209	-	154,796	266,236
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,981,103	\$ 204,954	\$ 82,457	\$ 162,136	\$ 266,857

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	MISCEL- LANEOUS GIFTS AND GRANTS FUND	TRANSPOR- TATION CONCURRENCY EXCEPTION AREA FUND	WATER AND WASTEWATER SURCHARGE INFRA- STRUCTURE FUND	SHIP FUND	FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	1,747,278	1,151,612	580,503	376,713
Investments	-	-	-	-	-
Receivables	2,701,784	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 2,701,784	\$ 1,747,278	\$ 1,151,612	\$ 580,503	\$ 376,713
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 111,529	\$ -	\$ -	\$ 1,865	\$ -
Due to Other Funds	2,511,962	-	3,000	-	-
Deferred Revenue	23,713	-	-	-	-
TOTAL LIABILITIES	2,647,204	-	3,000	1,865	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	2,912,595	169,163	-	108,293	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	-	-	-	-
Undesignated	(2,858,015)	1,578,115	1,148,612	470,345	376,713
TOTAL FUND BALANCES	54,580	1,747,278	1,148,612	578,638	376,713
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,701,784	\$ 1,747,278	\$ 1,151,612	\$ 580,503	\$ 376,713

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	<u>SMALL BUSINESS LOAN FUND</u>	<u>MISC- ELLANEOUS SPECIAL REVENUE FUND</u>	<u>TOURIST DESTINATION ENHANCE- MENT FUND</u>	<u>EMERGENCY DISASTER FEMA FAY 08 FUND</u>	<u>TOURIST PRODUCT DEVELOP FUND</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	71,201	466,300	46,722	40,202	195,673
Investments	-	-	-	-	-
Receivables	-	36,757	14,343	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 71,201	\$ 503,057	\$ 61,065	\$ 40,202	\$ 195,673
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,452	\$ 2,665	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	6,452	2,665	-	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	79,521	-	-	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	-	-	-	-
Undesignated	71,201	417,084	58,400	40,202	195,673
TOTAL FUND BALANCES	71,201	496,605	58,400	40,202	195,673
TOTAL LIABILITIES AND FUND BALANCES	\$ 71,201	\$ 503,057	\$ 61,065	\$ 40,202	\$ 195,673

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	PROPOR- TIONATE FAIR SHARE PROGRAM FUND	TOURIST PRODUCT DEVELOP FY10 FUND	EMERGENCY MGMT DOVE INCIDENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER TRUST FUND
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 62,409	\$ -
Equity in Pooled Cash and Investments	144,378	199,826	-	45,839	110
Investments	-	-	-	1,334,404	-
Receivables	-	118,352	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 144,378	\$ 318,178	\$ -	\$ 1,442,652	\$ 110
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 28,415	\$ 3,662	\$ -	\$ -
Due to Other Funds	-	-	70,769	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	28,415	74,431	-	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	188,232	-	-	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	-	-	-	-
Undesignated	144,378	101,531	(74,431)	1,442,652	110
TOTAL FUND BALANCES	144,378	289,763	(74,431)	1,442,652	110
TOTAL LIABILITIES AND FUND BALANCES	\$ 144,378	\$ 318,178	\$ -	\$ 1,442,652	\$ 110

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (concluded)

	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
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	62,137	109,364	1,824,576	599,671	7,324,013	803,875
Investments	-	-	-	-	-	-
Receivables	-	-	562	1,390	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ 62,137	\$ 109,364	\$ 1,825,138	\$ 601,061	\$ 7,324,013	\$ 803,875
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 16,362	\$ 15,507	\$ 105,482	\$ 22,753
Due to Other Funds	-	-	-	585	-	10,500
Deferred Revenue	-	-	-	1,390	-	-
TOTAL LIABILITIES	-	-	16,362	17,482	105,482	33,253
<u>FUND BALANCES</u>						
Reserved for Encumbrances	-	-	109,695	4,102	-	5,097
Reserved for Legal Restrictions	-	-	-	-	-	-
Unreserved:						
Designated for Future Use	-	-	1,699,081	562,636	7,090,931	765,525
Undesignated	62,137	109,364	-	16,841	127,600	-
TOTAL FUND BALANCES	62,137	109,364	1,808,776	583,579	7,218,531	770,622
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,137	\$ 109,364	\$ 1,825,138	\$ 601,061	\$ 7,324,013	\$ 803,875

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

DEBT SERVICE FUNDS

	FFGFC SERIES <u>1996</u>	FFGFC SERIES <u>1998</u>	FFGFC SERIES <u>2002</u>	FFGFC SERIES <u>2005</u>	FFGFC SERIES <u>2007</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,827	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	10,496	60,620	10,730	24,445	2,970
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 13,323	\$ 60,620	\$ 10,730	\$ 24,445	\$ 2,970
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	-	-	-	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	-	-	-	-
Undesignated	13,323	60,620	10,730	24,445	2,970
TOTAL FUND BALANCES	13,323	60,620	10,730	24,445	2,970
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,323	\$ 60,620	\$ 10,730	\$ 24,445	\$ 2,970

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

DEBT SERVICE FUNDS (continued)

	GUARANTEED ENTITLEMENT REFUNDING BONDS 2004	PENSION OBLIGATION BOND SERIES 2003A	PENSION OBLIGATION BOND SERIES 2003B	OTHER POST- EMPLOYMENT (OPEB) BONDS 2005	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2005
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	96,868	124,376	136,374	275,103	119,307
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 96,868	\$ 124,376	\$ 136,374	\$ 275,103	\$ 119,307
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	-	-	-	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	-	-	-	-
Undesignated	96,868	124,376	136,374	275,103	119,307
TOTAL FUND BALANCES	96,868	124,376	136,374	275,103	119,307
TOTAL LIABILITIES AND FUND BALANCES	\$ 96,868	\$ 124,376	\$ 136,374	\$ 275,103	\$ 119,307

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>DEBT SERVICE FUNDS (concluded)</u>			<u>CAPITAL PROJECTS FUNDS</u>	
	<u>GPD ENERGY CONSERV. MASTER CAPITAL LEASE</u>	<u>CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) 2009</u>	<u>CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2010</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>	<u>PUBLIC IMPROVEMENT CONSTRUCTION FUND</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	6,741	83,860	11,958	5,469,788	54,876
Investments	-	-	-	-	-
Receivables	-	-	-	19,500	-
Due from Other Funds	-	-	-	223,601	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 6,741	\$ 83,860	\$ 11,958	\$ 5,712,889	\$ 54,876
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 1,419	\$ 45,830	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	1,419	45,830	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	-	-	375,860	-
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	-	-	5,291,199	14,077
Undesignated	6,741	83,860	10,539	-	40,799
TOTAL FUND BALANCES	6,741	83,860	10,539	5,667,059	54,876
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,741	\$ 83,860	\$ 11,958	\$ 5,712,889	\$ 54,876

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	AMERICAN RECOVERY AND REINVESTMENT ACT FUND	GREENSPACE ACQUISITION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	1,049,381	915	67,692
Investments	-	-	-	-
Receivables	612,402	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 612,402	\$ 1,049,381	\$ 915	\$ 67,692
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 121,302	\$ -	\$ -	\$ 788
Due to Other Funds	477,321	-	-	-
Deferred Revenue	13,779	-	-	-
TOTAL LIABILITIES	612,402	-	-	788
<u>FUND BALANCES</u>				
Reserved for Encumbrances	323,430	-	-	1,241
Reserved for Legal Restrictions	-	-	-	-
Unreserved:				
Designated for Future Use	-	-	21	65,663
Undesignated	(323,430)	1,049,381	894	-
TOTAL FUND BALANCES	-	1,049,381	915	66,904
TOTAL LIABILITIES AND FUND BALANCES	\$ 612,402	\$ 1,049,381	\$ 915	\$ 67,692

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	3,340	2,370	20,279	3,937	2,283,885
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	1,267
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 3,340	\$ 2,370	\$ 20,279	\$ 3,937	\$ 2,285,152
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	-	-	-	14,657
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	2,134	110	-	-	1,870,800
Undesignated	1,206	2,260	20,279	3,937	399,695
TOTAL FUND BALANCES	3,340	2,370	20,279	3,937	2,285,152
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,340	\$ 2,370	\$ 20,279	\$ 3,937	\$ 2,285,152

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	<u>DOWNTOWN PARKING GARAGE 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>	<u>39TH AVENUE FLEET GARAGE EXPANSION FUND</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	16,312	112,413	39,404	869,701	1,591,218
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 16,312	\$ 112,413	\$ 39,404	\$ 869,701	\$ 1,591,218
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,905	\$ -	\$ 484	\$ 78
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	6,905	-	484	78
<u>FUND BALANCES</u>					
Reserved for Encumbrances	-	-	1,866	169,190	307,390
Reserved for Legal Restrictions	-	-	-	-	-
Unreserved:					
Designated for Future Use	-	35,555	-	700,027	1,283,750
Undesignated	16,312	69,953	37,538	-	-
TOTAL FUND BALANCES	16,312	105,508	39,404	869,217	1,591,140
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,312	\$ 112,413	\$ 39,404	\$ 869,701	\$ 1,591,218

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) 2005 CIP FUND	KENNEDY HOMES ACQUISITION/ DEMOLITION FUND	FFGFC 07 CAPITAL PROJECTS FUND	CAMPUS DEVELOPMENT AGREEMENT CAPITAL PROJECTS FUND
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	10,822,821	711,036	-	15,799,249
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 10,822,821	\$ 711,036	\$ -	\$ 15,799,249
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 12,581	\$ -	\$ 3,218	\$ 67,301
Due to Other Funds	15,145	-	4,115	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	27,726	-	7,333	67,301
<u>FUND BALANCES</u>				
Reserved for Encumbrances	2,679,567	-	-	736,008
Reserved for Legal Restrictions	-	-	-	-
Unreserved:				
Designated for Future Use	7,595,813	673,888	(7,333)	14,005,883
Undesignated	519,715	37,148	-	990,057
TOTAL FUND BALANCES	10,795,095	711,036	(7,333)	15,731,948
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,822,821	\$ 711,036	\$ -	\$ 15,799,249

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	ENERGY CONSERVATION CAPITAL PROJECTS FUND	ADD'L 5 CENTS LOCAL OPTION GAS TAX (LOGT) CAPITAL PROJECTS FUND	ADD'L 5 CENTS GAS TAX (LOGT) CIRN 2009 CAPITAL PROJECTS FUND	TRAFFIC MANAGEMENT SYSTEM BLDG CAPITAL PROJECTS FUND
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	307,142	3,206,561	5,869,864	569,969
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 307,142	\$ 3,206,561	\$ 5,869,864	\$ 569,969
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 29,750	\$ -	\$ 21,772	\$ 94,939
Due to Other Funds	-	-	-	16,922
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	29,750	-	21,772	111,861
<u>FUND BALANCES</u>				
Reserved for Encumbrances	-	285,991	134,650	505,980
Reserved for Legal Restrictions	-	-	-	-
Unreserved:				
Designated for Future Use	264,082	2,647,643	5,588,587	-
Undesignated	13,310	272,927	124,855	(47,872)
TOTAL FUND BALANCES	277,392	3,206,561	5,848,092	458,108
TOTAL LIABILITIES AND FUND BALANCES	\$ 307,142	\$ 3,206,561	\$ 5,869,864	\$ 569,969

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	CAPITAL IMP REVENUE NOTE (CIRN) 2009 CAPITAL PROJECTS FUND	WILD SPACES PUBLIC PLACES 1/2 CENT SALES TAX CAPITAL PROJECTS FUND	WILD SPACES PUBLIC PLACES LAND ACQ. CAPITAL PROJECTS FUND	SENIOR RECREATION CENTER CAPITAL PROJECTS FUND
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	2,410,535	3,833,383	1,934,842	1,309,886
Investments	-	-	-	-
Receivables	-	-	-	113,548
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 2,410,535	\$ 3,833,383	\$ 1,934,842	\$ 1,423,434
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ -	\$ 30,014	\$ 6,250	\$ 607
Due to Other Funds	-	945	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	30,959	6,250	607
<u>FUND BALANCES</u>				
Reserved for Encumbrances	696,498	262,837	-	173,089
Reserved for Legal Restrictions	-	-	-	-
Unreserved:				
Designated for Future Use	1,664,125	3,539,587	1,928,592	1,249,738
Undesignated	49,912	-	-	-
TOTAL FUND BALANCES	2,410,535	3,802,424	1,928,592	1,422,827
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,410,535	\$ 3,833,383	\$ 1,934,842	\$ 1,423,434

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	CAPITAL PROJECTS FUNDS (concluded)	
	CAPITAL IMP REVENUE BOND (CIRB) 2010 CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ -	\$ 65,236
Equity in Pooled Cash and Investments	2,931,515	83,547,391
Investments	-	1,334,404
Receivables	-	5,421,289
Due from Other Funds	-	229,339
Assets Held for Evidence	-	151,077
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,931,515	\$ 90,748,736
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ -	\$ 837,328
Due to Other Funds	-	3,766,172
Deferred Revenue	-	811,162
	<hr/>	<hr/>
TOTAL LIABILITIES	-	5,414,662
	<hr/>	<hr/>
<u>FUND BALANCES</u>		
Reserved for Encumbrances	-	11,550,657
Reserved for Legal Restrictions	-	516,181
Unreserved:		
Designated for Future Use	2,931,460	65,441,860
Undesignated	55	7,825,376
	<hr/>	<hr/>
TOTAL FUND BALANCES	2,931,515	85,334,074
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,931,515	\$ 90,748,736
	<hr/> <hr/>	<hr/> <hr/>

(CONCLUDED)

CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,288,561	-	145,232	-	(414)	-
Charges for Services	6,362	-	-	338,531	-	-
Fines and Forfeitures	-	-	-	-	85,622	78,815
Miscellaneous	15,177	156,751	341,332	43,494	10,634	83,604
TOTAL REVENUES	1,310,100	156,751	486,564	382,025	95,842	162,419
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	51,524	313,825
Physical Environment	45,350	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	1,028,904	-	482,179	-	-	-
Human Services	196,088	-	-	-	-	-
Culture and Recreation	-	71,609	-	434,932	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,270,342	71,609	482,179	434,932	51,524	313,825
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,758	85,142	4,385	(52,907)	44,318	(151,406)
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	-
Bond Discount	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(39,758)	-	(4,385)	-	-	(363,956)
TOTAL OTHER FINANCING SOURCES (USES)	(39,758)	-	(4,385)	-	-	(363,956)
NET CHANGE IN FUND BALANCES	-	85,142	-	(52,907)	44,318	(515,362)
FUND BALANCES, October 1	172,462	713,421	98,595	232,645	177,646	4,493,648
FUND BALANCES, September 30	\$ 172,462	\$ 798,563	\$ 98,595	\$ 179,738	\$ 221,964	\$ 3,978,286

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)					
	POLICE BILLABLE OVERTIME FUND	AMERICAN RECOVERY & REINVEST- MENT ACT GRANTS FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOP- MENT FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	819,577	-	-	5,481,001
Charges for Services	621,025	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	4,659	248,979	39,242
TOTAL REVENUES	621,025	819,577	4,659	248,979	5,520,243
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	634,848	598,948	-	-	1,546,628
Physical Environment	-	-	-	-	593,613
Transportation	-	-	-	-	2,468,218
Economic Environment	-	-	-	237,195	247,136
Human Services	-	220,629	-	-	-
Culture and Recreation	-	-	-	-	413,434
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	634,848	819,577	-	237,195	5,269,029
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,823)	-	4,659	11,784	251,214
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	-	-	-	-	261,567
Transfers Out	-	-	-	-	(598,419)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(336,852)
NET CHANGE IN FUND BALANCES	(13,823)	-	4,659	11,784	(85,638)
FUND BALANCES, October 1	96,032	-	150,137	254,452	140,218
FUND BALANCES, September 30	\$ 82,209	\$ -	\$ 154,796	\$ 266,236	\$ 54,580

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND	WATER AND WASTEWATER SURCHARGE INFRASTRUCTURE FUND	SHIP FUND	FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND	SMALL BUSINESS LOAN FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	75,598	212,961	-
Charges for Services	750,369	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	23,235	22,755	65,974	-	-
TOTAL REVENUES	773,604	22,755	141,572	212,961	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	92,949	-	-	-
Transportation	402,053	-	-	-	-
Economic Environment	-	-	640,268	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	402,053	92,949	640,268	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	371,551	(70,194)	(498,696)	212,961	-
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	29,340	78,376	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	29,340	78,376	-	-	-
NET CHANGE IN FUND BALANCES	400,891	8,182	(498,696)	212,961	-
FUND BALANCES, October 1	1,346,387	1,140,430	1,077,334	163,752	71,201
FUND BALANCES, September 30	\$ 1,747,278	\$ 1,148,612	\$ 578,638	\$ 376,713	\$ 71,201

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	MISCELLANEOUS SPECIAL REVENUE FUND	TOURIST DESTINATION ENHANCEMENT FUND	EMERGENCY DISASTER FEMA FAY 08 FUND	TOURIST PRODUCT DEVELOP FUND	PROPOR- TIONATE FAIR SHARE PROGRAM FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	160,825	-	-	78,901	-
Charges for Services	15,298	-	-	-	92,617
Fines and Forfeitures	51,931	-	-	-	-
Miscellaneous	330,227	-	-	-	-
TOTAL REVENUES	558,281	-	-	78,901	92,617
EXPENDITURES					
Current:					
General Government	346,616	-	-	-	-
Public Safety	119,256	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	8,728
Economic Environment	1,471	-	-	-	-
Human Services	170,984	-	-	-	-
Culture and Recreation	181,699	80,583	-	221,558	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	820,026	80,583	-	221,558	8,728
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(261,745)	(80,583)	-	(142,657)	83,889
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(261,745)	(80,583)	-	(142,657)	83,889
FUND BALANCES, October 1	758,350	138,983	40,202	338,330	60,489
FUND BALANCES, September 30	\$ 496,605	\$ 58,400	\$ 40,202	\$ 195,673	\$ 144,378

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SPECIAL REVENUE FUNDS (continued)

	TOURIST PRODUCT DEVELOP FY10 FUND	EMERGENCY MGMT DOVE INCIDENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER TRUST FUND	SCHOOL CROSSING GUARD TRUST FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	711,453	-	-	-	-
Charges for Services	-	-	2,452	-	-
Fines and Forfeitures	-	-	-	-	36,302
Miscellaneous	-	-	132,548	24	1,101
TOTAL REVENUES	711,453	-	135,000	24	37,403
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	74,431	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	421,690	-	-	2,604	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	421,690	74,431	-	2,604	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	289,763	(74,431)	135,000	(2,580)	37,403
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	(43,269)	-	(20,605)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(43,269)	-	(20,605)
NET CHANGE IN FUND BALANCES	289,763	(74,431)	91,731	(2,580)	16,798
FUND BALANCES, October 1	-	-	1,350,921	2,690	45,339
FUND BALANCES, September 30	\$ 289,763	\$ (74,431)	\$ 1,442,652	\$ 110	\$ 62,137

