

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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 remaining fund information of the City of Gainesville, Florida (the City) for the year ended September 30, 2018. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 31, 2018. Professional standards also require that we communicate to you the following information related to our audit:

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2018, except for the following:

- As discussed in Note 1 to the financial statements, for the year ended September 30, 2018, the City adopted new accounting guidance Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Postemployment Benefits (OPEB), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.
- As discussed in Note 5 to the financial statements, for the year ended September 30, 2018, a change in the measurement date related to the Consolidated Plan was adopted in order to align the measurement dates with the various plans sponsored by the City.

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

### Accounting Estimates

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

#### Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

### **Qualitative Aspects of Accounting Practices (Continued)**

#### **Accounting Estimates (Continued)**

The most sensitive estimates affecting the financial statements were:

- **Allowance for Doubtful Accounts and Bad Debt Expense**  
Management's estimate of the allowance for doubtful accounts reduces the City's accounts receivable balances to the net realizable value in the statement of net position and increases the bad debt expense in the statement of revenues, expenses, and changes in net position in accordance with generally accepted accounting principles. Management's estimate is based on historical revenues, loss levels, and analysis of the collectability of accounts.
- **Net Pension & OPEB Liability and Related Deferred Outflows and Inflows of Resources**  
The City's net pension and OPEB liabilities and related deferred outflows and inflows of resources of the City's Employee Plan, Consolidated Pension Plan, and OPEB, contributory defined benefit single-employer plans, are an estimate based on actuarial studies performed by a qualified actuary retained by the City. The actuarial valuation is based upon actuarial methods and assumptions which are selected based on risk and market factors affecting governmental entities of similar sizes, pension plan policies, and employee census information. The net pension and OPEB liabilities and related deferred outflows and inflows of resources are allocated based on retirement contributions made. These allocations are also considered significant estimates.
- **Unbilled Revenue Receivable and Revenues**  
Management's estimate of the unbilled revenue receivable on the statement of net position consists of actual cycle billings that are billed subsequent to year-end for consumption prior to September 30, 2018, multiplied by the average daily usage for the meter read period.
- **Costs Recoverable in Future Years**  
As discussed in Note 1 to the financial statements, the Utility Fund, a major fund, prepares its financial statements in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This accounting treatment results in costs and revenues being recognized in different periods for financial reporting purposes in order to reflect the economics of rate regulation. For Gainesville Regional Utilities (GRU or the Utility) to report under GASB Statement No. 62, its rates must be designed to recover the cost of services and the Utility must be able to collect those rates from its customers. If through competition, regulation, or other actions it was determined the Utility no longer met these criteria, it could be required to write-off its regulatory assets.
- **Accumulated Depreciation and Depreciation Expense**  
Management estimates accumulated depreciation and depreciation expense for capital assets using the straight-line method of depreciation and by determining estimated useful lives based on the classes of depreciable property described in the notes to the financial statements.
- **Fair Market Value of Financial and Derivative Instruments**  
As discussed in the notes to the financial statements, the City uses third party valuations for determining the fair market value of its financial and derivative instruments.
- **Incurred But Not Reported (IBNR) Self Insurance Claims**  
The City's calculation of IBNR costs are based on cost estimates developed by the City's Actuary and Third Party Administrator. Generally, the same cost estimates are used for both regulatory and accounting purposes. The annual IBNR cost estimate is recorded in the Self Insurance Fund of the City, which is classified as an Internal Service Fund within the City's Comprehensive Financial Report.

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### **Qualitative Aspects of Accounting Practices (*Concluded*)**

#### **Accounting Estimates (*Concluded*)**

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

#### **Financial Statement Disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- **Commitments and Contingencies**

As more fully described in Note 15 to the financial statements, various environmental and other regulations could result in increased future costs. Additionally, the note describes a contingency related to arbitration filed by GREC during 2016 and a counterclaim filed by GRU.

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

#### **Difficulties Encountered in Performing the Audit**

The completion of our audit was delayed because of delays in receiving necessary support schedules and information necessary to complete the draft financial statements. The delays are attributed to the turnover within the finance department, including the resignation of the Finance Director.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A listing of such corrected audit adjustments and uncorrected misstatements is attached.

#### **Disagreements with Management**

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

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 17, 2019.

