

OPERATIONS BUREAU DISTRICT 1 ROSTER

Bureau Commander Michael Schentrup #423

ID	SECTOR 1	CAR	SHIFT	RDO
450	Lt. Michael Schibuola		1	Alpha
170	Sgt. Lisa Satcher	3735	1	Alpha
593	Sgt. John Mazzuca	3370	1	Bravo
315	Sgt. Michael Douglas		2	Alpha
773	A/Sgt. Fred Melaragno	3749	2	Bravo
	Sgt. Vacant		3	Alpha
660	Sgt. Chris Cardwell	4081	3	Bravo
ID	ALPHA	CAR	SHIFT	RDO
314	Ofc. Elgin Saxon	3763	1	Alpha
510	Ofc. Randall Roberts	4023	1	Alpha
368	Ofc. Ralph McDowell	3095	1	Bravo
			1	Bravo
778	Ofc. Chad Welch	3977	2	Alpha
941	Ofc. Robert Shigley (Military)	3440	2	Alpha
812	Ofc. Darren Graham	3662	2	Bravo
977	Ofc. Emorie Keimig		2	Bravo
939	Ofc. Thomas Brinske (Military)	3579	3	Alpha
698	Ofc. Charles Talton	3979	3	Alpha
989	Ofc. Micah Mones		3	Alpha
745	Ofc. Steve Sweeting	3982	3	Bravo
963	Ofc. Katie Boyett	3572	3	Bravo
ID	BRAVO	CAR	SHIFT	RDO
962	Ofc. Brooke Shutterly		1	Alpha
964	Ofc. Ronnie Pinkston	3449	1	Alpha
777	Ofc. Bryan Field	4130	1	Bravo
817	Ofc. James Alford	3902	2	Alpha
822	Ofc. Daniel Abbott	3356	2	Bravo
664	Cpl. Wade Priestner	3445	3	Alpha
806	Ofc. Jesse Bostick	3429	3	Bravo
ID	CHARLIE	CAR	SHIFT	RDO
159	Ofc. Fred Munn	3921	1	Alpha
734	Ofc. Pat Donnelly	3986	1	Bravo
816	Ofc. Becki Holcomb	3742	1	Bravo
158	Cpl. Victor Norman	3658	2	Alpha
971	Ofc. Travarris Saulsberry		2	Alpha
990	Ofc. Desiree McCarthy		2	Bravo
910	Ofc. Hudson Dykes (Military)	3436	3	Alpha
896	Ofc. James Rengering	3915	3	Bravo

ID	SECTOR 2	CAR	SHIFT	RDO
185	Lt. Rob Koehler	4078	1	Alpha
335	Sgt. Dave Schramek	4080	1	Alpha
199	Sgt. Steve Girard	3367	1	Bravo
452	Sgt. Wayne South	3371	2	Alpha
675	Sgt. Rebekah Moore		2	Bravo
441	Sgt. Brad Litchfield	4022	3	Alpha
454	Sgt. Leah Hayes	4085	3	Bravo
ID	DELTA	CAR	SHIFT	RDO
761	Ofc. Edward Wilkins		1	Alpha
783	Cpl. Jennifer Reedy (Limited)		1	Alpha
827	Ofc. Thomas Reynolds	3740	1	Bravo
925	Ofc. Owen Osborne		1	Bravo
371	Ofc. Keith Carlisle	3978	2	Alpha
376	Cpl. Tracy Fundenburg	3390	2	Bravo
976	Ofc. Denzel Kankam		2	Bravo
572	Ofc. Ronnie Hartley	3816	3	Alpha
746	Ofc. Joseph Crews	3987	3	Bravo
ID	ECHO	CAR	SHIFT	RDO
356	Ofc. Michael Myers	3919	1	Alpha
867	Ofc. Alicia Davis	3918	1	Alpha
854	Ofc. Brendon McCarthy	3744	1	Bravo
880	Ofc. Jason Rowe	3984	1	Bravo
685	Ofc. Mark Greene	3567	2	Alpha
853	Ofc. Lindsey Allen	3575	2	Alpha
697	Ofc. Michael Cavett	3754	2	Bravo
961	Ofc. Monica Quimbayo		2	Bravo
843	Ofc. Mark Sullivan	3829	3	Alpha
893	Ofc. Miquel Bekkevold	3914	3	Alpha
871	Cpl. Tristan Grunder		3	Bravo
858	Ofc. James Lake	3827	3	Bravo
ID	FOXTROT	CAR	SHIFT	RDO
920	Ofc. Andrew Griffith	3657	1	Alpha
936	Ofc. Michael Rometty		1	Alpha
549	Cpl. Robert Kennedy	4140	1	Bravo
794	Ofc. Michael Hall	3569	2	Alpha
953	Ofc. Jamie Miller	3428	2	Alpha
916	Ofc. Travis Williams	3554	2	Bravo
926	Ofc. Nekeema Jackson (Simmons)	3616	2	Bravo
930	Ofc. Brittany Hendrix	3565	3	Alpha
881	Ofc. Matthew Quinn	4138	3	Bravo