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	SPECIAL REV FUNDS (concluded)					DEBT SERVICE FUNDS
	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	FFGFC SERIES 1996
REVENUES						
Taxes	\$ -	\$ 1,109,802	\$ 384,939	\$ 2,014,697	\$ 446,857	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	<u>99,822</u>	<u>63,483</u>	<u>520,379</u>	<u>159,569</u>	<u>22,582</u>	<u>(3,551)</u>
TOTAL REVENUES	<u>99,822</u>	<u>1,173,285</u>	<u>905,318</u>	<u>2,174,266</u>	<u>469,439</u>	<u>(3,551)</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	1,619,938	1,293,205	3,128,358	767,742	-
Human Services	-	-	-	-	-	-
Culture and Recreation	42,164	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	490,000
Interest and Fiscal Charges	-	-	-	-	-	29,483
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>42,164</u>	<u>1,619,938</u>	<u>1,293,205</u>	<u>3,128,358</u>	<u>767,742</u>	<u>519,483</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>57,658</u>	<u>(446,653)</u>	<u>(387,887)</u>	<u>(954,092)</u>	<u>(298,303)</u>	<u>(523,034)</u>
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	-
Bond Discount	-	-	-	-	-	-
Transfers In	48,142	606,128	210,238	1,100,343	244,055	8,104
Transfers Out	<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>39,142</u>	<u>606,128</u>	<u>210,238</u>	<u>1,100,343</u>	<u>244,055</u>	<u>8,104</u>
NET CHANGE IN FUND BALANCES	96,800	159,475	(177,649)	146,251	(54,248)	(514,930)
FUND BALANCES, October 1	<u>12,564</u>	<u>1,649,301</u>	<u>761,228</u>	<u>7,072,280</u>	<u>824,870</u>	<u>528,253</u>
FUND BALANCES, September 30	<u>\$ 109,364</u>	<u>\$ 1,808,776</u>	<u>\$ 583,579</u>	<u>\$ 7,218,531</u>	<u>\$ 770,622</u>	<u>\$ 13,323</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

DEBT SERVICE FUNDS (continued)

	FFGFC SERIES 1998	FFGFC SERIES 2002	FFGFC SERIES 2005	FFGFC SERIES 2007	GUARANTEED ENTITLEMENT REFUNDING BONDS 2004	PENSION OBLIGATION BOND SERIES 2003A
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1,040,563	1,035,982
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	12,119	5,626	3,299	736	11,240	10,221
TOTAL REVENUES	12,119	5,626	3,299	736	1,051,803	1,046,203
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	1,050,000	425,000	225,000	55,000	700,000	478,454
Interest and Fiscal Charges	166,621	362,121	189,990	60,445	341,163	1,277,321
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,216,621	787,121	414,990	115,445	1,041,163	1,755,775
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,204,502)	(781,495)	(411,691)	(114,709)	10,640	(709,572)
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	-
Bond Discount	-	-	-	-	-	-
Transfers In	1,216,050	786,741	414,772	115,405	-	714,534
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,216,050	786,741	414,772	115,405	-	714,534
NET CHANGE IN FUND BALANCES	11,548	5,246	3,081	696	10,640	4,962
FUND BALANCES, October 1	49,072	5,484	21,364	2,274	86,228	119,414
FUND BALANCES, September 30	\$ 60,620	\$ 10,730	\$ 24,445	\$ 2,970	\$ 96,868	\$ 124,376

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

DEBT SERVICE FUNDS (concluded)

	PENSION OBLIGATION BOND SERIES <u>2003B</u>	OTHER POST- EMPLOYMENT (OPEB) <u>BONDS 2005</u>	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) <u>SERIES 2005</u>	GPD ENERGY CONSERV. MASTER CAPITAL <u>LEASE</u>	CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) 2009	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) <u>SERIES 2010</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,074,563	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	11,941	36,048	9,820	25	(5,833)	5,385
TOTAL REVENUES	11,941	2,110,611	9,820	25	(5,833)	5,385
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	546,805	3,585,000	885,000	71,228	-	-
Interest and Fiscal Charges	2,547,115	1,113,474	841,168	30,164	490,243	22,975
Bond Issuance Costs	-	-	-	-	-	84,974
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	3,093,920	4,698,474	1,726,168	101,392	490,243	107,949
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,081,979)	(2,587,863)	(1,716,348)	(101,367)	(496,076)	(102,564)
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	3,036,907
Bond Discount	-	-	-	-	-	(15,320)
Transfers In	3,093,921	2,621,292	1,725,869	101,393	556,198	22,976
Transfers Out	-	-	-	-	-	(2,931,460)
TOTAL OTHER FINANCING SOURCES (USES)	3,093,921	2,621,292	1,725,869	101,393	556,198	113,103
NET CHANGE IN FUND BALANCES	11,942	33,429	9,521	26	60,122	10,539
FUND BALANCES, October 1	124,432	241,674	109,786	6,715	23,738	-
FUND BALANCES, September 30	\$ 136,374	\$ 275,103	\$ 119,307	\$ 6,741	\$ 83,860	\$ 10,539

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS

	GENERAL CAPITAL PROJECTS FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	AMERICAN RECOVERY AND REINVESTMENT ACT FUND	GREENSPACE ACQUISITION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,300,169	-	1,477,466	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	2,039	1,045	-	20,396	33
TOTAL REVENUES	2,302,208	1,045	1,477,466	20,396	33
EXPENDITURES					
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	1,288,902	-	1,491,970	-	842
TOTAL EXPENDITURES	1,288,902	-	1,491,970	-	842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,013,306	1,045	(14,504)	20,396	(809)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	1,579,895	-	14,504	-	-
Transfers Out	(133,588)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,446,307	-	14,504	-	-
NET CHANGE IN FUND BALANCES	2,459,613	1,045	-	20,396	(809)
FUND BALANCES, October 1	3,207,446	53,831	-	1,028,985	1,724
FUND BALANCES, September 30	\$ 5,667,059	\$ 54,876	\$ -	\$ 1,049,381	\$ 915

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	ROADWAY CONSTRUCTION FUND 96	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	2,550	44	381	386	75
TOTAL REVENUES	2,550	44	381	386	75
EXPENDITURES					
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	169,464	-	33,469	-	-
TOTAL EXPENDITURES	169,464	-	33,469	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(166,914)	44	(33,088)	386	75
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(166,914)	44	(33,088)	386	75
FUND BALANCES, October 1	233,818	3,296	35,458	19,893	3,862
FUND BALANCES, September 30	\$ 66,904	\$ 3,340	\$ 2,370	\$ 20,279	\$ 3,937

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	CAPITAL PROJECTS FUND 02	DOWNTOWN PARKING GARAGE FUND 02	FIFTH AVENUE/ PLEASANT ST. REHAB. PROJ. FUND 02	DOWNTOWN PARKING GARAGE SALES TAX FUND	FFGFC 05 CAPITAL PROJECTS FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	48,208	311	4,693	751	15,247
TOTAL REVENUES	48,208	311	4,693	751	15,247
EXPENDITURES					
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	398,463	-	208,584	-	497,041
TOTAL EXPENDITURES	398,463	-	208,584	-	497,041
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(350,255)	311	(203,891)	751	(481,794)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	-	-	-	-	344,726
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	344,726
NET CHANGE IN FUND BALANCES	(350,255)	311	(203,891)	751	(137,068)
FUND BALANCES, October 1	2,635,407	16,001	309,399	38,653	1,006,285
FUND BALANCES, September 30	\$ 2,285,152	\$ 16,312	\$ 105,508	\$ 39,404	\$ 869,217

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

CAPITAL PROJECTS FUNDS (continued)

	39TH AVENUE FLEET GARAGE EXPANSION FUND	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) 2005 CIP FUND	KENNEDY HOMES ACQUISITION/ DEMOLITION FUND	FFGFC 07 CAPITAL PROJECTS FUND	CAMPUS DEVELOPMENT AGREEMENT CAPITAL PROJECTS FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	35,376	220,689	-	1,172	319,349
TOTAL REVENUES	35,376	220,689	-	1,172	319,349
EXPENDITURES					
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	27,933	1,567,327	13,373	79,135	1,472,266
TOTAL EXPENDITURES	27,933	1,567,327	13,373	79,135	1,472,266
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,443	(1,346,638)	(13,373)	(77,963)	(1,152,917)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Discount	-	-	-	-	-
Transfers In	-	-	118,588	-	-
Transfers Out	(170,000)	(56,116)	-	-	(5,000)
TOTAL OTHER FINANCING SOURCES (USES)	(170,000)	(56,116)	118,588	-	(5,000)
NET CHANGE IN FUND BALANCES	(162,557)	(1,402,754)	105,215	(77,963)	(1,157,917)
FUND BALANCES, October 1	1,753,697	12,197,849	605,821	70,630	16,889,865
FUND BALANCES, September 30	\$ 1,591,140	\$ 10,795,095	\$ 711,036	\$ (7,333)	\$ 15,731,948

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	CAPITAL PROJECTS FUNDS (continued)			
	ENERGY CONSERVATION CAPITAL PROJECTS FUND	ADD'L 5 CENTS LOCAL OPTION GAS TAX (LOGT) CAPITAL PROJECTS FUND	ADD'L 5 CENTS GAS TAX (LOGT) CIRN 2009 CAPITAL PROJECTS FUND	TRAFFIC MANAGEMENT SYSTEM BLDG CAPITAL PROJECTS FUND
REVENUES				
Taxes	\$ -	\$ 1,967,955	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	13,331	56,073	124,855	20,648
TOTAL REVENUES	13,331	2,024,028	124,855	20,648
EXPENDITURES				
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	811,643	81,804	1,053,480	1,582,586
TOTAL EXPENDITURES	811,643	81,804	1,053,480	1,582,586
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(798,312)	1,942,224	(928,625)	(1,561,938)
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	-	-	-
Bond Discount	-	-	-	-
Transfers In	-	-	-	549,525
Transfers Out	-	(729,790)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(729,790)	-	549,525
NET CHANGE IN FUND BALANCES	(798,312)	1,212,434	(928,625)	(1,012,413)
FUND BALANCES, October 1	1,075,704	1,994,127	6,776,717	1,470,521
FUND BALANCES, September 30	\$ 277,392	\$ 3,206,561	\$ 5,848,092	\$ 458,108

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	CAPITAL PROJECTS FUNDS (continued)			
	CAPITAL IMP REVENUE NOTE (CIRN) 2009 CAPITAL PROJECTS FUND	WILD SPACES PUBLIC PLACES 1/2 CENT SALES TAX CAPITAL PROJECTS FUND	WILD SPACES PUBLIC PLACES LAND ACQ. CAPITAL PROJECTS FUND	SENIOR RECREATION CENTER CAPITAL PROJECTS FUND
REVENUES				
Taxes	\$ -	\$ 4,998,710	\$ 1,249,677	\$ -
Intergovernmental	-	-	-	146,005
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	49,912	43,558	24,541	30,070
TOTAL REVENUES	49,912	5,042,268	1,274,218	176,075
EXPENDITURES				
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	143,030	2,194,282	53,830	240,965
TOTAL EXPENDITURES	143,030	2,194,282	53,830	240,965
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(93,118)	2,847,986	1,220,388	(64,890)
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	-	-	-
Bond Discount	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(1,310)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,310)	-	-
NET CHANGE IN FUND BALANCES	(93,118)	2,846,676	1,220,388	(64,890)
FUND BALANCES, October 1	2,503,653	955,748	708,204	1,487,717
FUND BALANCES, September 30	\$ 2,410,535	\$ 3,802,424	\$ 1,928,592	\$ 1,422,827

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	CAPITAL PROJECTS FUNDS (concluded)	
	CAPITAL IMP REVENUE BOND (CIRB) 2010 CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES		
Taxes	\$ -	\$ 12,172,637
Intergovernmental	-	17,048,443
Charges for Services	-	1,826,654
Fines and Forfeitures	-	252,670
Miscellaneous	<u>55</u>	<u>3,518,435</u>
TOTAL REVENUES	<u>55</u>	<u>34,818,839</u>
 EXPENDITURES		
Current:		
General Government	-	346,616
Public Safety	-	3,339,460
Physical Environment	-	731,912
Transportation	-	2,878,999
Economic Environment	-	9,446,396
Human Services	-	587,701
Culture and Recreation	-	1,870,273
Debt Service:		
Principal	-	8,511,487
Interest and Fiscal Charges	-	7,472,283
Bond Issuance Costs	-	84,974
Capital Outlay	<u>-</u>	<u>13,410,389</u>
TOTAL EXPENDITURES	<u>-</u>	<u>48,680,490</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>55</u>	 <u>(13,861,651)</u>
 OTHER FINANCING SOURCES (USES)		
Debt Issuance	-	3,036,907
Bond Discount	-	(15,320)
Transfers In	2,931,460	19,494,142
Transfers Out	<u>-</u>	<u>(5,106,656)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,931,460</u>	<u>17,409,073</u>
 NET CHANGE IN FUND BALANCES	 2,931,515	 3,547,422
 FUND BALANCES, October 1	 <u>-</u>	 <u>81,786,652</u>
 FUND BALANCES, September 30	 <u>\$ 2,931,515</u>	 <u>\$ 85,334,074</u>

(CONCLUDED)

CITY OF
GAINESVILLE
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FLORIDA



CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Intergovernmental	\$ 1,288,561	\$ -	\$ 1,288,561	\$ 2,457,809	\$ (1,169,248)
Charges for Services	6,362	-	6,362	6,362	-
Miscellaneous	15,177	-	15,177	113,176	(97,999)
TOTAL REVENUES	<u>1,310,100</u>	<u>-</u>	<u>1,310,100</u>	<u>2,577,347</u>	<u>(1,267,247)</u>
<u>EXPENDITURES</u>					
Physical Environment	45,350	2,608	47,958	322,741	274,783
Economic Environment	1,028,904	42,309	1,071,213	1,258,700	187,487
Human Services	196,088	35,368	231,456	1,107,658	876,202
TOTAL EXPENDITURES	<u>1,270,342</u>	<u>80,285</u>	<u>1,350,627</u>	<u>2,689,099</u>	<u>1,338,472</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,758	(80,285)	(40,527)	(111,752)	71,225
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(39,758)</u>	-	<u>(39,758)</u>	<u>(39,758)</u>	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (80,285)</u>	<u>\$ (80,285)</u>	<u>\$ (151,510)</u>	<u>\$ 71,225</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Principal Payments	\$ 136,132	\$ -	\$ 140,272	\$ 136,132	\$ 4,140
Investment Income	<u>20,619</u>	<u>-</u>	<u>16,479</u>	<u>20,619</u>	<u>(4,140)</u>
TOTAL REVENUES	156,751	-	156,751	156,751	-
<u>EXPENDITURES</u>					
Culture and Recreation	<u>71,609</u>	<u>-</u>	<u>71,609</u>	<u>782,515</u>	<u>710,906</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 85,142	\$ -	\$ 85,142	\$ (625,764)	\$ 710,906

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
HOME GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Intergovernmental	\$ 145,232	\$ -	\$ 145,232	\$ 1,816,106	\$ (1,670,874)
Miscellaneous	<u>341,332</u>	<u>-</u>	<u>341,332</u>	<u>341,275</u>	<u>57</u>
TOTAL REVENUES	486,564	-	486,564	2,157,381	(1,670,817)
<u>EXPENDITURES</u>					
Economic Environment	<u>482,179</u>	<u>400,811</u>	<u>882,990</u>	<u>2,383,569</u>	<u>1,500,579</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,385	(400,811)	(396,426)	(226,188)	(170,238)
<u>OTHER FINANCING USES</u>					
Transfer Out	<u>(4,385)</u>	<u>-</u>	<u>(4,385)</u>	<u>(4,385)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ -	\$ (400,811)	\$ (400,811)	\$ (230,573)	\$ (170,238)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CULTURAL AND NATURE PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Entry Fees and Ticket Sales	\$ 338,531	\$ -	\$ 338,531	\$ 342,512	\$ (3,981)
Miscellaneous:					
Donations	28,034	-	28,034	30,100	(2,066)
Other Miscellaneous	15,460	-	15,460	12,000	3,460
Total Miscellaneous	<u>43,494</u>	<u>-</u>	<u>43,494</u>	<u>42,100</u>	<u>1,394</u>
TOTAL REVENUES	382,025	-	382,025	384,612	(2,587)
<u>EXPENDITURES</u>					
Culture and Recreation	<u>434,932</u>	<u>-</u>	<u>434,932</u>	<u>446,804</u>	<u>11,872</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (52,907)	\$ -	\$ (52,907)	\$ (62,192)	\$ 9,285

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STATE LAW ENFORCEMENT CONTRABAND FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Intergovernmental	\$ (414)	\$ -	\$ (414)	\$ -	\$ (414)
Fines and Forfeitures:					
Confiscated Property	85,622	-	85,622	-	85,622
Miscellaneous:					
Investment Income	4,382	-	4,382	-	4,382
Other Miscellaneous	<u>6,252</u>	<u>-</u>	<u>6,252</u>	<u>-</u>	<u>6,252</u>
Total Miscellaneous	<u>10,634</u>	<u>-</u>	<u>10,634</u>	<u>-</u>	<u>10,634</u>
TOTAL REVENUES	95,842	-	95,842	-	95,842
 <u>EXPENDITURES</u>					
Public Safety	<u>51,524</u>	<u>-</u>	<u>51,524</u>	<u>93,978</u>	<u>42,454</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 44,318</u>	<u>\$ -</u>	<u>\$ 44,318</u>	<u>\$ (93,978)</u>	<u>\$ 138,296</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Fines and Forfeitures:					
Confiscated Property	\$ 78,815	\$ -	\$ 78,815	\$ -	\$ 78,815
Miscellaneous:					
Investment Income	<u>83,604</u>	<u>-</u>	<u>83,604</u>	<u>-</u>	<u>83,604</u>
TOTAL REVENUES	162,419	-	162,419	-	162,419
<u>EXPENDITURES</u>					
Public Safety	<u>313,825</u>	<u>-</u>	<u>313,825</u>	<u>483,804</u>	<u>169,979</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(151,406)	-	(151,406)	(483,804)	332,398
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(363,956)</u>	<u>-</u>	<u>(363,956)</u>	<u>(2,349,815)</u>	<u>1,985,859</u>
NET CHANGE IN FUND BALANCES	\$ (515,362)	\$ -	\$ (515,362)	\$ (2,833,619)	\$ 2,318,257