#### **Management Consultations with Other Independent Accountants**

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

#### **Other Audit Findings or Issues**

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

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**Other Matters**

We applied certain limited procedures on the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

**Restriction on Use**

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

*Purvis, Gray and Company, LLP*

June 17, 2019  
Gainesville, Florida

**CITY OF GAINESVILLE, FLORIDA**  
**LISTING OF AUDIT ADJUSTMENTS**  
**SEPTEMBER 30, 2018**

Number	Account	Account No	Debit	Credit
1	Deferred Outflows Related to Pensions	413-01-1809 413	463,727	
1	State Revolving Fund Loan	413-02-2305 413		(1,416,629)
1	Net Pension Liability	413-02-2399 413		(3,704,658)
1	Deferred Inflows Related to Pensions	413-02-2559 413		(35,369)
1	Fund Balance (FS Adj.)	413-03-2719 413	3,276,300	
1	Fund Balance (FS Adj.)	413-03-2719 413	1,416,629	
1	Deferred Outflows Related to Pensions	415-01-1809 415	24,428	
1	Net Pension Liability	415-02-2399 415		(197,959)
1	Deferred Inflows Related to Pensions	415-02-2559 415		(1,538)
1	Fund Balance (FS Adj.)	415-03-2719 415	175,069	
1	Deferred Outflows Related to Pensions	416-01-1809 416	212,404	
1	Net Pension Liability	416-02-2399 416		(1,696,790)
1	Deferred Inflows Related to Pensions	416-02-2559 416		(16,209)
1	Fund Balance (FS Adj.)	416-03-2719 416	1,500,595	
1	Deferred Outflows Related to Pensions	420-01-1809 420	131,252	
1	Net Pension Liability	420-02-2399 420		(1,046,354)
1	Deferred Inflows Related to Pensions	420-02-2559 420		(10,266)
1	Fund Balance (FS Adj.)	420-03-2719 420	925,368	
1	Deferred Outflows Related to Pensions	450-01-1809 450	2,113,890	
1	Net Pension Liability	450-02-2399 450		(16,897,198)
1	Deferred Inflows Related to Pensions	450-02-2559 450		(160,119)
1	Fund Balance (FS Adj.)	450-03-2719 450	14,943,427	
1	Deferred Outflows Related to Pensions	502-01-1809 502	244,701	
1	Net Pension Liability	502-02-2399 502		(1,951,308)
1	Deferred Inflows Related to Pensions	502-02-2559 502		(19,077)
1	Fund Balance (FS Adj.)	502-03-2719 502	1,725,684	
1	Deferred Outflows Related to Pensions	503-01-1809 503	210,125	
1	Net Pension Liability	503-02-2398 503		(1,682,650)
1	Deferred Inflows Related to Pensions	503-02-2559 503		(15,566)
1	Fund Balance (FS Adj.)	503-03-2719 503	1,488,091	
1	Deferred Outflows Related to Pensions	504-01-1809 504	17,804	
1	Net Pension Liability	504-02-2398 504		(141,399)
1	Deferred Inflows Related to Pensions	504-02-2559 504		(1,455)
1	Fund Balance (FS Adj.)	504-03-2719 504	125,050	
<b>Audit Adjustment -</b> To record the beginning balance for liabilities not on the trial balance but included in the prior year financial statements				
2	Accrued Receivables	001-01-1162 001		(655,465)
2	Loc Govt-Half Cent Sales Tax	001-05-770-7770-0000-2406 001	655,465	
<b>Audit Adjustment -</b> To remove duplicate accrual for 1/2 Cent Sales tax				
3	Accrued Receivables	001-01-1162 001	52,378	
3	Pymts In Lieu Of Taxes-Gha	001-05-770-7770-0000-3201 001		(52,378)
<b>Audit Adjustment -</b> to accrue receivables and recognize revenue for payments in lieu of taxes applicable to FY 18 received in Oct. 18				
4	Petty Cash	107-01-1010 107		(25,000)
4	Ticket Sales-Cultural Services	107-05-850-1650-0000-4650 107	25,000	
<b>Audit Adjustment -</b> To correct Petty Cash. Outstanding petty cash relating to Hoggetowne Festival was incorrectly deposited back into the bank as part of revenues.				
5	Investments	602-01-1510 602	98,876	
5	Interest On Investments	602-05-990-9981-0000-6001 602		(543)
5	Unrealized Gain/Loss	602-05-990-9981-0000-6008 602		(98,333)
<b>Audit Adjustment -</b> To correct investment balances - Account activity was not entered during the year.				

6	Cash With Fiscal Agent	606-01-1031 606		(491,186)
6	Investment In Annuities-Icma	606-01-1512 606	817,100	
6	Interest On Investments	606-05-990-9981-0000-6001 606		(890,185)
6	Rollover 401k/401a or 457k	606-05-990-9981-0000-8215 606		(151,737)
6	Refund Of Pension Contribution	606-44-990-9981-5190-2500 606	716,007	

**Audit Adjustment -** To correct investment balances.  
Account activity was not entered during the year.

7	Cash - Great Western Bank	606-01-1033 606		(36,331)
7	Investment In Annuity-Gwb	606-01-1517 606	26,879	
7	Interest On Investments	606-05-990-9981-0000-6001 606		(83,164)
7	Refund Of Pension Contribution	606-44-990-9981-5190-2500 606	92,615	