ID	OAKS MALL	CAR	SHIFT	RDO
735	Ofc. Kelly Gaudet *	3401	1	(T) FSS
721	Ofc. Joseph Register *	3761	3	MTW (T)

ID	NFRMC	CAR	SHIFT	RDO
341	Cpl. Wendy Lord * 0730-1730	3734	1	FSS
336	Ofc. Brett Traywick * 1000-2125	3568	1	Bravo
569	Ofc. Jeff Dorminey * 1000-2125	3587	1	Alpha
650	Ofc. Kelly Weaver * 2100-0825	3583	4	Alpha

* Not counted in allocation

ALLOCATED	ACTUAL
Cpl / Ofc	70
Military/Admin	54
Limited Duty/FMLA	2
	1

Total	70	57
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Shift 1: 0735-1900
Shift 3: 1500-0225 M-Th
1600-0325 F-Sun
Shift 4: 2100-0825

Effective: Monday, October 16, 2017

Updated: 10/16/2017

OPERATIONS BUREAU DISTRICT 2 ROSTER

Bureau Commander Jaime Kurnick #497

ID	SECTOR 3	CAR	SHIFT	RDO
166	Lt. David Rowe	3380		
	Sgt.		1	Alpha
316	Sgt. Joe Senn	3735	1	Bravo
	Sgt.		2	Alpha
645	Sgt. Victoria Young	3845	2	Bravo
830	Sgt. Sara Shipman	3824	3	Alpha
411	Sgt. Ariel Lugo	3442	3	Bravo
ID	GOLF	CAR	SHIFT	RDO
828	Ofc. Ryan Foster (Limited)	3389	1	Alpha
981	Ofc. Paul White	3748	1	Alpha
782	Ofc. Crystal Castor	3981	1	Bravo
821	Ofc. Craig Ferrell	3907	1	Bravo
750	Ofc. Scott Bertzyk	4143	2	Alpha
970	Ofc. Alan Neal		2	Alpha
972	Ofc. Kendrick Turner		2	Bravo
973	Ofc. Michael Hamill (Adm)		2	Bravo
908	Ofc. Patricia Gould	3588	3	Alpha
933	Ofc. Hendrix Wendt	3753	3	Bravo
ID	HOTEL	CAR	SHIFT	RDO
882	Ofc. James Franklin	3592	1	Alpha
940	Ofc. John Nordman	3562	1	Alpha
797	Ofc. Robert White	3913	1	Bravo
960	Ofc. Ratavia Rivers	3435	1	Bravo
966	Ofc. John Guyton	3837	2	Alpha
982	Ofc. Collin McFarland		2	Alpha
969	Ofc. Travis Johnson		2	Bravo
949	Ofc. Jack Salafrio	3594	2	Bravo
862	Cpl. Lynne Valdes		3	Alpha
917	Ofc. Steven Blundell	3422	3	Alpha
869	Cpl. Logan Mosher	3839	3	Bravo
947	Ofc. Steve Dose	3580	3	Bravo
ID	INDIA	CAR	SHIFT	RDO
286	Cpl. Leslie White	3904	1	Alpha
429	Ofc. Jamie Hope	3819	1	Bravo
958	Gilberto Gonzalez	3427	2	Alpha
577	Cpl. Brett Kikendall	3905	2	Bravo
894	Ofc. Ryan Quinn (Military)	3414	3	Alpha
837	Ofc. Jeff Bailey	3419	3	Bravo