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
POLICE BILLABLE OVERTIME FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Billable Overtime	\$ 621,025	\$ -	\$ 621,025	\$ 582,750	\$ 38,275
<u>EXPENDITURES</u>					
Public Safety	<u>634,848</u>	<u>-</u>	<u>634,848</u>	<u>634,848</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (13,823)</u>	<u>\$ -</u>	<u>\$ (13,823)</u>	<u>\$ (52,098)</u>	<u>\$ 38,275</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Rental Income	\$ 245,407	\$ -	\$ 245,407	\$ 190,000	\$ 55,407
Investment Income	<u>3,572</u>	<u>-</u>	<u>3,572</u>	<u>7,500</u>	<u>(3,928)</u>
Total Miscellaneous Revenue	<u>248,979</u>	<u>-</u>	<u>248,979</u>	<u>197,500</u>	<u>51,479</u>
TOTAL REVENUES	248,979	-	248,979	197,500	51,479
<u>EXPENDITURES</u>					
Economic Environment	<u>237,195</u>	<u>-</u>	<u>237,195</u>	<u>538,975</u>	<u>301,780</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 11,784	\$ -	\$ 11,784	\$ (341,475)	\$ 353,259

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
EVERGREEN CEMETERY TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services	\$ 2,452	\$ -	\$ 2,452	\$ 15,000	\$ (12,548)
Miscellaneous:					
Investment Income	<u>132,548</u>	<u>-</u>	<u>132,548</u>	<u>61,670</u>	<u>70,878</u>
TOTAL REVENUES	135,000	-	135,000	76,670	58,330
<u>EXPENDITURES</u>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	135,000	-	135,000	76,670	58,330
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(43,269)</u>	<u>-</u>	<u>(43,269)</u>	<u>(43,269)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 91,731</u>	<u>\$ -</u>	<u>\$ 91,731</u>	<u>\$ 33,401</u>	<u>\$ 58,330</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
THOMAS CENTER TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Investment Income	\$ 24	\$ -	\$ 24	\$ -	\$ 24
<u>EXPENDITURES</u>					
Culture and Recreation	<u>2,604</u>	<u>-</u>	<u>2,604</u>	<u>2,616</u>	<u>12</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,580)</u>	<u>\$ -</u>	<u>\$ (2,580)</u>	<u>\$ (2,616)</u>	<u>\$ 36</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SCHOOL CROSSING GUARD TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Fines and Forfeitures	\$ 36,302	\$ -	\$ 36,302	\$ 20,605	\$ 15,697
Miscellaneous:					
Investment Income	<u>1,101</u>	<u>-</u>	<u>1,101</u>	<u>-</u>	<u>1,101</u>
TOTAL REVENUES	37,403	-	37,403	20,605	16,798
<u>EXPENDITURES</u>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	37,403	-	37,403	20,605	16,798
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(20,605)</u>	<u>-</u>	<u>(20,605)</u>	<u>(20,605)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ 16,798	\$ -	\$ 16,798	\$ -	\$ 16,798

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ART IN PUBLIC PLACES TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Contributions and Donations	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -
Investment Income	(178)	-	(178)	32	(210)
Total Miscellaneous	<u>99,822</u>	<u>-</u>	<u>99,822</u>	<u>100,032</u>	<u>(210)</u>
TOTAL REVENUES	99,822	-	99,822	100,032	(210)
<u>EXPENDITURES</u>					
Culture and Recreation	<u>42,164</u>	<u>-</u>	<u>42,164</u>	<u>185,254</u>	<u>143,090</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>57,658</u>	<u>-</u>	<u>57,658</u>	<u>(85,222)</u>	<u>142,880</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	48,142	-	48,142	50,165	(2,023)
Transfers Out	<u>(9,000)</u>	<u>-</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>39,142</u>	<u>-</u>	<u>39,142</u>	<u>41,165</u>	<u>(2,023)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 96,800</u>	<u>\$ -</u>	<u>\$ 96,800</u>	<u>\$ (44,057)</u>	<u>\$ 140,857</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1996
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ (3,551)	\$ 12,000	\$ (15,551)
<u>EXPENDITURES</u>			
Debt Service:			
Principal	490,000	490,000	-
Interest and Fiscal Charges	29,483	29,483	-
TOTAL EXPENDITURES	519,483	519,483	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(523,034)	(507,483)	(15,551)
<u>OTHER FINANCING SOURCES</u>			
Transfers In	8,104	8,104	-
NET CHANGE IN FUND BALANCES	\$ (514,930)	\$ (499,379)	\$ (15,551)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1998
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 12,119</u>	<u>\$ 2,000</u>	<u>\$ 10,119</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	1,050,000	1,050,000	-
Interest and Fiscal Charges	<u>166,621</u>	<u>167,050</u>	<u>429</u>
TOTAL EXPENDITURES	<u>1,216,621</u>	<u>1,217,050</u>	<u>429</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,204,502)	(1,215,050)	10,548
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>1,216,050</u>	<u>1,216,050</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 11,548</u>	<u>\$ 1,000</u>	<u>\$ 10,548</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2002
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 5,626</u>	<u>\$ -</u>	<u>\$ 5,626</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	425,000	425,000	-
Interest and Fiscal Charges	<u>362,121</u>	<u>362,123</u>	<u>2</u>
TOTAL EXPENDITURES	<u>787,121</u>	<u>787,123</u>	<u>2</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(781,495)	(787,123)	5,628
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>786,741</u>	<u>786,741</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,246</u>	<u>\$ (382)</u>	<u>\$ 5,628</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2005
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 3,299	\$ -	\$ 3,299
<u>EXPENDITURES</u>			
Debt Service:			
Principal	225,000	225,000	-
Interest and Fiscal Charges	189,990	189,991	1
TOTAL EXPENDITURES	414,990	414,991	1
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(411,691)	(414,991)	3,300
<u>OTHER FINANCING SOURCES</u>			
Transfers In	414,772	414,772	-
NET CHANGE IN FUND BALANCES	\$ 3,081	\$ (219)	\$ 3,300

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2007
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ <u>736</u>	\$ <u>-</u>	\$ <u>736</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	55,000	55,000	-
Interest and Fiscal Charges	<u>60,445</u>	<u>60,446</u>	<u>1</u>
TOTAL EXPENDITURES	<u>115,445</u>	<u>115,446</u>	<u>1</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(114,709)	(115,446)	737
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>115,405</u>	<u>115,405</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 696</u>	<u>\$ (41)</u>	<u>\$ 737</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 2004
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental:			
State Revenue Sharing	\$ 1,040,563	\$ 1,040,563	\$ -
Miscellaneous:			
Investment Income	<u>11,240</u>	<u>18,000</u>	<u>(6,760)</u>
TOTAL REVENUES	<u>1,051,803</u>	<u>1,058,563</u>	<u>(6,760)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	700,000	700,000	-
Interest and Fiscal Charges	<u>341,163</u>	<u>341,563</u>	<u>400</u>
TOTAL EXPENDITURES	<u>1,041,163</u>	<u>1,041,563</u>	<u>400</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 10,640</u>	<u>\$ 17,000</u>	<u>\$ (6,360)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003A
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental:			
Local Cost Sharing - GRU	\$ 1,028,884	\$ 1,028,884	\$ -
Other Local Cost Sharing	<u>7,098</u>	<u>11,459</u>	<u>(4,361)</u>
Total Intergovernmental	1,035,982	1,040,343	(4,361)
Miscellaneous:			
Investment Income	<u>10,221</u>	<u>3,000</u>	<u>7,221</u>
TOTAL REVENUES	<u>1,046,203</u>	<u>1,043,343</u>	<u>2,860</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	478,454	478,454	-
Interest & Fiscal Charges	<u>1,277,321</u>	<u>1,277,321</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,755,775</u>	<u>1,755,775</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(709,572)	(712,432)	2,860
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>714,534</u>	<u>714,534</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,962</u>	<u>\$ 2,102</u>	<u>\$ 2,860</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003B
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 11,941</u>	<u>\$ 1,000</u>	<u>\$ 10,941</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	546,805	546,805	-
Interest & Fiscal Charges	<u>2,547,115</u>	<u>2,548,116</u>	<u>1,001</u>
TOTAL EXPENDITURES	<u>3,093,920</u>	<u>3,094,921</u>	<u>1,001</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,081,979)	(3,093,921)	11,942
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>3,093,921</u>	<u>3,093,921</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 11,942</u>	<u>\$ -</u>	<u>\$ 11,942</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
OTHER POST EMPLOYMENT (OPEB) BONDS 2005
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental:			
Local Cost Sharing - GRU	\$ 2,063,382	\$ 2,063,382	\$ -
Other Local Cost Sharing	<u>11,181</u>	<u>11,182</u>	<u>(1)</u>
Total Intergovernmental	2,074,563	2,074,564	(1)
Miscellaneous:			
Investment Income	<u>36,048</u>	<u>7,000</u>	<u>29,048</u>
TOTAL REVENUES	<u>2,110,611</u>	<u>2,081,564</u>	<u>29,047</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	3,585,000	3,585,000	-
Interest and Fiscal Charges	<u>1,113,474</u>	<u>1,117,474</u>	<u>4,000</u>
TOTAL EXPENDITURES	<u>4,698,474</u>	<u>4,702,474</u>	<u>4,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,587,863)	(2,620,910)	33,047
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>2,621,292</u>	<u>2,621,292</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 33,429</u>	<u>\$ 382</u>	<u>\$ 33,047</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE BOND (CIRB) - SERIES 2005
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 9,820</u>	<u>\$ 1,000</u>	<u>\$ 8,820</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	885,000	885,000	-
Interest and Fiscal Charges	<u>841,168</u>	<u>841,869</u>	<u>701</u>
TOTAL EXPENDITURES	<u>1,726,168</u>	<u>1,726,869</u>	<u>701</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,716,348)	(1,725,869)	9,521
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>1,725,869</u>	<u>1,725,869</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 9,521</u>	<u>\$ -</u>	<u>\$ 9,521</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GPD ENERGY CONSERVATION MASTER LEASE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ <u>25</u>	\$ <u>-</u>	\$ <u>25</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	71,228	70,980	(248)
Interest and Fiscal Charges	<u>30,164</u>	<u>30,413</u>	<u>249</u>
TOTAL EXPENDITURES	<u>101,392</u>	<u>101,393</u>	<u>1</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (101,367)	 (101,393)	 26
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>101,393</u>	<u>101,393</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 \$ <u>26</u>	 \$ <u>-</u>	 \$ <u>26</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) - SERIES 2009
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income (Loss)	\$ (5,833)	\$ 4,500	\$ (10,333)
<u>EXPENDITURES</u>			
Debt Service:			
Interest and Fiscal Charges	<u>490,243</u>	<u>556,198</u>	<u>65,955</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(496,076)	(551,698)	55,622
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>556,198</u>	<u>556,198</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 60,122</u>	<u>\$ 4,500</u>	<u>\$ 55,622</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE BOND (CIRB) - SERIES 2010
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ <u>5,385</u>	\$ <u>-</u>	\$ <u>5,385</u>
<u>EXPENDITURES</u>			
Debt Service:			
Interest and Fiscal Charges	22,975	22,976	1
Bond Issuance Costs	<u>84,974</u>	<u>94,083</u>	<u>9,109</u>
TOTAL EXPENDITURES	<u>107,949</u>	<u>117,059</u>	<u>9,110</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(102,564)</u>	<u>(117,059)</u>	<u>14,495</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Debt Issuance	3,036,907	3,036,908	(1)
Transfers Out	(2,931,460)	(2,931,460)	-
Bond Discount	(15,320)	(11,365)	(3,955)
Transfers In	<u>22,976</u>	<u>22,976</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>113,103</u>	<u>117,059</u>	<u>(3,956)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 10,539</u>	<u>\$ -</u>	<u>\$ 10,539</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 ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2010

	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 150	\$ -	\$ 3,400
Equity in Pooled Cash and Investments	-	4,171,634	-
Receivables	4,383,549	1,374,601	1,400
Due from Other Funds	-	5,672,296	-
Inventories	<u>664,813</u>	<u>-</u>	<u>71,998</u>
Total Current Assets	<u>5,048,512</u>	<u>11,218,531</u>	<u>76,798</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	3,686,149	10,492	474,140
Improvements other than buildings	941,301	-	179,863
Machinery and equipment	16,429,870	189,623	2,053
Infrastructure	-	8,354,235	-
Capital Assets (not depreciated):			
Land	1,311,464	3,160,526	520,265
Construction in progress	<u>251,759</u>	<u>6,391,007</u>	<u>1,086,278</u>
Total Noncurrent Assets	<u>22,620,543</u>	<u>18,105,883</u>	<u>2,262,599</u>
TOTAL ASSETS	<u>27,669,055</u>	<u>29,324,414</u>	<u>2,339,397</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	319,662	76,972	88,095
Accounts Payable - Payroll	365,542	82,960	5,402
Due to Other Funds	3,005,460	-	2,266,420
Current Portion of Long-term Debt	<u>15,649</u>	<u>274,273</u>	<u>50,140</u>
Total Current Liabilities	3,706,313	434,205	2,410,057
Noncurrent Liabilities:			
Long-Term Debt	<u>391,214</u>	<u>1,761,293</u>	<u>1,271,615</u>
Total Noncurrent Liabilities	<u>391,214</u>	<u>1,761,293</u>	<u>1,271,615</u>
TOTAL LIABILITIES	<u>4,097,527</u>	<u>2,195,498</u>	<u>3,681,672</u>
 <u>NET ASSETS</u>			
Invested in capital assets	22,620,543	18,105,883	2,262,599
Restricted for:			
RTS Grant	468,600	-	-
Unrestricted	<u>482,385</u>	<u>9,023,033</u>	<u>(3,604,874)</u>
TOTAL NET ASSETS	<u>\$ 23,571,528</u>	<u>\$ 27,128,916</u>	<u>\$ (1,342,275)</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2010

	<u>FLORIDA BUILDING CODE ENFORCEMENT FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,550
Equity in Pooled Cash and Investments	3,630,434	1,804,174	9,606,242
Receivables	-	302,609	6,062,159
Due from Other Funds	-	526,776	6,199,072
Inventories	-	-	736,811
Total Current Assets	<u>3,630,434</u>	<u>2,633,559</u>	<u>22,607,834</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation)			
Buildings	-	-	4,170,781
Improvements other than buildings	-	-	1,121,164
Machinery and equipment	245,721	5,147	16,872,414
Infrastructure	-	-	8,354,235
Capital Assets (not depreciated):			
Land	-	100,989	5,093,244
Construction in progress	-	291,874	8,020,918
Total Noncurrent Assets	<u>245,721</u>	<u>398,010</u>	<u>43,632,756</u>
TOTAL ASSETS	<u>3,876,155</u>	<u>3,031,569</u>	<u>66,240,590</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	59,766	485,191	1,029,686
Accounts Payable - Payroll	48,829	21,944	524,677
Due to Other Funds	-	-	5,271,880
Current Portion of Long-term Debt	<u>3,700</u>	<u>25,337</u>	<u>369,099</u>
Total Current Liabilities	112,295	532,472	7,195,342
Noncurrent Liabilities:			
Long-Term Debt	<u>92,513</u>	<u>753,345</u>	<u>4,269,980</u>
Total Noncurrent Liabilities	<u>92,513</u>	<u>753,345</u>	<u>4,269,980</u>
TOTAL LIABILITIES	<u>204,808</u>	<u>1,285,817</u>	<u>11,465,322</u>
 <u>NET ASSETS</u>			
Invested in capital assets	245,721	398,010	43,632,756
Restricted for:			
RTS Grant	-	-	468,600
Unrestricted	<u>3,425,626</u>	<u>1,347,742</u>	<u>10,673,912</u>
TOTAL NET ASSETS	<u>\$ 3,671,347</u>	<u>\$ 1,745,752</u>	<u>\$ 54,775,268</u>

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
<u>OPERATING REVENUES</u>			
Sales and Service Charges	\$ 11,225,191	\$ 6,607,601	\$ 345,216
Other Operating Revenues	244,883	-	-
TOTAL OPERATING REVENUES	<u>11,470,074</u>	<u>6,607,601</u>	<u>345,216</u>
<u>OPERATING EXPENSES</u>			
Operations and Maintenance	16,670,887	4,305,130	772,515
Administrative and General	1,128,151	952,443	464,733
Depreciation and Amortization	2,358,987	217,813	59,122
TOTAL OPERATING EXPENSES	<u>20,158,025</u>	<u>5,475,386</u>	<u>1,296,370</u>
OPERATING INCOME (LOSS)	<u>(8,687,951)</u>	<u>1,132,215</u>	<u>(951,154)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Investment Income /(Loss)	(62,229)	171,960	(63,680)
Interest Expense	-	(27,688)	(9,934)
Gain on Disposal of Capital Assets	113,085	-	-
Local Option Gas Tax	1,999,146	-	-
Operating Grants	10,839,982	821,680	-
TOTAL NON OPERATING REVENUE(EXPENSES)	<u>12,889,984</u>	<u>965,952</u>	<u>(73,614)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,202,033	2,098,167	(1,024,768)
Capital Contributions	690,476	454,169	-
Transfers In	540,285	48,894	1,693,537
Transfers Out	(512,777)	(439,411)	(210,419)
CHANGE IN NET ASSETS	4,920,017	2,161,819	458,350
TOTAL NET ASSETS			
October 1	<u>18,651,511</u>	<u>24,967,097</u>	<u>(1,800,625)</u>
TOTAL NET ASSETS			
September 30	<u>\$ 23,571,528</u>	<u>\$ 27,128,916</u>	<u>\$ (1,342,275)</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<u>OPERATING REVENUES</u>			
Sales and Service Charges	\$ 2,208,617	\$ 8,230,942	\$ 28,617,567
Other Operating Revenues	-	-	244,883
TOTAL OPERATING REVENUES	<u>2,208,617</u>	<u>8,230,942</u>	<u>28,862,450</u>
<u>OPERATING EXPENSES</u>			
Operations and Maintenance	1,781,313	6,562,759	30,092,604
Administrative and General	246,358	530,108	3,321,793
Depreciation and Amortization	325,614	6,805	2,968,341
TOTAL OPERATING EXPENSES	<u>2,353,285</u>	<u>7,099,672</u>	<u>36,382,738</u>
OPERATING INCOME (LOSS)	<u>(144,668)</u>	<u>1,131,270</u>	<u>(7,520,288)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Investment Income /(Loss)	60,900	9,738	116,689
Interest Expense	-	-	(37,622)
Gain on Disposal of Capital Assets	-	-	113,085
Local Option Gas Tax	-	-	1,999,146
Operating Grants	-	-	11,661,662
TOTAL NON OPERATING REVENUE(EXPENSES)	<u>60,900</u>	<u>9,738</u>	<u>13,852,960</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(83,768)</u>	<u>1,141,008</u>	<u>6,332,672</u>
Capital Contributions	-	-	1,144,645
Transfers In	-	6,400	2,289,116
Transfers Out	(53,608)	(708,830)	(1,925,045)
CHANGE IN NET ASSETS	<u>(137,376)</u>	<u>438,578</u>	<u>7,841,388</u>
TOTAL NET ASSETS			
October 1	<u>3,808,723</u>	<u>1,307,174</u>	<u>46,933,880</u>
TOTAL NET ASSETS			
September 30	<u>\$ 3,671,347</u>	<u>\$ 1,745,752</u>	<u>\$ 54,775,268</u>