**Audit Adjustment -** To correct investment balances.  
Account activity was not entered during the year.

8	Cash With Fiscal Agent	609-01-1031 609		(3,159,999)
8	Investment In Annuities-Icma	609-01-1512 609	11,082,498	
8	Interest On Investments	609-05-990-9981-0000-6001 609		(9,742,358)
8	Rollover 401k/401a or 457k	609-05-990-9981-0000-8215 609		(8,479,943)
8	Refund Of Pension Contribution	609-44-990-9981-5190-2500 609	10,299,802	

**Audit Adjustment -** To correct investment balances.  
Account activity was not entered during the year.

9	Cash - Great Western Bank	609-01-1033 609		(42,682)
9	Investment In Annuity-Gwb	609-01-1517 609	245,469	
9	Interest On Investments	609-05-990-9981-0000-6001 609		(290,201)
9	Refund Of Pension Contribution	609-44-990-9981-5190-2500 609	87,414	

**Audit Adjustment -** To correct investment balances.  
Account activity was not entered during the year.

10	Cash With Fiscal Agent	626-01-1031 626		(1,072,890)
10	Investment In Annuities-Icma	626-01-1512 626	1,369,303	
10	Interest On Investments	626-05-990-9981-0000-6001 626		(903,815)
10	Refund Of Pension Contribution	626-44-990-9981-5190-2500 626	607,402	

**Audit Adjustment -** To correct investment balances.  
Account activity was not entered during the year.

11	Payroll Imprest Account	650-01-1035 650	15,935	
11	Payroll Direct Deposits	650-02-2014 650		(15,935)

**Audit Adjustment -** To adjust payroll accounts to actual

12	Investment -Pension Funds	607-01-1513 607	2,068,021	
12	Investment -Pension Funds	608-01-1513 608	1,065,344	
12	Interest On Investments	607-05-990-9981-0000-6001 607	-	
12	Gain/Loss On Investments	607-05-990-9981-0000-6006 607		(635,179)
12	Unrealized Gain/Loss	607-05-990-9981-0000-6008 607		(1,432,842)
12	Interest On Investments	608-05-990-9981-0000-6001 608	-	
12	Gain/Loss On Investments	608-05-990-9981-0000-6006 608		(327,213)
12	Unrealized Gain/Loss	608-05-990-9981-0000-6008 608		(738,131)

**Audit Adjustment -** To record year-end investment accounts balances

13	Accounts Payable	604-02-2020 604	54,928	
13	Accounts Payable	604-02-2020 604		(394,713)
13	Vouchers Payable	607-02-2029 607		(52,598)
13	Accounts Payable	608-02-2020 608		(383,563)
13	DROP Principal Distribution/Rollover	604-44-990-9981-5190-1028 604	377,205	
13	DROP Interest Distribution/Rollover	604-44-990-9981-5190-1029 604	17,508	
13	Refund Of Pension Contribution	604-44-990-9981-5190-2500 604		(54,928)
13	DROP Principal Distribution/Rollover	607-44-990-9981-5210-1028 607	51,792	
13	DROP Interest Distribution/Rollover	607-44-990-9981-5210-1029 607	806	
13	DROP Principal Distribution/Rollover	608-44-990-9981-5220-1028 608	334,110	
13	DROP Interest Distribution/Rollover	608-44-990-9981-5220-1029 608	49,453	

**Audit Adjustment -** To adjust the DROP rollover accruals to actual

14	Assets Held In Evidence	108-01-1070 108	355,240	
14	Assets Held In Evidence	108-02-2289 108		(355,240)

**Audit Adjustment -** To record the FY 18 Evidence Cash on Hand

15	ICMA 401 Share Plan Assets	628-01-1576 628	155,688	
15	Police Share Plan Principal Distribution-Rollover	628-44-770-7777-5210-1061 628		(155,688)

**Audit Adjustment -** To reclassy FY 18 ICMA 401 Share plan rollover

16	State Revolving Fund Loan	413-02-2305 413	137,003	
16	Transfer to Fund 413	229-00-000-0000-0000-9999 229	137,003	
16	Principal	229-44-990-9984-5190-7100 229		(137,003)
16	Transfer from Fund 229	413-00-000-0000-0000-9999 413		(137,003)

**Audit Adjustment -** To reclassify Debt Payment from Fund 229 to Fund 413.

17	Equity In Treasury Fund	123-01-1040 123		(68,094)
17	Billed Receivables	123-01-1150 123	68,094	

**Audit Adjustment -** To reverse cash for DIT on reconciliation that was not actually in transit.

18	Billed Grants Receivable	102-01-1140 102		(223,325)
18	Grants Receivable	102-01-1155 102	182,485	
18	Grants Receivable	104-01-1155 104		(471,130)
18	Community Development Blk Grnt	102-05-620-6210-0000-1601 102	40,840	
18	Home Investment Grant	104-05-620-6210-0000-1605 104	471,130	