ID	SECTOR 4	CAR	SHIFT	RDO
311	Lt. Whitney Stout			
ID	JULIET	CAR	SHIFT	RDO
287	Ofc. Chris Jackson	3762	1	Alpha
760	Ofc. Nick Domico (No Work)	3653	1	Alpha
906	Ofc. Garrett Courville	3828	1	Bravo
847	Cpl. Marquitta Brown	3912	2	Alpha
952	Ofc. Antonio Bostick		2	Alpha
884	Ofc. James Devito	3737	2	Bravo
950	Ofc. Shane Mullins	3550	2	Bravo
754	Ofc. Jacobs Sowards	3985	3	Alpha
957	Ofc. Steve Ruck	3571	3	Alpha
918	Ofc. Casandra Ballenger (Limited)	3558	3	Bravo
951	Ofc. John Angelino		3	Bravo
ID	MIKE	CAR	SHIFT	RDO
902	Ofc. Shelley Postle	4137	1	Alpha
935	Ofc. David Brice	3563	1	Alpha
899	Ofc. Christian Hickey	2929	2	Alpha
865	Ofc. Mikel Mazlaghani	3835	2	Alpha
855	Cpl. Lonnie Scott, Jr.	4807	2	Bravo
811	Ofc. Shawn Hardman (Limited)	3820	2	Bravo
537	Cpl. Farah Lormil	4144	3	Alpha
913	Ofc. Lionel Ortiz	3448	3	Alpha
485	Ofc. Rob Narayan	3818	3	Bravo
	Vacancy			
ID	NOVEMBER	CAR	SHIFT	RDO
868	Ofc. Robert Bartley III	3834	1	Alpha
702	Cpl. Stephanie Pridgen	3576	1	Bravo
844	Ofc. Tom Lardner	3747	2	Alpha
983	Ofc. Kaitlyn Pascale		2	Alpha
904	Ofc. Major Clark	3555	2	Bravo
959	Ofc. Daniel McCarty	3416	2	Bravo
957	Ofc. Justin Evans	3437	3	Alpha
945	Ofc. Drew Marshall	3433	3	Bravo

* Not counted in allocation

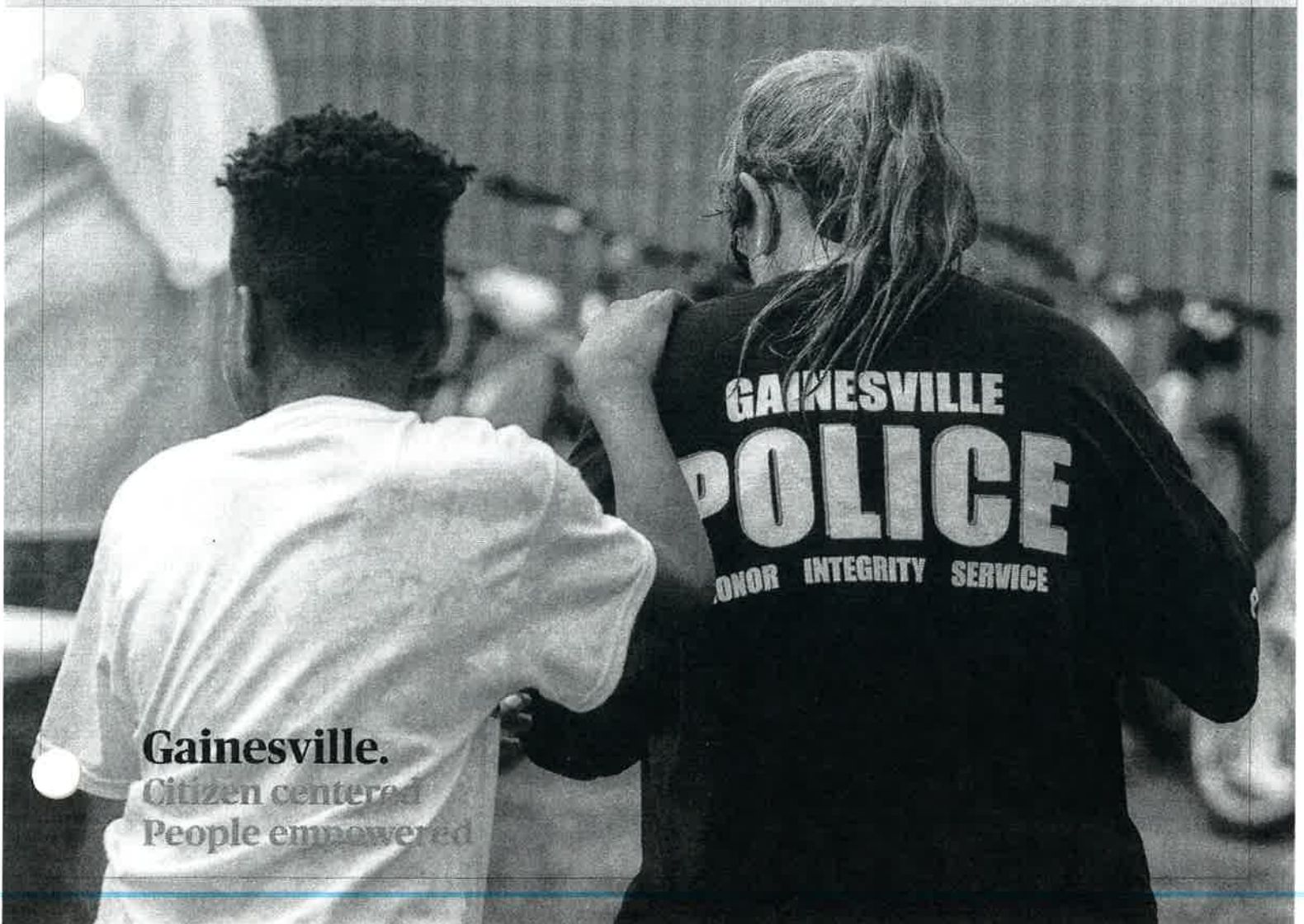
ALLOCATED		ACTUAL
Cpl / Ofc	70	51
Military/Admin		1
Limited Duty/FMLA		3