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 11,816,692	\$ 6,106,493	\$ 345,216
Cash Paid to Suppliers	(7,571,344)	(2,342,751)	(1,788,454)
Cash Paid to Employees	(9,940,085)	(2,726,396)	(197,158)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,694,737)</u>	<u>1,037,346</u>	<u>(1,640,396)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	1,999,146	-	-
Operating Grants	10,149,506	367,511	-
Interest Paid	(62,229)	-	(63,680)
Transfers from Other Funds	540,285	48,894	1,693,537
Transfers to Other Funds	(512,777)	(439,411)	(210,419)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>12,113,931</u>	<u>(23,006)</u>	<u>1,419,438</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Repayments on Long-Term Debt	-	(242,828)	-
Proceeds from Sale of Capital Assets	113,085	-	-
Interest Paid on Long-Term Debt	-	(27,688)	(9,934)
Capital Contributions	690,476	454,169	-
Acquisition and Construction of Capital Assets	(7,225,855)	(996,932)	(1,086,279)
Proceeds from Debt issued	-	-	1,313,093
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(6,422,294)</u>	<u>(813,279)</u>	<u>216,880</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	-	171,960	-
Purchase of Investments	-	(767,581)	-
Proceeds from Investment Maturities	-	2,090,377	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>1,494,756</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	<u>(3,100)</u>	<u>1,695,817</u>	<u>(4,078)</u>
CASH - OCTOBER 1	<u>3,250</u>	<u>1,708,236</u>	<u>7,478</u>
CASH - SEPTEMBER 30	<u>\$ 150</u>	<u>\$ 3,404,053</u>	<u>\$ 3,400</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 2,208,617	\$ 8,221,114	\$ 28,698,132
Cash Paid to Suppliers	(424,025)	(6,615,690)	(18,742,264)
Cash Paid to Employees	(1,568,874)	(623,783)	(15,056,296)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>215,718</u>	<u>981,641</u>	<u>(5,100,428)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	-	-	1,999,146
Operating Grants	-	-	10,517,017
Interest Paid	-	-	(125,909)
Transfers from Other Funds	-	6,400	2,289,116
Transfers to Other Funds	(53,608)	(708,830)	(1,925,045)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>(53,608)</u>	<u>(702,430)</u>	<u>12,754,325</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Repayments on Long-Term Debt	-	-	(242,828)
Proceeds from Sale of Capital Assets	-	-	113,085
Interest Paid on Long-Term Debt	-	-	(37,622)
Capital Contributions	-	-	1,144,645
Acquisition and Construction of Capital Assets	(43,410)	(291,874)	(9,644,350)
Proceeds from Debt issued	-	-	1,313,093
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(43,410)</u>	<u>(291,874)</u>	<u>(7,353,977)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	60,900	9,738	242,598
Purchase of Investments	(668,000)	(331,968)	(1,767,549)
Proceeds from Investment Maturities	1,898,994	994,447	4,983,818
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,291,894</u>	<u>672,217</u>	<u>3,458,867</u>
NET INCREASE (DECREASE) IN CASH	1,410,594	659,554	3,758,787
CASH - OCTOBER 1	<u>1,551,840</u>	<u>812,652</u>	<u>4,083,456</u>
CASH - SEPTEMBER 30	<u>\$ 2,962,434</u>	<u>\$ 1,472,206</u>	<u>\$ 7,842,243</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
OPERATING INCOME (LOSS)	\$ (8,687,951)	\$ 1,132,215	\$ (951,154)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	2,358,987	217,813	59,122
(Increase)/Decrease in Receivables	346,618	(501,108)	-
(Increase)/Decrease in Due from Other Funds	4,706	304,294	-
(Increase)/Decrease in Inventories	78,685	-	(50,875)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	154,414	47,335	57,025
Increase/(Decrease) in Due to Other Funds	49,804	(163,203)	(754,514)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (5,694,737)	\$ 1,037,346	\$ (1,640,396)

**RECONCILIATION OF CASH TO
STATEMENT OF NET ASSETS**

Cash	\$ 150	\$ 3,404,053	\$ 3,400
Investments	-	767,581	-
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 150	\$ 4,171,634	\$ 3,400

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Contribution of Capital Assets	\$ 29,994	\$ -	\$ -
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CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING INCOME (LOSS)	\$ (144,668)	\$ 1,131,270	\$ (7,520,288)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	325,614	6,805	2,968,341
(Increase)/Decrease in Receivables	-	(9,828)	(164,318)
(Increase)/Decrease in Due from Other Funds	-	(161,141)	147,859
(Increase)/Decrease in Inventories	-	-	27,810
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	34,772	14,535	308,081
Increase/(Decrease) in Due to Other Funds	-	-	(867,913)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 215,718	\$ 981,641	\$ (5,100,428)
 RECONCILIATION OF CASH TO STATEMENT OF NET ASSETS			
Cash	\$ 2,962,434	\$ 1,472,206	\$ 7,842,243
Investments	668,000	331,968	1,767,549
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 3,630,434	\$ 1,804,174	\$ 9,609,792
 NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES			
Contribution of Capital Assets	\$ -	\$ -	\$ 29,994

CITY OF
GAINESVILLE
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FLORIDA



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 ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2010

	<u>GENERAL INSURANCE FUND</u>	<u>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u>	<u>FLEET MANAGEMENT FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 88,000	\$ -	\$ 88,000
Equity in Pooled Cash and Investments	12,206,489	4,571,845	6,979,883	23,758,217
Receivables	-	-	98	98
Due from Other Funds	193,173	-	203,113	396,286
Inventories	-	-	107,012	107,012
Prepaid Expenses	18,323	-	-	18,323
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	12,417,985	4,659,845	7,290,106	24,367,936
Noncurrent Assets:				
Capital Assets (net of accumulated depreciation):				
Buildings	-	-	26,049	26,049
Improvements other than Buildings	-	-	19	19
Machinery and Equipment	28,412	1,901	6,735,939	6,766,252
Capital Assets (non depreciable):				
Land	-	-	1,738,293	1,738,293
Construction in Progress	-	-	7,350	7,350
	<hr/>	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	28,412	1,901	8,507,650	8,537,963
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	12,446,397	4,661,746	15,797,756	32,905,899
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	7,717,851	2,076,408	135,470	9,929,729
Accounts Payable - Payroll	34,468	2,976	43,461	80,905
Current Portion of Long Term Debt	1,629	58	2,318	4,005
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	7,753,948	2,079,442	181,249	10,014,639
Noncurrent Liabilities:				
Long-Term Debt	40,732	1,439	57,955	100,126
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	7,794,680	2,080,881	239,204	10,114,765
<u>NET ASSETS</u>				
Invested in Capital Assets	28,412	1,901	8,507,650	8,537,963
Unrestricted	4,623,305	2,578,964	7,050,902	14,253,171
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 4,651,717	\$ 2,580,865	\$ 15,558,552	\$ 22,791,134
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>OPERATING REVENUES</u>				
Sales and Service Charges	\$ 6,098,140	\$ 4,633,909	\$ 6,593,590	\$ 17,325,639
Employer Contributions	-	9,361,058	-	9,361,058
Employee Contributions	-	4,680,229	-	4,680,229
Other Operating Revenues	-	235,321	-	235,321
TOTAL OPERATING REVENUES	6,098,140	18,910,517	6,593,590	31,602,247
<u>OPERATING EXPENSES</u>				
Operations and Maintenance	5,513,036	-	3,803,532	9,316,568
Administrative and General	899,010	401,615	675,025	1,975,650
Depreciation and Amortization	10,464	1,773	1,986,957	1,999,194
Benefits Paid and Other Expenses	-	19,441,420	-	19,441,420
TOTAL OPERATING EXPENSES	6,422,510	19,844,808	6,465,514	32,732,832
OPERATING INCOME (LOSS)	(324,370)	(934,291)	128,076	(1,130,585)
<u>NON OPERATING REVENUES</u>				
Interest Income	217,870	70,946	122,005	410,821
Gain on Disposal of Capital Assets	-	-	151,663	151,663
TOTAL NON OPERATING REVENUES	217,870	70,946	273,668	562,484
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(106,500)	(863,345)	401,744	(568,101)
Capital Contributions	-	-	33,978	33,978
Transfers Out	(32,173)	(10,545)	(110,360)	(153,078)
CHANGE IN NET ASSETS	(138,673)	(873,890)	325,362	(687,201)
TOTAL NET ASSETS, October 1	4,790,390	3,454,755	15,233,190	23,478,335
TOTAL NET ASSETS, September 30	\$ 4,651,717	\$ 2,580,865	\$ 15,558,552	\$ 22,791,134

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>GENERAL INSURANCE FUND</u>	<u>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u>	<u>FLEET MANAGEMENT FUND</u>	<u>TOTALS</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 6,098,287	\$ 18,910,517	\$ 6,598,291	\$ 31,607,095
Cash Paid to Suppliers	(5,050,728)	(19,030,327)	(3,026,554)	(27,107,609)
Cash Paid to Employees	(1,444,194)	(100,302)	(1,453,344)	(2,997,840)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(396,635)</u>	<u>(220,112)</u>	<u>2,118,393</u>	<u>1,501,646</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers to Other Funds	(32,173)	(10,545)	(110,360)	(153,078)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(32,173)</u>	<u>(10,545)</u>	<u>(110,360)</u>	<u>(153,078)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Proceeds from Sale of Capital Assets	-	-	151,663	151,663
Acquisition and Construction of Capital Assets	-	-	(1,751,859)	(1,751,859)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(1,600,196)</u>	<u>(1,600,196)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Received	217,870	70,946	122,005	410,821
Purchase of Investments	(2,245,994)	(841,219)	(1,284,298)	(4,371,511)
Proceeds from Investment Maturities	6,833,310	2,603,775	3,549,458	12,986,543
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4,805,186</u>	<u>1,833,502</u>	<u>2,387,165</u>	<u>9,025,853</u>
NET INCREASE IN CASH	4,376,378	1,602,845	2,795,002	8,774,225
CASH - OCTOBER 1	<u>5,584,117</u>	<u>2,215,781</u>	<u>2,900,583</u>	<u>10,700,481</u>
CASH - SEPTEMBER 30	<u>\$ 9,960,495</u>	<u>\$ 3,818,626</u>	<u>\$ 5,695,585</u>	<u>\$ 19,474,706</u>

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
OPERATING INCOME (LOSS)	\$ (324,370)	\$ (934,291)	\$ 128,076	\$ (1,130,585)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation and Amortization	10,464	1,773	1,986,957	1,999,194
(Increase)/Decrease in Receivables	147	-	4,701	4,848
(Increase)/Decrease in Due from Other Funds	10,218	-	4,441	14,659
(Increase)/Decrease in Inventories	-	-	2,648	2,648
(Increase)/Decrease in Prepaid Expenses	(957)	-	-	(957)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(92,137)	712,406	(8,430)	611,839
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (396,635)	\$ (220,112)	\$ 2,118,393	\$ 1,501,646

**RECONCILIATION OF CASH TO
STATEMENT OF NET ASSETS**

Cash	\$ 9,960,495	\$ 3,818,626	\$ 5,695,585	\$ 19,474,706
Investments	2,245,994	841,219	1,284,298	4,371,511
TOTAL CASH AND EQUITY IN POOL PER STATEMENT OF NET ASSETS	\$ 12,206,489	\$ 4,659,845	\$ 6,979,883	\$ 23,846,217

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Contribution of Capital Assets	\$ -	\$ -	\$ 33,978	\$ 33,978
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(concluded)

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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 ASSETS
PENSION AND OPEB TRUST FUNDS
SEPTEMBER 30, 2010

	EMPLOYEES PENSION FUND	EMPLOYEES DISABILITY PENSION FUND	POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT FUND	OTHER POST- EMPLOYMENT BENEFITS (OPEB) FUND	TOTALS
ASSETS					
Cash and Cash Equivalents	\$ 2,346,428	\$ 175,397	\$ 4,011,475	\$ 1,496,404	\$ 8,029,704
Equity in Pooled Cash and Investments	771,670	276,922	1,258,373	829,090	3,136,055
Receivables	-	-	1,180,604	-	1,180,604
Investments, at fair value:					
Equities	191,042,261	3,804,823	115,429,963	32,583,309	342,860,356
Real Estate	15,558,454	-	7,968,840	-	23,527,294
Alternative Investments	23,571,707	433,355	17,202,762	4,096,631	45,304,455
Fixed Income:					
Government Bonds	974,564	694,945	573,826	6,589,028	8,832,363
Corporate Bonds	7,856,766	-	8,632,687	-	16,489,453
Mortgage & Asset Backed Securities	1,926,783	75,112	1,905,039	708,656	4,615,590
Total investments, at fair value:	<u>240,930,535</u>	<u>5,008,235</u>	<u>151,713,117</u>	<u>43,977,624</u>	<u>441,629,511</u>
Investment Adjustments:					
Dividends Receivable	85,104	-	70,361	-	155,465
Interest Receivable	125,755	-	131,893	-	257,648
Receivable for Investments Sold	152,989	-	119,975	-	272,964
Payable for Investments Purchased	(335,930)	-	(233,194)	-	(569,124)
Total investment adjustments	<u>27,918</u>	<u>-</u>	<u>89,035</u>	<u>-</u>	<u>116,953</u>
TOTAL ASSETS	<u>244,076,551</u>	<u>5,460,554</u>	<u>158,252,604</u>	<u>46,303,118</u>	<u>454,092,827</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	<u>7,250</u>	<u>785</u>	<u>2,196</u>	<u>315</u>	<u>10,546</u>
TOTAL LIABILITIES	<u>7,250</u>	<u>785</u>	<u>2,196</u>	<u>315</u>	<u>10,546</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS	<u>\$ 244,069,301</u>	<u>\$ 5,459,769</u>	<u>\$ 158,250,408</u>	<u>\$ 46,302,803</u>	<u>\$ 454,082,281</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OPEB TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	EMPLOYEES PENSION FUND	EMPLOYEES DISABILITY PENSION FUND	POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT FUND	OTHER POST- EMPLOYMENT BENEFITS (OPEB) FUND	TOTALS
ADDITIONS:					
Contributions:					
Employer Contributions:					
Required	\$ 4,431,480	\$ 478,115	\$ 1,606,360	\$ 2,220,742	\$ 8,736,697
State on Behalf Payments, through General Fund	-	-	1,180,604	-	1,180,604
Total Employer Contributions	4,431,480	478,115	2,786,964	2,220,742	9,917,301
Employee Contributions	6,329,500	-	2,884,651	2,290,038	11,504,189
Total Contributions	10,760,980	478,115	5,671,615	4,510,780	21,421,490
Investment Income:					
Net Appreciation in Fair Value of Investments	21,878,489	441,986	14,696,662	3,779,115	40,796,252
Dividends & Interest	2,446,663	116,488	1,806,876	1,190,238	5,560,265
Total Investment Income	24,325,152	558,474	16,503,538	4,969,353	46,356,517
Less Investment Expense	1,203,649	42,392	1,069,374	347,591	2,663,006
Net Investment Income	23,121,503	516,082	15,434,164	4,621,762	43,693,511
TOTAL ADDITIONS	33,882,483	994,197	21,105,779	9,132,542	65,115,001
DEDUCTIONS:					
Benefit Payments	21,534,547	268,829	10,934,256	6,432,740	39,170,372
Refunds of Contributions	221,221	-	337,231	-	558,452
Administrative Expenses	623,223	35,850	304,516	43,710	1,007,299
TOTAL DEDUCTIONS	22,378,991	304,679	11,576,003	6,476,450	40,736,123
CHANGE IN NET ASSETS	11,503,492	689,518	9,529,776	2,656,092	24,378,878
NET ASSETS - beginning	232,565,809	4,770,251	148,720,632	43,646,711	429,703,403
NET ASSETS - ending	\$ 244,069,301	\$ 5,459,769	\$ 158,250,408	\$ 46,302,803	\$ 454,082,281

CITY OF
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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.

Schedules	Page
<u>Financial Trends</u> <i>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.</i>	135
<u>Revenue Capacity</u> <i>These schedules provide additional information about Property Tax and Utility Revenues, the City's most significant local revenue sources.</i>	139
<u>Debt Capacity</u> <i>These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.</i>	149
<u>Demographic and Economic Information</u> <i>These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.</i>	152
<u>Operating Information</u> <i>These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.</i>	154

Sources:

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

CITY OF
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**City of Gainesville
Net Assets By Component
Last Nine Fiscal Years
(accrual basis of accounting)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:									
Invested in capital assets, net of related debt	\$ 65,937,740	\$ 47,854,313	\$ 79,593,219	\$ 82,168,018	\$ 81,644,688	\$ 92,860,038	\$ 96,668,703	\$ 109,776,558	\$ 116,698,998
Restricted	19,881,956	22,754,050	12,928,276	23,255,620	23,804,426	24,744,773	32,633,862	54,338,573	63,393,549
Unrestricted	16,850,893	39,185,669	19,429,443	(3,020,760)	4,675,292	8,536,785	11,236,904	8,569,078	10,754,370
Total governmental activities net assets	<u>\$ 102,670,589</u>	<u>\$ 109,794,032</u>	<u>\$ 111,950,938</u>	<u>\$ 102,402,878</u>	<u>\$ 110,124,406</u>	<u>\$ 126,141,596</u>	<u>\$ 140,539,469</u>	<u>\$ 172,684,209</u>	<u>\$ 190,846,917</u>
Business-type activities:									
Invested in capital assets, net of related debt	\$ 267,998,636	\$ 281,117,024	\$ 319,702,835	\$ 322,442,298	\$ 331,146,120	\$ 349,405,887	\$ 355,005,449	\$ 355,449,225	\$ 373,193,617
Restricted	164,091,715	83,814,681	49,479,733	48,655,890	41,927,823	38,409,591	47,479,252	59,072,730	74,411,130
Unrestricted	5,280,964	8,096,203	17,365,556	15,864,688	12,602,059	21,512,560	30,115,444	57,894,750	55,460,731
Total business-type activities net assets	<u>\$ 437,371,315</u>	<u>\$ 373,027,908</u>	<u>\$ 386,548,124</u>	<u>\$ 386,962,876</u>	<u>\$ 385,676,002</u>	<u>\$ 409,328,038</u>	<u>\$ 432,600,145</u>	<u>\$ 472,416,705</u>	<u>\$ 503,065,478</u>
Total primary government:									
Invested in capital assets, net of related debt	\$ 333,936,376	\$ 328,971,337	\$ 399,296,054	\$ 404,610,316	\$ 412,790,808	\$ 442,265,925	\$ 451,674,152	\$ 465,225,783	\$ 489,892,615
Restricted	183,973,671	106,568,731	62,408,009	71,911,510	65,732,249	63,154,364	80,113,114	113,411,303	137,804,679
Unrestricted	22,131,857	47,281,872	36,794,999	12,843,928	17,277,351	30,049,345	41,352,348	66,463,828	66,215,101
Total primary government net assets	<u>\$ 540,041,904</u>	<u>\$ 482,821,940</u>	<u>\$ 498,499,062</u>	<u>\$ 489,365,754</u>	<u>\$ 495,800,408</u>	<u>\$ 535,469,634</u>	<u>\$ 573,139,614</u>	<u>\$ 645,100,914</u>	<u>\$ 693,912,395</u>

Note: The City began to report accrual information when it implemented GASB 34 in fiscal year 2002.