**Audit Adjustment -** To adjust grants receivable/revenue to actual

19	Reserve For Encumbrances	001-03-3001 001	24,810	
19	Reserve For Encumbrances	104-03-3001 104		(5,148)
19	Reserve For Encumbrances	302-03-3001 302	1,899	
19	Reserve For Encumbrances	339-03-3001 339	29,361	
19	Reserve For Encumbrances	341-03-3001 341		(35,242)
19	Reserve For Encumbrances	357-03-3001 357	28,159	
19	Reserve For Encumbrances	413-03-3001 413	4,010	
19	Reserve For Encumbrances	450-03-3001 450		(38,757)
19	Reserve For Encumbrances	502-03-3001 502	52,667	
19	Reserve For Encumbrances	504-03-3001 504	93,646	
19	Reserve For Encumbrances	601-03-3001 601	111,739	
19	Reserve For Encumbrances	621-03-3001 621	2,000	
19	Other Contractual Services	001-43-750-7520-5140-4120 001	0	
19	Materials And Supplies	001-43-810-8110-5210-3010 001	165	
19	Non-Capital Equipment	001-43-820-8220-5220-3009 001		(2,400)
19	Machinery and Equipment	001-43-820-8220-5220-6040 001		(2,575)
19	Other Contractual Services	001-43-850-8520-5720-4120 001		(20,000)
19	Other Grants And Aids	104-43-620-6254-5540-8900 104	12,562	
19	Other Grants And Aids	104-43-620-6259-5540-8900 104		(7,414)
19	Buildings	302-43-820-E201-5220-6020 302		(1,899)
19	Improvements Other Than Bldg	339-43-800-C202-5410-6030 339		(29,361)
19	Improvements Other Than Bldg	341-43-800-M725-5410-6030 341	35,242	
19	Buildings	357-43-820-E201-5220-6020 357		(28,159)
19	Professional Services	413-43-800-K501-5380-4110 413		(1,837)
19	Professional Services	413-43-800-K502-5380-4110 413		(618)
19	Professional Services	413-43-800-K504-5380-4110 413		(1,555)
19	Other Contractual Services	450-43-680-6820-5440-4120 450	7,704	
19	Inventory Purchases	450-43-680-6820-5440-4300 450		(616)
19	Other Contractual Services	450-43-680-6840-5440-4120 450		(12,553)
19	Vehicles	450-43-680-UH60-5440-6050 450	44,222	
19	Gasoline	502-43-840-8420-5900-3151 502		(418)
19	Diesel Fuel	502-43-840-8420-5900-3152 502		(52,249)
19	Administrative Costs	504-43-920-9210-5190-3540 504		(93,646)
19	Insurance Premiums	601-43-920-9210-5190-3510 601		(111,739)
19	Improvements Other Than Bldg	621-43-790-W901-5520-6030 621	10,000	
19	Other Grants And Aids	621-43-790-W901-5520-8900 621		(10,000)
19	Other Contractual Services	621-43-790-W906-5520-4120 621		(792)
19	Aid To Private Organizations	621-43-790-W934-5520-8200 621		(1,208)

**Audit Adjustment -** To close out encumbrances/adjust equity

20	Accounts Payable	001-02-2020 001	5,528	
20	Fund Balance/Retained Earnings	001-03-2710 001		(5,528)
20	Fund Balance/Retained Earnings	001-03-2710 001	60	
20	Equity In Treasury Fund	140-01-1040 140		(33,087)
20	Fund Balance/Retained Earnings	140-03-2710 140	33,087	
20	Construction Work In Progress	413-01-1690 413	55,583	
20	Fund Balance/Retained Earnings	413-03-2710 413		(55,583)
20	Accounts Payable	450-02-2020 450		(2,000)
20	Fund Balance/Retained Earnings	450-03-2710 450	2,000	
20	Other Miscellaneous Revenues	001-05-850-8588-0000-7201 001		(60)

**Audit Adjustment -** To correct beginning equity and agree to prior year financial statements.

21	Deferred Outflow (Revenue Refunding Loss)	951-01-1809 952	2,119,339	
21	Deferred Outflow (Revenue Refunding Loss)	951-01-1809 952		(246,419)
21	Amt To Be Prov-Pymt Rev Bond,S	951-01-1870 951		(9,816)
21	Amt To Be Prov-Pymt Rev Bond,S	951-01-1870 951	863,345	
21	Amt to be prov - Debt Refunding	951-01-1871 952		(2,119,339)
21	Discount on Bonds Payable	951-02-224-0000-0000-9000 951	9,816	
21	Discount on Bonds Payable	951-02-224-0000-0000-9000 951		(768)
21	Premium on Bonds Payable	951-02-224-0000-0000-9001 951		(863,345)
21	Premium on Bonds Payable	951-02-224-0000-0000-9001 951	93,682	
21	Amortization of Revenue Refunding Loss	951-44-000-0000-5190-7300 952	246,419	
21	Amortization of Discount on Bonds Payable	951-44-000-0000-5190-7301 951	768	
21	Amortization of Premium on Bonds Payable	951-44-000-0000-5190-7302 951		(93,682)

**Audit Adjustment -** to record Beginning Refunding Loss Balance and CY Activity.

22	Principal	233-44-990-9984-5190-7100 233		(12,513)
22	Interest Expense	233-44-990-9984-5190-7250 233	12,513	

**Audit Adjustment -** To reclass Principal Lease Payments to Interest to agree to PY CAFR Debt Roll-Forward.

23	Amt Av Dsf-Revenue Bonds, Ser	951-01-1860 951	18,202,778	
23	AMT T/B PROV-TAX PEN BD	951-01-1861 951		(16,180,714)
23	Amt to be prov - Cap Lease	951-01-1862 951	78,141	
23	Amt to be prov - Accrued Int	951-01-1863 952	349,711	
23	Revenue Bonds Payable-Serial	951-02-2330 951		(18,202,778)
23	Revenue Bonds Payable-Serial	951-02-2330 951	4,778,547	
23	Revenue Bonds Payable-Serial	951-02-2330 951		(10,365,000)
23	TAX PENS BDS PAY-2003A & B	951-02-2331 951	16,180,714	
23	TAX PENS BDS PAY-2003A & B	951-02-2331 951	3,343,168	
23	Capital Lease Payable	951-02-2332 951		(78,141)
23	Capital Lease Payable	951-02-2332 951	78,141	
23	Accrued Interest Payable	951-02-2395 952		(349,711)
23	CONTRA - Lease Payable	951-02-234-0000-0000 951		(78,141)
23	Debt Proceeds	951-05-232-0000-0000 951	10,365,000	
23	CONTRA Pension Bonds Payable	951-02-230-0000-0000-0000 951		(3,343,168)
23	CONTRA Revenue Bonds Payable	951-02-232-0000-0000-0000 951		(4,778,547)

**Audit Adjustment -** To Adjust Debt Opening Balance to match PY CAFR.

24	Equity In Treasury Fund	413-01-1040 413	601,570	
24	Due From Electric	413-01-1311 413		(601,570)
24	Equity In Treasury Fund	420-01-1040 420	735,495	
24	Due From Electric	420-01-1311 420		(735,495)

**Audit Adjustment -** To reverse AJE #48 per discussion with client. Cash was actually received during the year.

25	Accrued Receivables	413-01-1162 413	642,856	
25	Due From Electric	413-01-1311 413		(642,856)
25	Accrued Receivables	414-01-1162 414	122,449	
25	Due From Electric	414-01-1311 414		(122,449)
25	Accrued Receivables	420-01-1162 420	742,204	
25	Due From Electric	420-01-1311 420		(742,204)



<b>Audit Adjustment -</b> To reclass due from to accounts receivable				
26	Equity In Treasury Fund	358-01-1040 358		(49,851)
26	Vouchers Payable	358-02-2029 358	49,851	
26	Vouchers Payable	358-02-2029 358	7,210	
26	Equity In Treasury Fund	418-01-1040 418	49,851	
26	Improvements Other Than Bldg	358-44-850-B111-5720-6030 358		(7,210)
26	Buildings	418-44-850-I120-5720-6020 418		(49,851)
<b>Audit Adjustment -</b> To correct vouchers payable for amounts paid in the current year.				
27	Vouchers Payable	358-02-2029 358	12,475	
27	Professional Services	358-44-850-B254-5720-4110 358		(12,475)
<b>Audit Adjustment -</b> To adjust vouchers payable for expense not incurred until FY19.				
28	Accrued Vacation Payable	951-02-2391 951	558,906	
28	CONTRA - Payroll Expense - Comp Abs	951-44-0000 951		(558,906)
<b>Audit Adjustment -</b> to adjust govt wide compensated absences to actual				
29	Capital Contributions	413-05-800-8099-0000-8700 413		(148,955)
29	Gain/Loss:Disposition Of F/A	413-05-800-8099-5380-6610 413	148,955	
<b>Audit Adjustment -</b> to reclass capital contributions to correct account				
30	Grants Receivable	115-01-1155 115		(868,941)
30	St Grant-Transportation	115-05-800-X270-0000-2240 115	131,085	
30	St Grant-Public Safety	115-05-800-X756-0000-2230 115	138,346	
30	SJRWMD Contributions	115-05-800-X770-0000-2817 115	599,510	
<b>Audit Adjustment -</b> To clean up BSA #115-1155. Known accruals that should be reversed.				
31	Equity In Treasury Fund	140-01-1040 140	33,087	
31	Fund Balance/Retained Earnings	140-03-2710 140		(33,087)
31	Fund Balance/Retained Earnings	140-03-2710 140	33,086	
31	Tree Mitigation Revenue	140-05-660-I500-0000-3202 140		(33,086)
<b>Audit Adjustment -</b> To reverse portion of AJE #53 to record tree mitigation revenue in FY18 and reverse adjustment to cash. Payment to the tree mitigation fund was excluded from prior year CAFR even though entry was made in the City's accounting records.				
32	Vouchers Payable	001-02-2029 001		(30,055)
32	Vouchers Payable	001-02-2029 001		(36,738)
32	Vouchers Payable	001-02-2029 001		(19,549)
32	Vouchers Payable	001-02-2029 001		(10,285)
32	Vouchers Payable	001-02-2029 001		(9,917)
32	Vouchers Payable	123-02-2029 123		(74,431)
32	Vouchers Payable	339-02-2029 339		(338,124)
32	Vouchers Payable	354-02-2029 354		(181,766)
32	Vouchers Payable	420-02-2029 420		(350,783)
32	Vouchers Payable	504-02-2029 504		(70,065)
32	Vouchers Payable	618-02-2029 618		(457,235)
32	Utilities-Elect,Sewer,Water	001-44-810-8110-5210-3140 001	30,055	
32	Utilities-Elect,Sewer,Water	001-44-850-8520-5720-3140 001	19,549	
32	Utilities-Elect,Sewer,Water	001-44-850-8520-5720-3140 001	10,285	
32	Utilities-Elect,Sewer,Water	001-44-850-8530-5720-3140 001	9,917	
32	Utilities-Elect,Sewer,Water	001-44-850-8540-5720-3140 001	36,738	
32	Other Contractual Services	123-44-790-X392-5790-4120 123	74,431	
32	Improvements Other Than Bldg	339-44-800-C202-5410-6030 339	338,124	
32	Improvements Other Than Bldg	354-44-800-E203-5410-6030 354	181,766	
32	REFUSE COLLECTION FEES	420-44-800-8080-5340-4151 420	350,783	
32	Insurance Premiums	504-44-920-9210-5190-3510 504	70,065	
32	Buildings	618-44-790-W763-5520-6020 618	457,235	