City of Gainesville
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

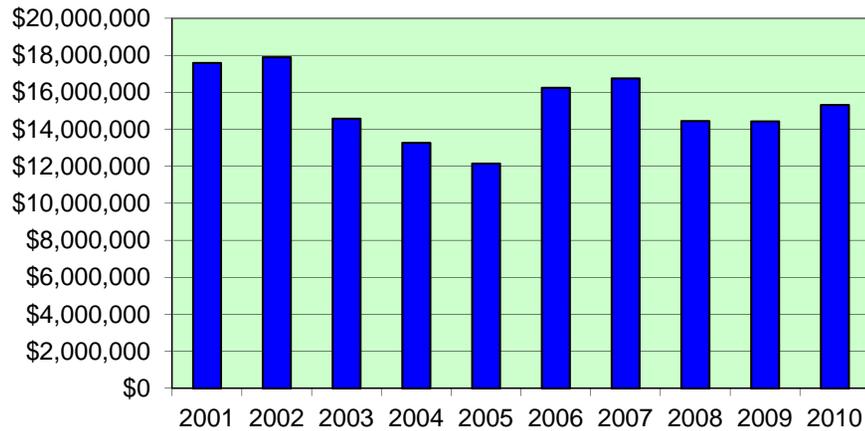
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	\$ 17,122,419	\$ 15,061,813	\$ 18,458,043	\$ 23,677,037	\$ 24,048,427	\$ 17,066,712	\$ 19,676,597	\$ 20,156,210	\$ 18,762,647
Public safety	39,240,517	42,574,106	45,714,000	54,281,144	47,701,143	49,394,763	51,608,781	52,968,413	56,238,741
Physical environment	4,036,034	2,832,078	2,827,492	3,055,388	3,243,727	2,790,089	1,144,211	1,126,951	1,510,055
Transportation	8,846,755	9,358,165	9,548,804	8,548,157	10,506,470	12,220,979	11,787,373	4,527,795	14,089,516
Economic environment	3,127,631	5,135,218	3,583,832	4,616,810	5,787,916	8,492,950	8,118,429	7,537,152	7,239,951
Human services	256,864	1,490,131	1,713,715	1,268,499	1,043,843	284,999	367,706	293,829	593,420
Culture & recreation	4,247,853	5,317,908	3,669,838	5,641,593	5,916,408	6,527,215	8,784,045	9,479,058	8,713,366
Interest on long-term debt	1,668,424	3,626,965	5,136,385	5,296,200	7,539,632	7,504,485	7,420,509	7,367,850	7,632,165
Total governmental activities expenses	78,546,497	85,396,384	90,652,109	106,384,828	105,787,566	104,282,192	108,907,651	103,457,258	114,779,861
Business-type activities:									
Electric	131,212,687	140,555,094	152,668,644	165,714,007	200,086,670	192,569,894	226,444,987	230,822,719	234,835,876
Gas	14,287,385	20,745,014	22,402,154	25,011,786	30,563,089	27,732,906	29,688,866	24,405,725	24,599,071
Water	13,874,410	14,213,832	15,662,347	16,373,985	18,267,647	18,895,269	21,282,566	21,323,742	22,290,808
Wastewater	17,157,698	17,514,229	17,978,035	20,179,076	22,266,780	22,704,103	26,027,811	24,722,167	24,925,561
GRUCom	6,549,990	6,296,174	6,626,562	7,763,554	8,481,545	8,421,765	10,437,988	9,993,228	10,719,866
Regional transit system	11,636,440	12,833,553	13,946,979	15,407,545	16,521,738	17,282,667	19,234,349	18,275,948	20,299,166
Stormwater management	4,031,510	3,934,824	3,963,762	4,563,029	5,061,984	5,095,939	4,774,960	4,650,703	5,486,082
Ironwood golf course	1,542,185	1,531,655	1,438,628	1,243,518	1,309,847	1,325,727	1,317,753	1,259,517	1,304,741
Florida building code enforcement	-	-	-	-	-	1,783,856	2,025,997	2,577,306	2,362,379
Solid waste	5,204,119	5,703,055	5,595,169	5,441,243	6,635,067	10,009,758	6,993,233	6,285,562	7,101,229
Total business-type activities expenses	205,496,424	223,327,430	240,282,280	261,697,743	309,194,367	305,821,884	348,228,510	344,316,617	353,924,779
Total primary government expenses	\$ 284,042,921	\$ 308,723,814	\$ 330,934,389	\$ 368,082,571	\$ 414,981,933	\$ 410,104,076	\$ 457,136,161	\$ 447,773,875	\$ 468,704,640
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 4,035,767	\$ 5,212,311	\$ 5,394,342	\$ 6,656,239	\$ 8,120,988	\$ 8,923,828	\$ 9,822,901	\$ 9,949,536	\$ 10,078,544
Public safety	3,617,700	4,109,925	4,011,789	8,000,564	4,704,098	3,903,871	3,571,167	3,824,888	2,692,994
Other charges for services	2,613,737	2,541,113	2,396,166	3,182,821	3,983,052	4,958,140	4,648,919	3,933,103	4,474,776
Operating grants and contributions	5,301,805	4,681,010	5,951,582	13,058,351	8,097,602	6,109,549	7,606,468	7,634,880	6,817,388
Capital grants and contributions	3,193,076	4,971,251	1,406,477	191,600	1,617,534	8,093,971	6,822,160	15,249,638	8,224,492
Total governmental activities program revenues	18,762,085	21,515,610	19,160,356	31,089,575	26,523,274	31,989,359	32,471,615	40,592,045	32,288,194
Business-type activities:									
Charges for services:									
Electric	147,794,295	154,865,704	159,117,967	174,046,207	207,023,570	206,552,756	238,595,628	249,761,764	262,530,880
Other utilities	51,136,526	56,785,641	65,702,620	65,854,837	78,332,531	85,133,356	94,775,804	96,097,911	95,053,793
Other charges for services	15,295,019	17,798,421	20,313,784	21,373,897	22,639,670	29,289,277	28,055,330	27,672,309	28,617,567
Operating grants and contributions	4,710,372	4,968,210	5,059,409	3,400,623	3,567,605	6,191,062	9,103,554	7,739,337	11,661,662
Capital grants and contributions	9,350,464	5,953,321	7,572,300	9,632,321	9,492,873	15,903,334	5,134,693	4,253,489	3,554,922
Total business-type activities program revenues	228,286,676	240,371,297	257,766,080	274,307,885	321,056,249	343,069,785	375,665,409	385,524,810	401,418,824
Total primary government program revenues	\$ 247,048,761	\$ 261,886,907	\$ 276,926,436	\$ 305,397,460	\$ 347,579,523	\$ 375,059,144	\$ 408,137,024	\$ 426,116,855	\$ 433,707,018
Net (Expense)/Revenue									
Governmental activities	\$ (59,784,412)	\$ (63,880,774)	\$ (71,491,753)	\$ (75,295,253)	\$ (79,264,292)	\$ (72,292,833)	\$ (76,436,036)	\$ (62,865,213)	\$ (82,491,667)
Business-type activities	22,790,252	17,043,867	17,483,800	12,610,142	11,861,882	37,247,901	27,436,899	41,208,193	47,494,045
Total primary government net expense	\$ (36,994,160)	\$ (46,836,907)	\$ (54,007,953)	\$ (62,685,111)	\$ (67,402,410)	\$ (35,044,932)	\$ (48,999,137)	\$ (21,657,020)	\$ (34,997,622)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes	\$ 13,713,591	\$ 16,341,921	\$ 17,983,617	\$ 19,365,334	\$ 22,094,936	\$ 25,974,094	\$ 26,163,266	\$ 26,499,911	\$ 29,016,964
Other taxes	16,189,171	17,738,773	18,961,421	18,928,506	19,989,122	19,906,074	22,432,162	24,326,238	27,865,426
State revenue sharing	2,809,984	2,825,141	3,367,156	4,117,607	4,258,238	4,190,182	3,919,560	3,523,204	3,487,190
Interest	1,640,420	1,634,773	2,641,812	1,564,126	3,413,776	5,862,894	2,744,915	3,240,737	2,706,332
Other revenues	1,764,678	6,097,543	3,564,261	1,894,572	2,312,756	1,318,358	3,142,232	2,817,165	3,593,703
Total governmental activities	36,117,844	44,638,151	46,518,267	45,870,145	52,068,828	57,251,602	58,402,135	60,407,255	66,669,615
Business-type activities:									
Interest	7,507,294	6,468,299	7,011,499	4,388,999	10,217,610	11,581,622	9,370,421	6,930,659	7,176,761
Other revenues	5,503,668	13,945,313	16,155,309	14,624,051	6,944,982	5,880,934	18,896,561	26,280,406	9,962,727
Total business-type activities	13,010,962	20,413,612	23,166,808	19,013,050	17,162,592	17,462,556	28,266,982	33,211,065	17,139,488
Total primary government	\$ 49,128,806	\$ 65,051,763	\$ 69,685,075	\$ 64,883,195	\$ 69,231,420	\$ 74,714,158	\$ 86,669,117	\$ 93,618,320	\$ 83,809,103
Changes in Net Assets (including transfers)									
Governmental activities	\$ 2,454,226	\$ 7,123,443	\$ 2,156,906	\$ (1,189,518)	\$ 3,115,884	\$ 16,017,190	\$ 14,397,873	\$ 32,049,638	\$ 18,162,708
Business-type activities	9,680,420	11,091,413	13,520,216	3,387,602	(1,286,874)	23,652,036	23,272,107	39,911,662	30,648,773
Total primary government	\$ 12,134,646	\$ 18,214,856	\$ 15,677,122	\$ 2,198,084	\$ 1,829,010	\$ 39,669,226	\$ 37,669,980	\$ 71,961,300	\$ 48,811,481

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund:										
Reserved	\$15,479,387	\$17,897,583	\$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	2,105,507	-	98,216	6,744,693	7,235,562	7,844,042	11,826,843	9,818,911	9,659,258	11,264,725
Total general fund	<u>\$17,584,894</u>	<u>\$17,897,583</u>	<u>\$14,578,812</u>	<u>\$13,264,280</u>	<u>\$12,146,949</u>	<u>\$16,241,614</u>	<u>\$16,752,567</u>	<u>\$14,448,820</u>	<u>\$14,427,811</u>	<u>\$15,316,662</u>
All other governmental funds:										
Reserved	\$5,041,790	\$5,508,677	\$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	1,540,652	4,194,183	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	5,805,338	13,929,199	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	789,508	567,840	618,571	702,303	356,496	231,073	544,869	784,834	819,434	965,256
Total all other governmental funds	<u>\$13,177,288</u>	<u>\$24,199,899</u>	<u>\$28,280,557</u>	<u>\$18,246,672</u>	<u>\$23,255,620</u>	<u>\$51,057,159</u>	<u>\$53,220,605</u>	<u>\$55,545,695</u>	<u>\$81,786,652</u>	<u>\$85,334,074</u>

General Fund ~ Fund Balance



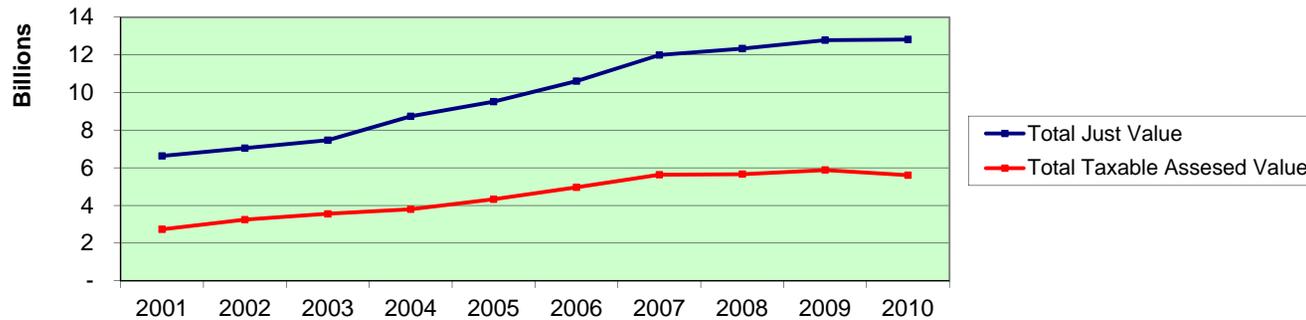
City of Gainesville
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 23,447,094	\$ 28,064,616	\$ 32,199,454	\$ 31,303,901	\$ 32,679,841	\$ 35,853,540	\$ 40,954,740	\$ 44,919,849	\$ 48,660,333	\$ 55,238,898
Licenses and permits	1,859,727	1,787,686	2,018,662	2,426,963	2,896,874	3,073,214	648,571	1,060,465	770,664	745,274
Intergovernmental	15,770,255	13,822,265	15,234,836	18,272,298	22,974,018	26,284,052	28,253,027	25,763,178	35,152,327	26,966,627
Charges for services	6,479,956	7,207,981	7,874,717	7,814,955	8,856,453	8,755,754	9,285,755	9,380,880	8,918,343	9,134,011
Fines and forfeitures	1,359,332	1,275,135	6,417,778	1,385,684	5,262,937	1,615,725	2,119,270	2,274,774	2,502,515	1,726,229
Miscellaneous	2,981,585	2,902,249	2,607,583	3,960,453	3,291,883	5,186,443	6,875,578	7,227,407	4,263,958	4,727,669
Total revenues	51,897,949	55,059,932	66,353,030	65,164,254	75,962,006	80,768,728	88,136,941	90,626,553	100,268,140	98,538,708
Expenditures										
General government	15,903,772	17,454,860	101,604,577	16,256,847	51,239,460	15,054,459	15,920,764	16,470,644	16,588,882	16,110,505
Public safety	33,221,383	36,154,888	43,502,172	46,561,694	52,511,787	48,188,830	48,197,056	49,867,812	51,474,948	52,936,750
Physical environment	1,996,771	3,057,768	2,630,318	2,707,341	2,454,447	2,783,658	2,853,920	971,472	1,220,036	949,027
Transportation	6,326,833	6,909,654	7,544,417	8,138,503	8,771,221	10,128,414	10,993,376	11,590,424	12,043,680	12,669,257
Economic environment	4,070,329	3,324,140	4,537,137	3,513,053	4,414,062	5,530,992	6,009,987	7,634,661	7,938,012	9,710,604
Human services	56,616	163,952	1,490,005	1,713,667	1,188,621	1,031,754	336,491	410,920	293,829	593,420
Culture and recreation	4,133,446	5,021,563	6,376,185	5,755,697	5,483,963	6,117,126	6,206,272	8,165,959	8,727,210	8,813,164
Debt service:										
Principal	1,663,689	2,323,778	2,643,845	3,608,817	4,010,000	6,227,053	6,920,902	7,747,796	7,822,049	8,511,383
Interest	1,477,860	1,575,315	3,615,491	5,015,779	5,255,490	7,422,640	7,442,180	7,336,659	7,125,182	7,472,387
Bond issuance costs	-	193,773	1,693,031	282,612	628,399	301,727	26,566	-	36,004	84,974
Capital outlay	6,265,480	6,325,236	6,214,790	10,207,478	5,160,215	5,801,349	13,609,187	12,967,402	9,801,087	13,410,389
Total expenditures	75,116,179	82,504,927	181,851,968	103,761,488	141,117,665	108,588,002	118,516,701	123,163,749	123,070,919	131,261,860
Excess of revenues under expenditures	(23,218,230)	(27,444,995)	(115,498,938)	(38,597,234)	(65,155,659)	(27,819,274)	(30,379,760)	(32,537,196)	(22,802,779)	(32,723,152)
Other Financing Sources (Uses)										
Debt issuance	2,794,848	9,870,000	89,894,759	9,805,000	40,850,000	25,956,621	1,540,000	-	11,500,000	3,036,907
Bond premium/discount	-	-	-	728,392	(38,314)	39,168	(13,434)	-	-	(15,320)
Transfers in	32,680,313	42,073,750	33,964,439	40,484,406	45,341,847	70,441,342	46,789,277	50,638,004	67,675,683	54,268,164
Transfers out	(9,386,534)	(16,252,956)	(7,598,373)	(13,308,123)	(17,106,257)	(39,695,572)	(15,261,684)	(18,079,465)	(29,013,693)	(20,130,326)
Total other financing sources (uses)	26,088,627	35,690,794	116,260,825	27,248,817	69,047,276	56,741,559	33,054,159	32,558,539	50,161,990	37,159,425
Net change in fund balances	\$ 2,870,397	\$ 8,245,799	\$ 761,887	\$ (11,348,417)	\$ 3,891,617	\$ 28,922,285	\$ 2,674,399	\$ 21,343	\$ 27,359,211	\$ 4,436,273
Debt service as a percentage of noncapital expenditures	4.56%	5.37%	4.53%	9.52%	7.28%	13.57%	13.95%	13.99%	14.61%	14.33%

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		
2002	2001	5,174,110,900	1,458,320,027	853,086	2,975,528,170	29,573,000	312,372,599	571,752,264	8,825,685	2,735,232,295	4.9416
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	10,570,626,200	2,241,968,355	987,726	4,815,548,071	37,517,700	896,937,822	1,313,405,085	141,081,893	5,609,091,710	4.2544

Just and Taxable Values



Source: Alachua County Property Appraiser

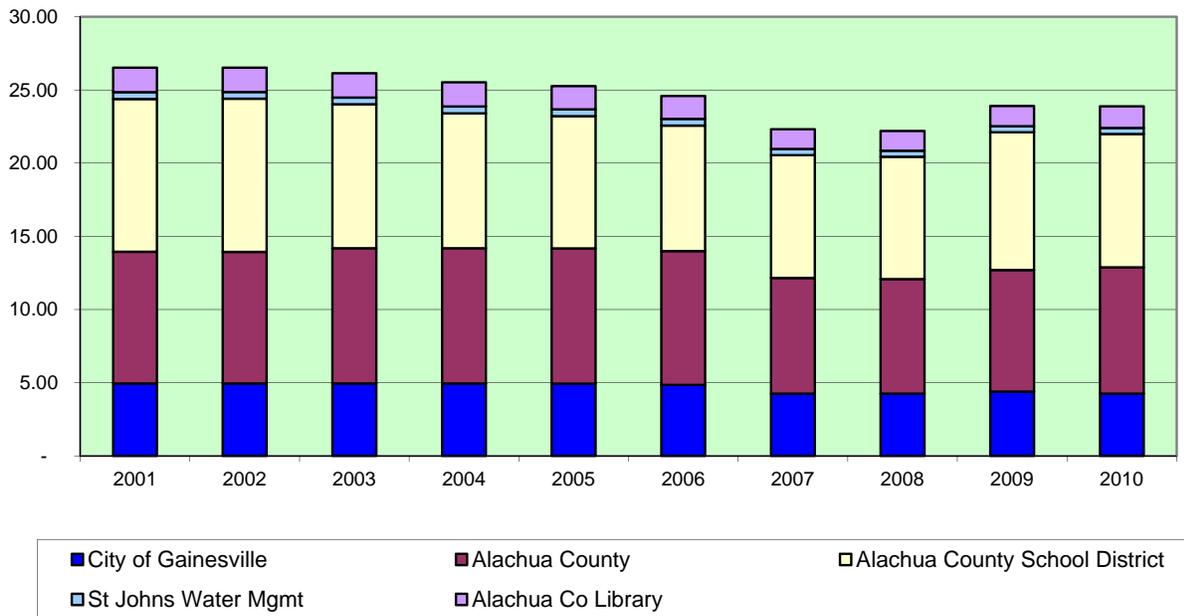
Note: The Property Appraiser assesses the value of property in a manner that does not provide a reasonable basis for estimating the actual value of property.