**Audit Adjustment -** To adjust vouchers payable for items identified through SFUL.

33	Vouchers Payable	001-02-2029 001		(69,595)
33	Other Contractual Services	001-44-990-9934-5410-4120 001	69,595	

**Audit Adjustment -** To accrue Alachua County September invoice paid in October.

34	Deferred Outflows Related to Pensions	413-01-1809 413	271,004	
34	Net Pension Liability	413-02-2399 413	639,576	
34	Deferred Inflows Related to Pensions	413-02-2559 413		(826,247)
34	Deferred Outflows Related to Pensions	415-01-1809 415	14,826	
34	Net Pension Liability	415-02-2399 415	34,202	
34	Deferred Inflows Related to Pensions	415-02-2559 415		(44,495)
34	Deferred Outflows Related to Pensions	416-01-1809 416	217,802	
34	Net Pension Liability	416-02-2399 416		(97,902)
34	Deferred Inflows Related to Pensions	416-02-2559 416		(488,292)
34	Deferred Outflows Related to Pensions	420-01-1809 420	59,669	
34	Net Pension Liability	420-02-2399 420	249,888	
34	Deferred Inflows Related to Pensions	420-02-2559 420		(213,626)
34	Deferred Outflows Related to Pensions	450-01-1809 450	1,253,277	
34	Net Pension Liability	450-02-2399 450	2,850,364	
34	Deferred Inflows Related to Pensions	450-02-2559 450		(3,788,546)
34	Deferred Outflows Related to Pensions	502-01-1809 502	171,325	
34	Net Pension Liability	502-02-2399 502	215,769	
34	Deferred Inflows Related to Pensions	502-02-2559 502		(468,795)
34	Deferred Outflows Related to Pensions	503-01-1809 503	120,459	
34	Net Pension Liability	503-02-2398 503	303,550	
34	Deferred Inflows Related to Pensions	503-02-2559 503		(372,109)
34	Deferred Outflows Related to Pensions	504-01-1809 504	11,885	
34	Net Pension Liability	504-02-2398 504	17,547	
34	Deferred Inflows Related to Pensions	504-02-2559 504		(33,361)
34	Retirement Expense GASB 68 Adjustment	413-44-800-8099-5380-2020 413		(84,333)
34	Retirement Expense GASB 68 Adjustment	415-44-850-8099-5720-2020 415		(4,533)
34	Retirement Expense GASB 68 Adjustment	416-44-660-8099-5240-2020 416	368,392	
34	Retirement Expense GASB 68 Adjustment	420-44-800-8099-5340-2020 420		(95,930)
34	Retirement Expense GASB 68 Adjustment	450-44-680-8099-5440-2020 450		(315,094)
34	Retirement	502-44-840-8410-5900-2020 502	81,700	
34	Retirement	503-44-920-9225-5190-2020 503		(51,901)
34	Retirement	504-44-920-9210-5190-2020 504	3,929	

**Audit Adjustment -** To record the current year net pension liability and related DOR, DIR, and pension expense for the BT and ISF