Exempt property makes up 53% 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	
2002	2001	4.9416	9.0009	10.4360	0.4620	1.6789	26.5194
2003	2002	4.9416	8.9887	10.4660	0.4620	1.6632	26.8816
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

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



Source: Alachua County Property Appraiser

Notes: The City's direct property tax rate is limited to a maximum rate of 10.0.

Overlapping rates are those of other local and county governments that apply to property owners within the City.

**City of Gainesville
Principal Property Taxpayers
Current Year and Nine Years Ago**

	2010			2001		
	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	\$ 132,538,470	1	2.25%	\$ 43,450,400	2	1.72%
HCA Health Services of Florida	67,934,000	2	1.15%	27,406,900	5	1.09%
Oak Hammock at the Univ of Florida	64,307,230	3	1.09%	n/a		n/a
Cox Comm Inc.	46,255,803	4	0.79%	29,012,690	4	1.15%
S Clark Butler Properties Lan, Trust	45,006,500	5	0.76%	n/a		n/a
Bellsouth Telecommunications	43,025,564	6	0.73%	69,925,280	1	2.77%
ELPF Gainesville LLC LIC, Gainesville	39,733,700	7	0.68%	n/a		n/a
Florida Power Corp	36,580,652	8	0.62%	35,130,280	3	1.39%
Inland American Lodging, Gvl, LLC	33,533,600	9	0.57%	n/a		n/a
Gainesville Place LLC	31,785,650	10	0.54%	n/a		n/a
Metal Container Corporation	n/a		n/a	20,732,070	6	0.82%
Clariant Life Sciene, Molecules	n/a		n/a	18,668,720	7	0.74%
North Florida Regional Hospital	n/a		n/a	14,422,560	8	0.57%
Congregate Care Asset III. Ltd.	n/a		n/a	12,509,400	9	0.50%
Industrial Plants Corporation	n/a		n/a	9,730,200	10	0.39%
Total	\$ 540,701,169		9.18%	\$ 280,988,500		11.14%

Source: Alachua County Property Appraiser

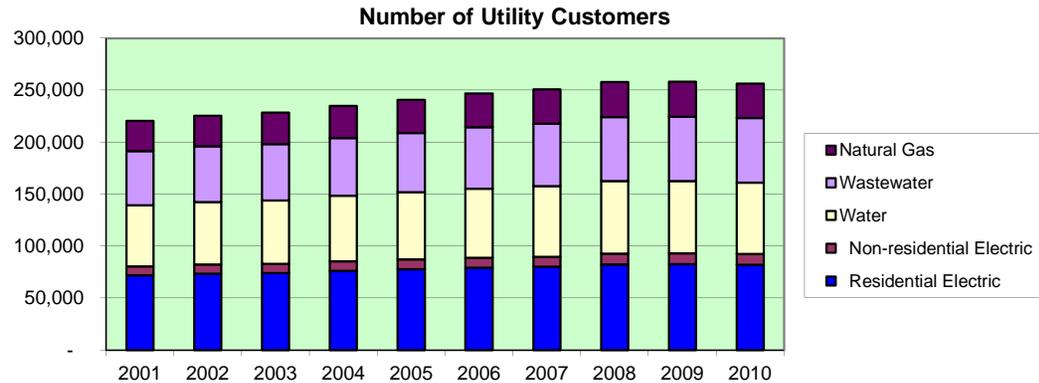
**City of Gainesville
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	12,426,078	11,951,873	96.2%	72,212	12,024,085	96.8%
2002	13,485,712	12,986,510	96.3%	51,429	13,037,939	96.7%
2003	16,052,406	15,460,840	96.3%	57,880	15,518,720	96.7%
2004	17,494,309	16,876,396	96.5%	25,241	16,901,637	96.6%
2005	18,725,109	18,055,672	96.4%	32,857	18,088,529	96.6%
2006	21,201,539	20,448,202	96.4%	25,055	20,473,257	96.6%
2007	24,010,851	23,172,540	96.5%	17,372	23,189,912	96.6%
2008	23,851,294	23,035,894	96.6%	14,214	23,050,108	96.6%
2009	24,020,461	23,191,605	96.5%	30,505	23,222,110	96.7%
2010	25,779,028	24,912,341	96.6%	-	24,912,341	96.6%

Source: Alachua County Tax Collector

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Number of Customers</u>										
Electric:										
Residential Electric	71,975	73,522	74,164	76,435	77,918	79,262	80,237	82,399	82,668	82,038
Non-residential Electric	8,574	8,754	8,912	9,203	9,342	9,555	9,675	10,450	10,461	10,383
Water	58,791	60,293	61,015	62,818	64,620	66,405	67,774	69,784	69,496	68,819
Wastewater	52,260	53,419	54,246	55,604	57,166	59,206	60,205	61,552	62,071	61,999
Natural Gas	28,839	29,476	30,200	30,895	31,700	32,520	33,125	33,777	33,451	33,202
<u>Sales</u>										
Electric (gigawatt hours):										
Residential Electric	821	808	866	874	875	901	878	829	807	857
Non-residential Electric	1,359	1,315	1,189	1,147	1,164	981	983	992	964	994
Gallons of Water (million gallons)	8,469	8,311	7,814	8,401	7,697	8,315	9,053	8,435	7,892	7,371
Gallons of Wastewater (million gallons)	5,486	5,306	5,212	5,429,934	5,322	5,402	6,271	5,229	4,899	4,696
Therms of Natural Gas (million therms)	24	21	24	24	22	22	21	21	21	23



Source: GRU Annual Reports

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2001	2002	2003	2004	2005
Electric:						
Residential Service						
Customer Charge	per month	\$ 4.90	\$ 4.66	\$ 4.66	\$ 4.66	\$ 4.89
Energy Charge ²	per kWh					
0-250 kWh		n/a	n/a	n/a	n/a	n/a
250-750 kWh		0.05020	0.04613	0.04613	0.04613	0.04613
over 750 kWh		0.05440	0.05576	0.05576	0.05576	0.05966
Residential Service - Time of Use						
Customer Charge	per month	8.27	7.86	7.86	7.86	8.25
Energy Charge ²	per kWh					
On-Peak		0.10520	0.09880	0.09880	0.09880	0.09880
Off-Peak		0.03070	0.02900	0.02900	0.02900	0.03100
General Service Non-Demand & Demand < 50 kW						
Customer Charge	per month	9.13	8.37	8.37	8.37	8.79
Energy Charge ²	per kWh					
0-1500 kWh		0.05550	0.05090	0.05090	0.05090	0.05090
over 1500 kWh		n/a	0.05770	0.05770	0.05770	0.06087
Business Partner Discount Rate		n/a	7%	7%	7%	7%
General Service Demand - 50kW < Demand < 1000 kW						
Customer Charge	per month	15.82	15.82	15.82	15.82	16.61
Demand Charge	per kW	4.66	5.75	5.75	5.75	6.33
Energy Charge ²	per kWh	0.03400	0.02400	0.02400	0.02400	0.02400
Business Partner Discount Rate		n/a	10%	10%	10%	10%
Large Power Service - Demand > 1000 kW						
Customer Charge	per month	60.84	60.84	60.84	60.84	63.88
Demand Charge	per kW	4.00	5.25	5.25	5.25	5.85
Energy Charge ²	per kWh	0.02710	0.02350	0.02350	0.02350	0.02350
Business Partner Discount Rate		n/a	13%	13%	13%	13%
Water:						
Residential Service						
Customer Charge	per month	3.00	3.00	3.00	3.15	3.53
Usage Charge	per kGal					
0 - 9,000		0.99	0.98	1.01	1.01	1.27
9,001 - 24,999		1.29	1.29	1.33	1.33	1.69
Over 25,000		2.22	2.22	2.29	2.29	2.91
Non-Residential Service						
Customer Charge	per month	3.00	3.00	3.00	3.15	3.53
Usage Charge	per kGal	0.99	0.98	1.02	1.23	1.69
Irrigation Service						
Customer Charge	per month	3.00	3.00	3.00	3.15	3.53
Usage Charge	per kGal					
0 - 15,000		1.29	1.29	1.33	1.33	1.69
over 15,000		2.22	2.22	2.29	2.29	2.91
University of Florida						
Customer Charge	per month	3.00	3.00	3.00	3.15	3.53
Usage Charge	per kGal					
On-Campus		0.69	0.69	0.71	0.82	0.91
Off-Campus		0.88	0.88	0.91	1.02	1.11
City of Alachua						
Customer Charge	per month	3.00	3.00	3.00	3.15	3.53
Usage Charge	per kGal	0.95	0.95	0.98	0.98	1.08
Fire Hydrant History of Monthly Charges						
Installed, Maintained, Supported		18.98	18.98	19.45	19.45	rolled into base
Maintained, Supported		14.27	14.27	14.63	14.63	rolled into base
Supported only (UF)		11.67	11.67	11.96	11.96	11.96

(continued)

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2006	2007	2008	2009	2010
Electric:						
Residential Service						
Customer Charge	per month	\$ 5.17	\$ 5.17	\$ 5.54	\$ 7.60	\$ 8.45
Energy Charge ²	per kWh					
0-250 kWh		n/a	0.02400	0.02500	0.02600	0.02800
250-750 kWh		0.04982	0.05800	0.06500	0.06600	0.06700
over 750 kWh		0.07398	0.08300	0.09700	0.09800	0.10200
Residential Service - Time of Use						
Customer Charge	per month	8.75	8.75	9.36	17.60	17.60
Energy Charge ²	per kWh					
On-Peak		0.12251	0.10280	0.11000	0.13900	0.13900
Off-Peak		0.03351	0.03230	0.03500	0.03500	0.03500
General Service Non-Demand & Demand < 50 kW						
Customer Charge	per month	15.18	15.18	16.00	16.00	25.50
Energy Charge ²	per kWh					
0-1500 kWh		0.05548	0.05548	0.06200	0.06800	0.07000
over 1500 kWh		0.07183	0.07183	0.08000	0.09500	0.10300
Business Partner Discount Rate		7%	7%	0%	0%	0%
General Service Demand - 50kW < Demand < 1000 kW						
Customer Charge	per month	30.92	30.92	33.00	45.00	45.00
Demand Charge	per kW	7.56	7.56	9.00	9.20	9.25
Energy Charge ²	per kWh	0.02633	0.02633	0.02900	0.03200	0.04200
Business Partner Discount Rate		10%	10%	0%	0%	0%
Large Power Service - Demand > 1000 kW						
Customer Charge	per month	245.05	245.05	265.00	300.00	300.00
Demand Charge	per kW	7.08	7.08	9.00	9.20	9.25
Energy Charge ²	per kWh	0.02597	0.02597	0.02700	0.03100	0.03900
Business Partner Discount Rate		13%	13%	0%	0%	0%
Water:						
Residential Service						
Customer Charge	per month	4.86	4.86	5.35	7.00	7.30
Usage Charge	per kGal					
0 - 9,000		1.42	1.42	1.56	1.59	1.65
9,001 - 24,999		2.35	2.35	2.82	3.11	3.30
Over 25,000		4.04	4.04	4.93	5.50	6.00
Non-Residential Service						
Customer Charge	per month	4.86	4.86	5.35	7.00	7.30
Usage Charge	per kGal	2.35	2.35	2.82	3.11	3.30
Irrigation Service						
Customer Charge	per month	4.86	4.86	4.86	4.86	7.30
Usage Charge	per kGal					
0 - 15,000		2.35	2.35	2.82	3.11	3.30
over 15,000		4.04	4.04	4.93	5.50	6.00
University of Florida						
Customer Charge	per month	4.86	4.86	5.35	7.00	7.30
Usage Charge	per kGal					
On-Campus		1.04	1.04	1.13	1.54	1.92
Off-Campus		1.15	1.15	1.30	1.80	2.67
City of Alachua						
Customer Charge	per month	3.53	4.86	5.35	7.00	7.30
Usage Charge	per kGal	1.35	1.21	1.33	1.45	1.51
Fire Hydrant History of Monthly Charges						
Installed, Maintained, Supported				rolled into base		
Maintained, Supported				rolled into base		
Supported only (UF)				rolled into base		
				(continued)		

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2001	2002	2003	2004	2005
<u>Wastewater:</u>						
Residential Service						
Customer Charge	per month	2.15	2.22	2.27	2.39	2.75
Usage Charge	per kGal	2.48	2.55	2.61	2.75	3.16
Residential not connected, but required to be by ordinance		20.08	20.68	21.15	22.27	18.55
Residential, on wells, flat rate		20.08	20.68	21.15	22.27	18.55
Multi-family						
Customer Charge	per month	2.15	2.22	2.27	2.39	2.75
Usage Charge - flat rate	per month	12.30	12.67	12.96	13.65	15.70
Non-Residential Service						
Customer Charge	per month	2.15	2.22	2.27	2.39	2.75
Usage Charge	per kGal	2.48	2.55	2.61	2.75	3.16
Tacachale						
Customer Charge	per month	2,642.96	2,722.25	2,783.50	2,931.03	3,370.69
Usage Charge	per kGal	0.83	0.86	0.88	0.93	1.07
University of Florida - Maguire Village						
Customer Charge	per month	2.11	2.11	2.11	2.11	2.11
Usage Charge	per kGal	1.55	1.55	1.55	1.55	1.55
<u>Natural Gas:</u>						
Residential Service						
Customer Charge	per month	6.90	6.90	7.04	7.04	7.04
Energy Charge ¹	per therm	0.39742	0.39742	0.40537	0.40537	0.40537
MGP	per therm	n/a	0.02700	0.03210	0.03210	0.03210
General Firm Service						
Customer Charge	per month	\$ 17.25	\$ 17.25	\$ 17.60	\$ 17.60	\$ 17.60
Energy Charge ¹	per therm	\$ 0.23029	\$ 0.23029	\$ 0.23490	\$ 0.23490	\$ 0.23490
MGP	per therm	\$ 0.02070	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210
Interruptible Service						
Customer Charge	per month	\$ 345.00	\$ 345.00	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge ²	per therm	\$ 0.16817	\$ 0.16817	\$ 0.17153	\$ 0.17153	\$ 0.17153
MGP	per therm	\$ 0.02070	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210
Contract Interruptible Service						
Customer Charge	per month	\$ 345.00	\$ 345.00	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge ³	per therm	by contract				
MGP	per therm	\$ 0.02070	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210
Large Volume Interruptible Service						
Customer Charge	per month	\$ 345.00	\$ 345.00	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge ²	per therm	\$ 0.10280	\$ 0.10280	\$ 0.10486	\$ 0.10486	\$ 0.10486
MGP	per therm	\$ 0.02070	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210
Liquid Propane (LP) Service						
Customer Charge	per month	\$ 6.90	\$ 6.90	\$ 7.04	\$ 7.04	\$ 7.04
Energy Charge ⁴	per gallon	\$ 0.64473	\$ 0.64473	\$ 0.64513	\$ 0.64513	\$ 0.64513
3-yr recovery		\$ 0.59473	\$ 0.59473	\$ 0.59513	\$ 0.59513	\$ 0.59513
5-yr recovery		\$ 0.56973	\$ 0.56973	\$ 0.57013	\$ 0.57013	\$ 0.57013
7-yr recovery		\$ 0.55473	\$ 0.55473	\$ 0.52513	\$ 0.52513	\$ 0.52513
> 7-yr recovery		\$ 0.55473	\$ 0.55473	\$ 0.52513	\$ 0.52513	\$ 0.52513
Average Annual PGA		0.29154	\$ 0.42793	\$ 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

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2006	2007	2008	2009	2010
<u>Wastewater:</u>						
Residential Service						
Customer Charge	per month	3.52	3.52	4.00	6.00	6.00
Usage Charge	per kGal	3.94	3.94	4.63	4.94	5.07
Residential not connected , but required to be by ordinance		23.22	23.22	23.22	23.22	31.35
Residential, on wells, flat rate		23.22	23.22	23.22	23.22	31.35
Multi-family						
Customer Charge	per month	3.52	3.52	4.00	6.00	6.00
Usage Charge - flat rate	per month	19.70	19.70	23.15	24.70	25.35
Non-Residential Service						
Customer Charge	per month	3.52	3.52	4.00	6.00	6.00
Usage Charge	per kGal	3.94	3.94	4.63	4.94	5.07
Tacachale						
Customer Charge	per month	4,213.36	4,213.36	4,929.63	5,259.69	n/a
Usage Charge	per kGal	1.34	1.34	1.36	1.44	n/a
University of Florida - Maguire Village						
Customer Charge	per month	2.70	n/a	n/a	n/a	n/a
Usage Charge	per kGal	1.98	n/a	n/a	n/a	n/a
<u>Natural Gas:</u>						
Residential Service						
Customer Charge	per month	7.04	7.04	7.15	9.52	9.52
Energy Charge ¹	per therm	0.40537	0.40537	0.42400	0.48300	0.48300
MGP	per therm	0.03210	0.03210	0.03210	0.03700	0.03700
General Firm Service						
Customer Charge	per month	\$ 17.60	\$ 17.60	\$ 19.89	\$ 30.00	\$ 30.00
Energy Charge ¹	per therm	\$ 0.23490	\$ 0.23490	\$ 0.26990	\$ 0.30800	\$ 0.30800
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.32100	\$ 0.03700	\$ 0.03700
Interruptible Service						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 360.00	\$ 375.00	\$ 375.00
Energy Charge ²	per therm	\$ 0.17153	\$ 0.17153	\$ 0.20590	\$ 0.28600	\$ 0.28600
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700
Contract Interruptible Service						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 360.00	\$ 375.00	\$ 375.00
Energy Charge ³	per therm	by contract				
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700
Large Volume Interruptible Service						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 351.90	\$ 375.00	\$ 375.00
Energy Charge ²	per therm	\$ 0.10486	\$ 0.10486	\$ 0.11990	\$ 0.14268	\$ 0.14268
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700
Liquid Propane (LP) Service						
Customer Charge	per month	\$ 7.04	\$ 7.04	\$ 7.15	\$ 9.52	\$ 9.52
Energy Charge ⁴	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
Average Annual PGA						
	per therm					

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 Eight Years Ago**

	2010			2002		
	Total Payments	Rank	Percentage of Total Utility Value	Total Payments	Rank	Percentage of Total Utility Value
University of Florida	\$ 6,893,887	1	1.83%	\$ n/a	-	n/a
Alachua County School Board	6,760,249	2	1.80%	3,036,490	2	1.39%
Alachua County Board of County Comm	5,308,356	3	1.41%	1,202,664	6	0.55%
VA Medical Center	5,275,925	4	1.40%	1,755,980	4	0.80%
City of Gainesville	5,097,256	5	1.35%	3,435,677	1	1.57%
North FL Regional Medical Center	4,775,406	6	1.27%	871,547	9	0.40%
Shands Healthcare	4,614,942	7	1.23%	1,854,069	3	0.85%
Publix Super Markets Inc	4,432,455	8	1.18%	1,637,921	5	0.75%
FL Dept of Children and Families	2,196,499	9	0.58%	n/a	-	n/a
Santa Fe Community College	2,179,252	10	0.58%	1,086,146	7	0.50%
Metal Container Corp	-		n/a	952,014	8	0.44%
Winn Dixie Stores Inc.	-		n/a	749,426	10	0.34%
Total	\$ 47,534,227		12.63%	\$ 16,581,934		7.59%

Note: 2002 is the first year that this data is available. In future years, this will extend to a ten-year presentation. Prior to 2008, GRU and the City of Gainesville were reported as one source

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	Total	
	Revenue	Notes	Capital	Revenue	Revenue	Primary Government	% of	Per Capita
	Bonds		Leases	Bonds	Notes		Personal Income	
2001	30,237,220	1,294,631	-	298,865,223	99,643,952	430,041,026	18.21%	4,459
2002	37,847,467	1,166,002	-	341,130,721	77,921,952	458,066,142	16.62%	4,118
2003	125,120,811	1,489,009	-	376,436,480	73,625,952	576,672,252	19.11%	4,921
2004	122,036,108	-	-	365,874,265	69,985,702	557,896,075	16.99%	4,738
2005	158,791,270	-	-	354,697,051	96,822,250	610,310,571	17.14%	5,091
2006	174,699,926	2,319,485	942,136	620,165,000	-	798,126,547	20.15%	6,601
2007	169,864,822	1,836,310	879,513	616,050,000	-	788,630,645	19.11%	6,491
2008	162,789,829	1,234,366	808,654	730,495,000	62,000,000	957,327,849	22.43%	7,690
2009	155,036,095	11,500,000	740,339	889,600,000	78,965,901	1,135,842,335	26.44%	9,021
2010	149,632,743	11,500,000	669,111	859,725,000	66,036,166	1,087,563,020	23.87%	8,226

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
2001	35,642,803	394,398,223	430,041,026	1.51%	370	7.21%	1,765
2002	42,124,421	415,941,721	458,066,142	1.53%	379	7.16%	1,774
2003	128,720,772	447,951,480	576,672,252	4.26%	1,098	7.32%	1,885
2004	123,147,060	434,749,015	557,896,075	3.75%	1,046	6.37%	1,777
2005	158,791,270	451,519,301	610,310,571	4.46%	1,324	6.15%	1,826
2006	177,961,547	620,165,000	798,126,547	4.49%	1,472	7.49%	2,453
2007	172,580,645	616,050,000	788,630,645	4.18%	1,420	7.06%	2,397
2008	164,832,849	792,495,000	957,327,849	3.86%	1,324	8.74%	2,997
2009	170,242,335	965,600,000	1,135,842,335	3.96%	1,352	10.69%	3,649
2010	165,838,020	921,725,000	1,087,563,020	3.64%	1,254	10.16%	3,500

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, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Alachua County:			
General Obligation Bonds	\$ 1,515,000	44.547%	\$ 674,891
Sales Tax Revenue Bonds	83,335,000	44.547%	37,123,480
Commercial Paper Notes Payable	14,400,000	44.547%	6,414,809
Capital Improvement bank loan	7,050,000	44.547%	3,140,584
Wild Spaces & Public Places	7,560,000	44.547%	3,367,775
Alachua County School Board District			
General Obligation Bonds	9,305,000	44.547%	4,145,125
State Motor Vehicle License Tax Revenue Bonds	891,279	44.547%	397,041
Certificates of Participation	70,116,000	44.547%	<u>31,234,774</u>
Subtotal, Overlapping Debt			86,498,478
City of Gainesville Governmental Activities Direct Debt			<u>165,838,020</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 252,336,498</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			Utilities Revenues (1)	Less: Operating Expenses (2)	Net Available Revenues	Debt Service		
		Principal	Interest	Coverage				Principal	Interest	Coverage
2001	1,100,340	450,000	645,579	1.0043	226,589,270	136,304,479	90,284,791	10,985,000	18,780,188	3.0332
2002	1,100,340	475,000	623,641	1.0015	218,416,063	127,953,800	90,462,263	11,520,000	17,792,587	3.0861
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	288,164,704	88,175,055	49,045,000	37,977,381	1.0132

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
every path starts with passion
FLORIDA



City of Gainesville
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(1) Median Age (Alachua County)	(3) Public School Enrollment (Alachua County)	(4) Unemployment Rate
2001	96,446	5,418,264,000	24,487	29.0	28,488	3.30%
2002	111,224	5,519,952,000	24,773	29.0	28,492	3.90%
2003	117,182	5,672,386,000	25,757	29.0	28,135	3.80%
2004	117,754	6,444,881,000	27,888	29.3	28,086	3.30%
2005	119,889	7,351,425,000	29,693	29.4	28,043	3.00%
2006	120,919	8,314,000,000	32,762	29.2	28,118	2.80%
2007	121,497	8,732,000,000	33,963	29.3	27,535	3.00%
2008	124,491	8,884,000,000	34,277	29.6	28,198	4.60%
2009	125,904	8,895,000,000	34,122	29.7	27,100	7.20%
2010	132,217	8,983,950,000	34,463	N/A	28,581	8.30%

Note:

- (a) At the 2009 Year-end, the BEA published revised Personal Income and Per Capita Personal Income Statistics for all years prior. The revised statistics are reflected in the totals for 2006 through 2008.
- (b) 2010 Personal Income and Per Capital Personal Income are estimates based on a 1% growth rate from the 2009 BEA data published September 30, 2010.

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
- (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>2010</u>			<u>2001</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	12.14%	11,870	1	12.73%
Shands Hospital	12,588	2	10.38%	7,550	2	8.10%
VA Hospital	4,317	3	3.56%	1,550	7	1.66%
Alachua County School Board	4,299	4	3.55%	4,135	3	4.43%
City of Gainesville	2,200	5	1.81%	1,843	6	1.98%
Publix Supermarkets	2,056	6	1.70%	1,896	5	2.03%
North Florida Regional Medical Ctr.	1,700	7	1.40%	1,500	8	1.61%
Nationwide Insurance	1,300	8	1.07%	n/a	-	n/a
Alachua County	1,120	9	0.92%	n/a	-	n/a
Santa Fe Community College	796	10	0.66%	1,350	9	1.45%
Florida Dept. Of Children & Family	-	-	n/a	2,429	4	2.60%
Winn Dixie Supermarket	-	-	n/a	1,049	10	1.12%
Total	45,099		37.20%	35,172		37.71%

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Charter Offices:										
City Commission	5.00	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Clerk of the Commission	9.50	9.50	9.50	9.50	8.00	8.00	8.00	8.00	8.00	6.50
Assistant City Manager	1.00	1.00	1.00	1.00	1.00	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	6.00	6.00	5.00	4.00
City Auditor's Office	4.50	4.50	4.50	4.50	5.50	5.50	5.50	5.50	5.50	4.50
City Attorney's Office	14.00	13.00	13.00	13.00	14.50	16.00	16.00	16.00	16.00	15.00
Equal Opportunity Office	4.00	4.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
General Government:										
Administrative Services	2.00	2.00	2.00	2.00	2.00	5.00	4.50	4.50	4.50	4.00
Computer Services	14.00	14.00	16.00	16.00	16.00	18.00	18.00	18.00	17.00	19.00
Budget & Finance	-	-	-	-	-	49.00	45.50	45.50	47.00	36.00
Finance	44.00	46.00	44.50	45.50	45.50	-	-	-	-	-
Office of Management and Budget	7.50	7.50	7.50	7.50	7.50	-	-	-	-	-
Human Resources	21.00	23.00	21.50	21.50	21.50	19.00	19.00	19.00	19.00	15.00
Risk Management	11.00	10.00	11.00	11.00	13.00	15.00	15.00	15.00	15.00	15.00
Communications and Marketing	-	-	-	-	-	7.00	7.00	7.00	5.00	4.00
Public Safety:										
Police										
Officers	237.00	273.00	273.00	278.00	278.00	284.00	284.00	284.00	299.00	295.00
Civilians	90.00	89.00	70.00	80.00	73.00	90.00	88.00	94.00	87.00	80.00
Fire Rescue										
Officers	141.00	142.00	142.00	141.00	143.00	144.00	144.00	144.00	144.00	155.00
Civilians	7.50	8.00	8.00	10.00	8.00	10.00	10.00	10.00	9.00	10.00
Physical Environment:										
Codes Enforcement	-	-	-	-	-	-	19.00	19.00	19.00	16.00
Planning & Development Services	-	-	-	-	-	-	45.50	46.50	48.00	38.00
Community Development	54.50	54.50	57.50	57.50	59.00	82.50	-	-	-	-
Building Inspection	17.00	17.00	20.00	20.00	20.00	-	-	-	-	-
Public Works	137.75	136.25	147.25	147.25	158.75	161.75	163.75	163.75	164.75	160.38
Facilities Management	30.00	30.00	28.00	28.00	28.00	-	-	-	-	-
Transportation:										
Regional Transit System	177.00	176.00	212.00	212.00	219.50	232.00	232.00	235.00	236.00	238.00
General Services	-	-	-	-	-	53.00	52.00	52.00	51.00	48.38
Fleet Management	30.00	30.00	30.00	30.00	30.00	-	-	-	-	-
Economic Environment:										
Housing	-	-	-	-	-	-	8.00	8.00	5.00	1.00
Community Development Block Grant	-	-	-	-	-	-	4.00	4.00	4.00	9.00
Community Redevelopment Agency	-	-	-	-	-	-	-	8.00	10.00	11.00
Economic Development	2.00	2.00	2.00	3.00	3.00	3.00	3.00	-	-	-
Small Business Development	2.00	2.00	2.00	-	-	-	-	-	-	-
Culture & Recreation:										
Parks, Recreation and Cultural Affairs	-	-	-	-	-	108.13	103.13	103.00	102.00	80.50
Cultural Affairs	14.00	13.50	16.50	16.50	14.88	-	-	-	-	-
Recreation & Parks	95.00	94.75	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 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.

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

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Fire & EMS								
Total fire incidents per 1,000 population served	2.84	2.52	1.70	1.15	33.78	29.90	33.70	27.80
Total non-fire incidents per 1,000 population served	n/a	83.16	96.93	84.65	81.10	90.12	96.20	92.70
Total arson incidents per 10,000 population served	1.01	1.42	0.92	0.66	0.41	1.46	0.64	0.54
% of fire calls with a response time of 8 min or less	73.0%	81.0%	77.1%	72.4%	91.0%	85.0%	87.0%	83.0%
% of fire calls with a response time of 4 min or less	n/a	n/a	38.0%	41.0%	41.0%	42.0%	40.0%	47.0%
% of EMS calls with a response time of 4 min or less	n/a	n/a	45.0%	46.0%	48.0%	48.0%	47.0%	44.0%
Fleet								
Average age of police vehicles (months)	51	37	43	40	52	56	44	50
Average age of fire apparatus (months)	72	45	57	91	88	81	92	106
Hours billed as a percentage of hours available	60.2%	62.7%	n/a	82.9%	82.4%	79.1%	78.3%	79.9%
No. of work orders completed - police vehicles	1,201	1,644	n/a	n/a	1,106	1,697	1,736	1,822
No. of work orders completed - fire apparatus	261	303	n/a	n/a	164	170	152	279
Total vehicle and heavy equipment work orders	9,143	8,279	n/a	8,025	8,814	8,025	7,711	7,327
Highway and Road Maintenance								
Number of potholes repaired	22,263	18,076	22,445	17,848	23,062	14,335	16,943	16,375
% lane miles assessed as satisfactory or better	n/a	94.0%	69.9%	88.0%	70.0%	66.0%	64.0%	60.0%
Number of linear miles swept	11,387	16,049	17,136	16,073	20,319	19,293	18,337	14,016
Housing								
# of homes purchased or constructed	44	19	25	6	31	30	2	10
Number of properties rehabilitated	n/a	n/a	50	66	58	68	66	49
Number of families served through housing programs	n/a	n/a	658	697	978	784	798	558
Police								
Police 911 calls received	n/a	143,464	144,279	119,090	124,138	124,955	133,768	142,486
UCR Part I violent crimes reported per 1,000 pop	8.12	7.52	8.29	8.62	9.43	8.46	9.18	7.11
% of UCR Part I violent crimes cleared	40.06%	46.73%	39.96%	54.03%	43.72%	56.41%	65.14%	66.60%
UCR Part I property crimes reported per 1,000 pop	43.45	42.40	41.39	57.77	49.78	47.11	50.71	43.05
% of UCR Part I property crimes cleared	14.02%	18.65%	16.83%	20.53%	19.00%	23.56%	29.95%	29.85%
Injury-producing traffic accidents per 1,000 pop	11.07	18.62	7.47	27.33	5.89	5.35	6.03	5.67
Traffic fatalities per 1,000 population	0.07	0.03	0.07	0.03	0.15	0.05	0.06	0.05
Moving violation citations issued per 1,000 pop	202.22	206.21	199.29	168.82	219.08	233.25	176.48	216.00
DUI arrests per 1,000 population	1.53	1.98	2.64	1.58	2.06	2.96	2.75	3.06
Purchasing								
Dollar amount of purchasing card expenditures	n/a	n/a	\$ 2,612,506	\$ 2,824,290	\$ 2,731,400	\$ 4,049,230	\$ 4,370,367	\$ 4,001,232
Number of purchasing card transactions	n/a	n/a	16,500	17,442	15,575	17,008	14,919	13,815
Average number of days for a formal bid process	n/a	44	44	45	45	45	53	53
Refuse & Recycling								
Avg # accounts served per on-route hour	133	130	99	150	139	133	133	138
Tons of refuse collected & disposed	21,441	55,536	20,266	18,000	20,423	19,720	19,501	19,189
Tons yard waste collected & composted ²	4,627	7,984	9,000	11,280	4,604	8,494	8,481	8,099
Tons recycling materials collected	4,749	5,311	n/a	6,000	4,783	4,693	4,692	5,017
Complaints per 1,000 accounts	66	77	84	137	135	93	67	51
Utility								
Residential customers - Electric	74,164	76,435	77,918	79,125	80,237	82,399	82,668	82,038
Commercial & industrial - Electric	8,912	9,203	9,342	9,538	9,675	10,450	10,461	10,383
Customers - Natural Gas	30,206	30,901	31,704	32,522	33,125	33,777	33,451	33,202
Customers - Water	61,078	62,890	64,692	66,475	67,774	69,784	69,496	68,819
Customers - Wastewater	54,310	55,821	57,553	59,206	60,205	61,552	62,071	61,999

Sources:
Gainesville Regional Utilities Annual Report; ICMA Center for Performance Measurement

Note:
¹ GASB Statement 44 was implemented in fiscal year 2005, in future years, additional years will be reported.
² 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.