35	Amt To Be Prov-Acrd Vacation	951-01-1892 951	959,706	
35	Accrued Vacation Payable	951-02-2391 951		(959,706)
35	General Government - DOR	961-01-1809 961	3,925,322	
35	General Government - Net Pension Liability	961-02-2399 961		(31,376,470)
35	General Government - DIR	961-02-2559 961		(297,356)
35	Fund Balance - Net Pension Liability	961-03-2710 961	27,748,504	
35	Consolidated - DOR	962-01-1809 962	12,814,520	
35	Consolidated - Net Pension Liability	962-02-2399 962		(44,488,010)
35	Consolidated - DIR	962-02-2559 962		(4,959,714)
35	Fund Balance - Net Pension Liability - Cons Plan	962-03-2710 962	36,633,204	
35	Economic Dev - Retirement Expense	961-44-640-2020 961		
35	Transportation - Retirement Expense	961-44-800-2020 961		
35	Culture & Rec - Retirement Expense	961-44-870-2020 961		
35	Human Services - Retirement Expense	961-44-950-2020 961		

**Audit Adjustment -** to record the opening GG GW balances

36	GG - Net OPEB Liability	963-02-2399 963	18,049,285	
36	Fund Balance - OPEB	963-03-2710 963		(18,049,285)

**Audit Adjustment -** To record negative net OPEB obligation asset opening balance

37	Amt to be provided - Deferred Rev	951-01-1864 952		(64,686)
37	Deferred Rev	951-02-2230 952	64,686	

**Audit Adjustment -** to record the GW opening balance  
for deferred revenues

38	General Government - DOR	961-01-1809 961	3,172,580	
38	General Government - Net Pension Liability	961-02-2399 961	1,766,099	
38	General Government - DIR	961-02-2559 961		(8,026,330)
38	GG - Retirement Expense	961-44-600-2020 961	1,259,948	
38	Public Safety - Retirement Expense	961-44-620-2020 961	719,151	
38	Economic Dev - Retirement Expense	961-44-640-2020 961	154,521	
38	Transportation - Retirement Expense	961-44-800-2020 961	483,826	
38	Physical Environment - Retirement Expense	961-44-850-2020 961	7,137	
38	Culture & Rec - Retirement Expense	961-44-870-2020 961	463,068	
38	Human Services - Retirement Expense	961-44-950-2020 961		

**Audit Adjustment -** to record the CY NPL GG activity  
for the employees' plan

39	Consolidated - DOR	962-01-1809 962		(2,368,903)
39	Consolidated - Net Pension Liability	962-02-2399 962	8,675,737	
39	Consolidated - DIR	962-02-2559 962		(11,498,601)
39	Fund Balance - Net Pension Liability - Cons Plan	962-03-2710 962	5,191,767	

**Audit Adjustment -** To record prior period adjustment  
for the P&F consolidated plan

40	Consolidated - DOR	962-01-1809 962		(2,154,915)
40	Consolidated - Net Pension Liability	962-02-2399 962	3,054,412	
40	Consolidated - DIR	962-02-2559 962	475,290	
40	Public Safety - Retirement Expense - Consolidated	962-44-620-2020 962		(1,374,787)

**Audit Adjustment -** To record the CY NPL activity for  
P&F

41	Fund Balance (FS Adj.)	413-03-2719 413	90,269	
41	Fund Balance (FS Adj.)	415-03-2719 415	6,477	
41	Fund Balance (FS Adj.)	416-03-2719 416	52,717	
41	Fund Balance (FS Adj.)	420-03-2719 420	22,426	
41	Fund Balance (FS Adj.)	450-03-2719 450	380,135	
41	Fund Balance (FS Adj.)	502-03-2719 502	51,016	
41	Fund Balance (FS Adj.)	503-03-2719 503	39,227	
41	Fund Balance (FS Adj.)	504-03-2719 504	3,121	
41	GG - Net OPEB Liability	963-02-2399 963		(19,941,460)
41	Fund Balance - OPEB	963-03-2710 963	19,941,460	
41	NET OPEB LIABILITY	413 - NET OPEB LIABILITY 413		(90,269)
41	NET OPEB LIABILITY	415 - NET OPEB LIABILITY 415		(6,477)
41	NET OPEB LIABILITY	416 - NET OPEB LIABILITY 416		(52,717)
41	NET OPEB LIABILITY	420 - NET OPEB LIABILITY 420		(22,426)
41	NET OPEB LIABILITY	450 - NET OPEB LIABILITY 450		(380,135)
41	NET OPEB LIABILITY	502 - NET OPEB LIABILITY 502		(51,016)
41	NET OPEB LIABILITY	503 - NET OPEB LIABILITY 503		(39,227)
41	NET OPEB LIABILITY	504 - NET OPEB LIABILITY 504		(3,121)