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Fire & EMS								
Total number of fire apparatus	13	12	12	13	13	13	13	13
Average age of fire apparatus (in months)	72	45	61	91	89	81	92	106
Average annual mileage per fire apparatus	n/a	n/a	9,794	7,673	8,337	8,839	8,998	13,912
Number of fire stations	7	7	7	7	7	7	7	7
Fleet								
Light vehicles:								
Number	583	1,218	1,279	591	543	549	347	339
Number using alternative fuel	-	3	5	6	4	4	4	4
Average age (in months)	62	n/a	81	92	44	52	67	78
Medium-duty vehicles:								
Number	39	63	65	48	36	36	79	82
Average age (in months)	49	62	81	87	112	87	91	68
Heavy-duty vehicles:								
Number	137	174	164	126	48	36	128	107
Average age (in months)	83	38	53	93	108	101	103	89
Heavy equipment:								
Number	81	14	14	12	11	11	22	13
Average age (in months)	130	56	68	132	142	67	132	67
Highway and Road Maintenance								
Total paved lane miles maintained	1,473	1,473	1,473	1,473	779	779	764	773
Number of traffic signals	n/a	3,970	4,004	4,049	4,275	4,495	7,994	8,042
Parks and Recreation								
Park acres per 1,000 population	21.17	21.36	20.94	20.77	19.10	19.24	18.90	20.28
Total park acres	2,481	2,515	2,511	2,512	2,321	2,395	2,379	2,681
Recreation/community centers	8	8	8	8	8	8	8	8
Athletic fields	37	32	37	37	37	35	35	35
Play structures	78	80	78	89	93	112	112	98
Tennis courts	22	22	23	23	23	23	23	23
Basketball courts	24	24	24	24	24	23	23	23
Swimming pools	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
Police								
Number of police vehicles - marked	208	285	244	244	223	201	268	210
Average age of police vehicles (in months)	51	37	44	40	52	56	44	50
Average annual mileage per police vehicle	n/a	n/a	11,297	11,000	10,554	6,856	5,311	8,472
Regional Transit System								
Number of buses	105	105	104	113	107	110	105	105
Number of buses using alternative fuel	n/a	2	2	2	2	2	2	3
Average age of buses (in months)	n/a	137	125	126	125	118	108	82
Electricity								
Combined system net capability (megawatts)	611	612	611	611	611	611	611	611
Distribution - overhead (circuit miles)	611	597	594	595	589	583	580	575
Distribution - underground (circuit miles)	719	743	753	772	798	814	832	838
Distribution substations	9	9	9	9	10	10	10	11
Natural Gas								
Distribution mains (miles)	637	641	692	713	723	731	739	742
Delivery points	5	5	5	6	6	6	6	6

(CONTINUED)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Water								
FDEP permitted treatment capacity (million gallons/day)	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
Distribution mains (miles)	1,003	1,029	1,034	1,051	1,069	1,095	1,102	1,106
Supply wells	15	15	15	15	16	16	16	16
Wastewater								
Gravity mains (miles)	553	567	568	568	568	607	608	612
Force mains (miles)	126	127	127	127	127	133	137	137
Lift stations	156	152	154	154	154	165	164	164
Treatment capacity (million gallons per day)	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
GRUCom								
Fiber optic cable (miles)	234	259	268	275	301	318	341	351
Maximum bandwidth (2.5 gigabits/second)	OC-48	OC-48	OC-48	OC-48	OC-48	OC-48	OC-48	OC-192
On-net locations	248	266	302	343	363	436	463	454

Sources:

Gainesville Regional Utilities Annual Report
ICMA Center for Performance Measurement

Note:

GASB Statement 44 was implemented in fiscal year 2005, in future years, additional years will be reported, cumulating in a ten year presentation.

(CONCLUDED)



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, 2010, and have issued our report thereon dated March 24, 2011. 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 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, 2010, was filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit report. It should be noted that the annual financial report includes the accounts of the Gainesville Housing Authority, which the State of Florida has characterized as a dependent special district. Pursuant to the provisions of GASB Statement No. 14, the City's basic financial statements do not include the Gainesville Housing Authority in the financial reporting entity.
- 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.

- 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. In that regard, there were no prior audit findings related to General Government. Other auditors issued a separate communication addressing the status of prior year recommendations related to Gainesville Regional Utilities.

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.

Carr, Riggs & Ingram LLC

March 24, 2011
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, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2011. Our report on the basic financial statements included a reference to the report of 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.

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.

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*.

Other auditors noted certain matters that they reported to management of GRU in a separate communication dated February 4, 2011.

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.

Carr, Riggs & Ingram LLC

March 24, 2011
Gainesville, Florida

**Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2010
City of Gainesville, Florida**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant No.</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through Florida Division of Emergency Management				
FEMA-HMGP Clear Lake Lift Station Rehab. Phase II	97.039	FM-1561-4131-R/ 10HM-23-03-01-014	\$ 1,428	
FEMA-HMGP S.W. 34th Street Industrial Park Drainage	97.039	FM-1561-102-R/ 07HM@-03-01-02-061	6	
FEMA-HMGP S.W. 8th Drive Kirkwood, Drainage Project Phase II	97.039	FM-1561-045R/ 10HM-23-03-11-01-004	28,978	
FEMA-HMGP Fire Station (7) Wind Retrofit	97.039	FM-1561-152-R/ 08HM-3G-03-11-02-046	978	\$ 31,390
FY 2008 Assistance to Firefighters Grant	97.044	EMW-2008-FO-11707	29,869	
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	15,942	
2007-2010 State Homeland Security Grant Program	97.073	08-DS-60-13-00-16-373/FM257	12,375	28,317
<u>EXECUTIVE OFFICE OF THE PRESIDENT-OFFICE OF NATIONAL DRUG POLICY</u>				
Passed Through North Florida HIDTA Finance Unit via Alachua County Sherriff Office				
CADET Initiative North Florida HIDTA	95.001	G09NF0001A	4,257	
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
Passed Through Florida Department of Environmental Protection				
Revitalizing the Sweetwater-Phase I	66.460	G0181/ C9-99451505-0	241,237	
Duval Neighborhood Storm Water Basin Phase I	66.460	G0180/ C9-99451505-0	306,580	547,817
Capitalization Grant for State Revolving Funds	66.458	NP49717S	9,022	
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Passed Through Florida Humanities Council				
Florida American Heritage River: The Art of the St. John's Region	45.164	037-3296-1956	3,561	
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed Through Fl. Dept. of Education Via School Board of Alachua County				
21st Century Community Learning Center	84.287	010-2440(1)-A-0(1)CCCI	83,020	
<u>U.S. DEPARTMENT OF ENERGY</u>				
EECBG-City of Gainesville, FL - ARRA	81.128	SC0002611	674,665	
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grant-Entitlement Program	14.218	B-08/09-MC-12-007	1,310,000	
Supportive Housing Program-MHS	14.235	FL10110B4H080801 (02)	122,097	
Supportive Housing Program-VETSPACE	14.235	FL10112B4H080801	110,161	232,258
HOME Investment Partnership Grant	14.239	M-07/08/09-MC-12-0206	486,564	
Economic Development-Depot Regional Stormwater Park	14.251	B-05-SP-FL-0422	14,879	
Homelessness Prevention & Rapid Rehousing-ARRA	14.257	S09-MY-12-0025	220,629	
<u>U.S. DEPARTMENT OF JUSTICE</u>				
OJJDP FY 09 Recovery Act Internet Crimes Against Children-ARRA/	16.800	2009-SN-B9-K015	191,964	
2009 Internet Crimes Against Children	16.543	2009MCCXK059	260,516	
A Coordinated Community Response to Preventing Violence Against Women	16.590	2007WEAX0054	173,530	
COPS Universal Hiring	16.710	2003UMWX0023	324,502	
Gainesville Police Department Technological Upgrade	16.738	2009DJBX0750	107,713	
BPV	16.607	2006 Regular Solicitation	5,315	
BPV	16.607	2009 Regular Solicitation	19,230	24,545
FY08/NIJ-Coverdell Forensic Science Improvement	16.742	2008CDBX0061	6,154	
Edward Byrne Memorial Justice Assistance -ARRA	16.804	2009-SB-B9-2446	332,782	
Federal Equitable Sharing Proceeds	16.XXX	N/A	677,781	
Passed Through Florida Department of Law Enforcement:				
Tutorial Assistance for At-Risk Youth Program	16.738	2010-JAGC-ALAC-3-4X-070	20,600	
GPD Mobile Safe-T Kiosk	16.738	2010-JAGC-ALAC-2-4X-098	7,474	28,074
Sexual Predator & Offender Tracking	16.609	2010-JAGC-ALAC-1-4X-125	22,705	
Project Safe Neighborhood/ Tactical Impact Unit	16.609	2010-PSNN-ALAC-2-A2-004	15,022	37,727
GPD In-Car Camera -ARRA	16.803	2009-SU-B9-0021/2010-ARRC-ALAC-1-W7-138	49,201	
Reichert House After School Program-ARRA	16.803	2009-SU-B9-0021/2010-ARRC-ALAC-2-W7-215	25,000	74,201
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed Through Federal Transit Administration:				
2006 Section 5309 Grant-Facility Expansion	20.500	FL-00-0011-00	60,884	
2006 Section 5309 Grant-BRT Study	20.500	FL-04-0003-03	104,565	
2007 Section 5309 Grant-Facility Expansion	20.500	FL-04-0089-00	849,785	
2009 Section 5309	20.500	FL-04-0081-00	1,369,885	
2006 Urbanized Formula Grant	20.507	FL-90-X572-01	4,737	
2009 FHWA Flex Funds-ARRA	20.507	FL-66-X002-01	1,254,296	
Bus Purchase Funds-ARRA	20.507	FL-96-X008-00	3,460,727	
2007 Urbanized Formula Grant	20.507	FL-90-X624-00	72,481	
2008 Urbanized Formula Grant	20.507	FL-90-X655-00	245,929	
2008 Section 5307 Grant	20.507	FL-90-X678-00	81,034	
2009 Section 5307 Grant	20.507	FL-90-X694-00	2,454,055	
Total Federal Transit Cluster				9,958,378
Passed Through Florida department of transportation Transit Administration:				
FY09 Job Access/ Reverse Commute Service	20.509	APX92/ FIN 423292-1-84-10	8,214	
FY09 Job Access/ Reverse Commute Service	20.516	APD50/ FIN 424790-1-84-01	33,341	
FY 10--5317 New Freedom Funding	20.521	APS99/ FIN425290-1-84-01	6,305	
Total Transit Services Program Cluster				39,646

**Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2010
City of Gainesville, Florida**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA</u>		<u>Expenditures</u>	<u>Program Total</u>
	<u>Number</u>	<u>Contract/Grant No.</u>		
LAPA/ Rail Trail on West 6th Street-ARRA	20.205	426206-1-58-01/ ARRA 042B	421,230	
LAPA/ Resurfacing of NE 8th Avenue-ARRA	20.205	426207-1-58-01/ ARRA 043B	109,484	
LAPA/ Sidewalk on NW SR 121/NW 34th Street-ARRA	20.205	426208-2-58-01/ ARRA 607B	281,505	
LAPA/ Enhancement of Depot Road	20.205	420537-1-38-01/088849/07	1,072,198	
LAPA/ NE 25th St. & NE 19th Drive	20.205	420541-2-38-01& 420541-2-58-01	18,938	
LAPA/ NE 19th St. & NE 19th Terrace	20.205	420541-1-38-01& 420541-1-58-01	263,042	
RTP-Depot Park Trail	20.219	T26016	14,944	
Total Highway Planning and Construction Cluster				2,181,341
Statewide Safety Belt Enforcement	20.609	K4PT-10-21-34/APW25	13,120	
GPD Aggressive Driving Project	20.609	SC-10-13-08/ APY91	13,512	26,632
Passed Through NHTSA via Western Michigan University				
GPD Aggressive Driving Project	20.614	DTNH22-06-00036	38,055	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 18,168,003	

**Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2010
City of Gainesville, Florida**

<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 2007/2008	52.901	N/A	125,739	
SHIP 2008/2009	52.901	N/A	446,330	
SHIP 2009/2010	52.901	N/A	68,199	640,268
<u>DEPARTMENT OF ELDER AFFAIRS</u>				
City of Gainesville/ Alachua County Senior Recreation Center	65.013	XQ916	146,032	
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
FRDAP-Possum Creek Park	37.017	A08060	117,602	
FRDAP-Morningside Open Air Classroom	37.017	A08061	100,000	217,602
Passed Through St. Johns River Water Management District Gainesville Depot Park Stormwater Treatment	37.039	SI438AA	36,992	
Paynes Prairie Treatment Wetland	37.039	SK915AA	262,793	299,784
<u>DEPARTMENT OF HEALTH</u>				
EMS 2003-2004 EMS- Pass through from County	64.005	C3001	787	
EMS 2005-2006 EMS- Pass through from County	64.005	C5001	1,660	
EMS 2007-2008 EMS- Pass through from County	64.005	C7001	10,396	
EMS 2008-2009 EMS- Pass through from County	64.005	C8001	27,146	39,988
<u>DEPARTMENT OF TRANSPORTATION</u>				
FY 09/10 Services Development Funds- Route 22	55.012	APN19 / FIN 425445-1-84-01	81,719	
FY 09/10 Block Grant	55.012	APQ27 / FIN 411757-1-84-10	1,372,606	
FY 08 Implementation ITS Application	55.012	AP394 / FIN 41117-5-84-08	47,132	
FY 10 Service Development Funds- Bio Diesel	55.012	APW12// FIN 425444-1-84-10	3,041	
FY 09/10 Service Development Funds- Route 38	55.012	APY16// FIN 425443-1-84-10	8,238	
FY 09/10 Service Development Funds- Route 25	55.012	APZ01// FIN 425776-1-84-10	3,191	1,515,926
Transportation Regional Incentive Program	55.026	423306-1-58-01 & 423306-3-58-01	1,661,536	
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 4,521,137</u></u>	

**Notes to the Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2010
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>	Federal CFDA <u>Number</u>		<u>Amount</u>
Homelessness Prevention & Rapid Rehousing ARRA	14.257	\$	220,629
Sub recipient: Alachua County Housing Authority			
OJJDP FY09 Recovery Act Internet Crimes Against Children-ARRA	16.800		191,964
Sub recipients:			
Florida Office of the OAG			
Alachua County Sherriff Office			
Marion County Sherriff Office			
Brevard County Sherriff Office			
2009 Internet Crimes Against Children	16.543		20,197

The City provided state awards to sub recipients as follows:

<u>Program Title</u>	State CSFA <u>Number</u>		<u>Amount</u>
FDOT FY 08 Implementation ITS Application	55.012	\$	47,132
Sub recipient: University of Florida			

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, 2010. 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, 2010.

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, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2011. Our report on the basic financial statements included a reference to the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying 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 has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Honorable Mayor and City Commissioners
City of Gainesville, Florida
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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.

Car, Riggs & Ingram LLC

March 24, 2011
Gainesville, Florida

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2010
City of Gainesville, Florida**

Part I - Summary of Auditors' Results

1. The auditors' report on the basic financial statements was unqualified.
2. The audit did not disclose significant deficiencies or 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 disclose significant deficiencies or material weaknesses in internal control over the major federal programs or major state projects.
5. The auditors' report on compliance for the major federal programs and major state projects was unqualified.
6. The audit did not disclose any findings relative to the major federal programs or major state projects.
7. The City's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA No.</u>
ARRA – ICAC – Internet Crimes Against Children	16.800
Federal Equitable Sharing Proceeds	16.XXX
Highway Planning and Construction Cluster	20.205; 20.219
Federal Transit Cluster – Capital and Formula Grants	20.500; 20.507
EPA – Nonpoint Sources Implementation Grants	66.460
EECBG	81.128
<u>State Projects</u>	<u>CSFA No.</u>
Public Transit Source Development Program	52.012
Transportation Regional Incentive Program	55.026

8. A threshold of \$545,040 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

We are pleased to report that in connection with our September 30, 2009 financial statement audit and single audit, our external auditors listed no findings. Therefore, there was no plan required for corrective action and no discussion of current status is necessary.

Response to Current Year Audit Findings and Corrective Action Plan

We are pleased to report that in connection with our September 30, 2010 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.

Independent Certified Public Accountants' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards

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

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, 2010, and have issued our report thereon dated February 4, 2011. 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

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 4, 2011

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 or the Utility) as of and for the year ended September 30, 2010, 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 the Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility'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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our current year audit, we noted no new deficiencies in internal control (as described above). Below is an update on prior year findings:

SAP Accounting System User Education

During our year-end audit procedures, GRU personnel had difficulty providing required client assistance. Specifically, personnel had difficulty navigating the SAP accounting and SAP billing systems and were unable to generate required reports in a timely manner. We recommend that management provide additional resources and education in data extraction and reporting tools in order to efficiently deliver client assistance.

2009 Management Response: Management agrees with this recommendation. GRU implemented a new financial system in May of 2009. As with any new software implementation, there is a learning curve in the areas of data extraction and reporting. GRU staff is very familiar with the SAP accounting and billing software. During the coming year, GRU will provide additional training to appropriate staff to ensure reports needed to deliver client assistance are in place and available on a timely basis.

Current Year Update: GRU has provided training to key staff members in both IT and Finance area. Reports have been developed and modified to meet the requests encountered during last year's audit. Staff has also become much more familiar with the data and how to extract information from the system as needed.

SAP* Configuration

During our IT audit procedures, we noted the system configuration "login/no_automatic_user_sap*" was set to a value of "0". We also noted the "SAP*" account was deleted from the SAP user master table. This configuration may allow privileged access to the SAP system for any individual with knowledge of the default password for the "SAP*" user account. Further, such access is not logged. We recommend that the system configuration "login/no_automatic_user_sap*" be set to a value of "1". If the recommended configuration

change is not possible, we recommend that all "SAP*" activity be logged and reviewed on a regular basis. *2009 Management Response:* Management agrees with this recommendation. The configuration described is correct, and has been corrected in the client noted, R3P.

Current Year Update: The recommended configuration change has been implemented.

SAP Change Controls Configuration

During our IT audit procedures, we noted the "SCC4" Change Transport Configuration was modified during the audit period (last modified date of 7/27/2009). Through further inquiry, we noted the SAP production environment is periodically "unlocked" for maintenance. When the SAP production environment is "unlocked", changes may be made directly to the SAP system. GRU does not log or audit changes made to SAP when the production environment is "unlocked". Therefore, there is a risk of unauthorized, untested and unapproved changes being made to the production environment. We recommend that management log each time the "SCC4" transaction code is used to "unlock" the SAP production environment. We also recommend that management log all activity performed within the SAP production environment when it is "unlocked". Lastly, we recommend that a formal review of the activity log be performed on a regular basis to verify that only documented/authorized changes were made to production.

2009 Management Response: Management agrees with this recommendation. GRU is working to implement all of the recommendations during the current year.

Current Year Update: The first recommendation has been implemented. Such occurrences are documented within the relevant Mercury ticket when the need arises. Audit Logging will also capture everything and is on at all times in both SAP systems. Key strokes are not captured, rather transaction codes used, reports started, etc.

FERC Depreciation

During our year-end audit procedures, we noted SAP asset management system did not depreciate assets in accordance with Federal Energy Regulatory Commission (FERC) accounting guidance. SAP asset management system depreciates assets utilizing the traditional U.S. GAAP depreciation methods rather than group depreciation as outlined in FERC. Management adjusted the related asset accounts to reflect the proper amounts in accordance with FERC accounting guidance and these values are properly reflected in the financial statements and related footnotes. We recommend that management develop a process and implement controls to record depreciation utilizing the composite depreciation rates as required by FERC.

2009 Management Response: Management agrees that Federal Energy Regulatory Commission (FERC) accounting guidance is the appropriate accounting authority to use for utility asset accounting. Management does apply such guidance in all respects where it is practicable and legal to do so. Specific assets were accounted for using more detailed values than are required by FERC accounting and in so doing, did conform to U.S. GAAP depreciation methods. However, as stated, management did make the recommended adjustments to reflect values as if accounted for under FERC accounting so that all financial statement and related footnote balances are properly stated. Management will make every effort to ensure that specific asset and related accounts reflect the appropriate balances in conformity with FERC accounting treatment.

Current Year Update: At this time, management has determined that we will continue to use the SAP system as designed for specific assets, while other options are explored. At fiscal year end, an adjustment will be made to reflect values as if accounted for under FERC accounting for reporting purposes until a permanent solution is established.

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.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Ernst + Young LLP

February 4, 2011