**Audit Adjustment -** To record the prior period  
adjustment for OPEB due to the implementation of GASB 75

42	GG - DOR - OPEB	963-01-1809 963	2,450,338	
42	GG - Net OPEB Liability	963-02-2399 963		(2,289,591)
42	GG - DIR - OPEB	963-02-2559 963		(577,119)
42	OPEB DIR	413 - OPEB DIR 413		(27,532)
42	GG - OPEB Expense	963-44-600-2020 963	48,246	
42	Public Safety - OPEB Expense	963-44-620-2020 963	265,319	
42	Economic Dev - OPEB Expense	963-44-640-2020 963	34,384	
42	Physical Environment - OPEB Expense	963-44-850-2020 963	13,908	
42	Culture & Rec - OPEB Expense	963-44-870-2020 963	21,346	
42	Human Services - OPEB Expense	963-44-950-2020 963	33,169	
42	OPEB DOR	413 - OPEB - DOR 413	116,897	
42	OPEB DIR	415 - OPEB - DIR 415		(1,975)
42	OPEB DOR	415 - OPEB - DOR 415	8,387	
42	OPEB DIR	416 - OPEB - DIR 416		(16,079)
42	OPEB DOR	416 - OPEB - DOR 416	68,268	
42	OPEB DIR	420 - OPEB - DIR 420		(6,840)
42	OPEB DOR	420 - OPEB - DOR 420	29,041	
42	OPEB DIR	450 - OPEB - DIR 450		(115,942)
42	OPEB DOR	450 - OPEB - DOR 450	492,269	
42	OPEB DIR	502 - OPEB - DIR 502		(15,560)

42	OPEB DOR	502 - OPEB - DOR 502	66,066	
42	OPEB DIR	503 - OPEB - DIR 503		(11,964)
42	OPEB DOR	503 - OPEB - DOR 503	50,798	
42	OPEB DIR	504 - OPEB - DIR 504		(952)
42	OPEB DOR	504 - OPEB - DOR 504	4,041	
42	OPEB EXPENSE	413 - OPEB EXPENSE 413	19,864	
42	OPEB EXPENSE	415 - OPEB EXPENSE 415	1,425	
42	OPEB EXPENSE	416 - OPEB EXPENSE 416	11,600	
42	OPEB EXPENSE	420 - OPEB EXPENSE 420	4,935	
42	OPEB EXPENSE	450 - OPEB EXPENSE 450	83,649	
42	OPEB EXPENSE	502 - OPEB EXPENSE 502	11,226	
42	OPEB EXPENSE	503 - OPEB EXPENSE 503	8,632	
42	OPEB EXPENSE	504 - OPEB EXPENSE 504	687	
42	NET OPEB LIABILITY	413 - NET OPEB LIABILITY 413		(109,228)
42	NET OPEB LIABILITY	415 - NET OPEB LIABILITY 415		(7,837)
42	NET OPEB LIABILITY	416 - NET OPEB LIABILITY 416		(63,789)
42	NET OPEB LIABILITY	420 - NET OPEB LIABILITY 420		(27,137)
42	NET OPEB LIABILITY	450 - NET OPEB LIABILITY 450		(459,976)
42	NET OPEB LIABILITY	502 - NET OPEB LIABILITY 502		(61,732)
42	NET OPEB LIABILITY	503 - NET OPEB LIABILITY 503		(47,466)
42	NET OPEB LIABILITY	504 - NET OPEB LIABILITY 504		(3,776)

**Audit Adjustment -** To record the current year OPEB activity

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43	Construction Work In Progress	901-01-1690 901	6,308,318	
43	General Fund Revenue	901-03-2804 901		(6,308,318)

**Audit Adjustment -** To capitalize additional CIP items

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44	Due to Other Funds	111-02-2301 111		(144,000)
44	Other Contractual Services	111-44-790-6570-5520-4120 111	144,000	

**Audit Adjustment -** Record 'due to GRU' for MOU w CRA

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**CITY OF GAINESVILLE, FLORIDA  
UNCORRECTED MISSTATEMENTS  
SEPTEMBER 30, 2018**

**Financial Statement Effect - Amount of Overstatement  
(Understatement)**

<b>Opinion Unit</b>	<b>Description of Audit Difference</b>	<b>Type of Misstatement</b>	<b>Cause</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Fund Balance/Net Position</b>	<b>Revenues</b>	<b>Expen.</b>
Governmental Activities – Aggregate Remaining Funds	Overstatement of Grants Receivable	Projected	The grants receivable listing contains accruals from prior years that may need to be reversed.	1,183,000	-	1,183,000	-	-
Business-Type Activities	Overstatement of Vouchers Payable	Projected	Unreconciled differences between the City provided vouchers payable listing and accounting records.	-	203,566	-203,566	-	203,566
Governmental Activities - Major Fund - General	Overstatement of Vouchers Payable	Projected	Unreconciled differences between the City provided vouchers payable listing and accounting records.	-	260,202	-260,202	-	260,202
Governmental Activities - Major Fund - CRA	Understatement of Current Year Revenue	Factual	Refundable deposit posted as revenue in the prior year and reversed in the current year.	-	-	-20,000	-20,000	-