Total 70 55



Gainesville Police Department

2017 Annual Report



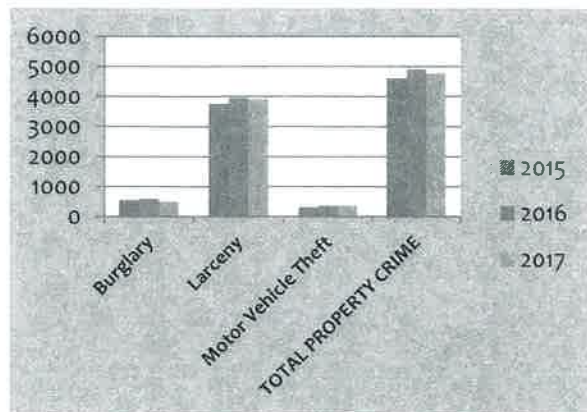
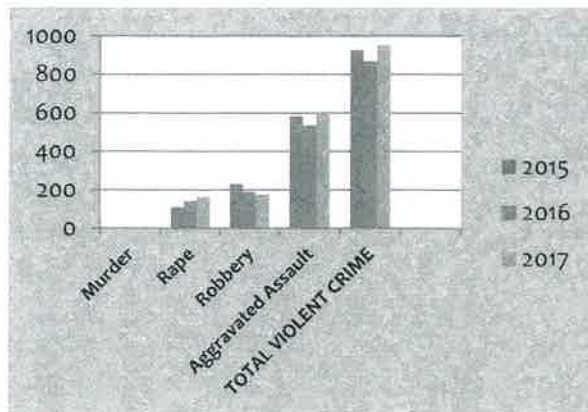
Gainesville.
Citizen centered
People empowered

CRIME STATISTICS - FBI UNIFORM CRIME REPORTING

The Uniform Crime Reporting (UCR) Program has been the starting place for law enforcement executives, students of criminal justice, researchers, members of the media, and the public at large seeking information on crime in the nation. The program was conceived in 1929 by the International Association of Chiefs of Police to meet the need for reliable uniform crime statistics for the nation. In 1930, the FBI was tasked with collecting, publishing, and archiving those statistics. (ucr.fbi.gov)



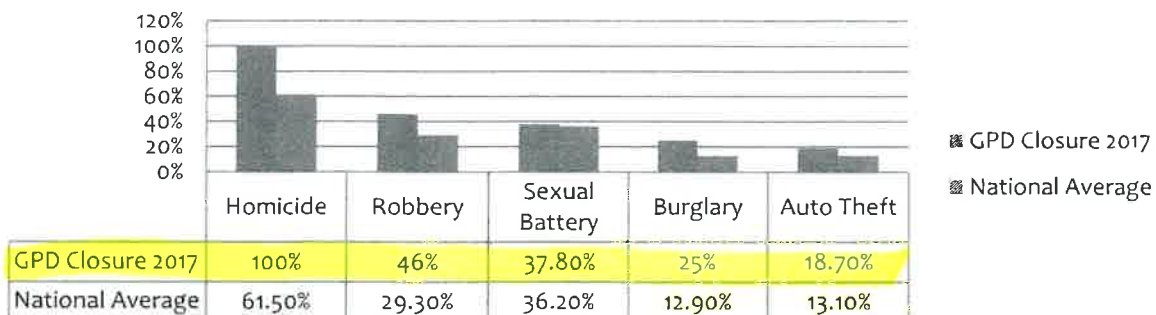
The Gainesville Police Department provides this UCR information as a measurement of the overall crime in Gainesville.



In 2017, reports of Violent Crime increased by 8.4%, but closure rates remain well above national averages. Additionally, the Rape category steadily increases our crime rate, but GPD ACTIVELY solicits reports of rape, as national studies show that many go unreported in college towns.

Property crime decreased -3.6% from 2016 to 2017. Analysis of the data shows that most of these crimes were involving unlocked vehicles and were preventable, same as in 2016. The Crime Prevention Unit has been working very hard in 2017 to help further educate the public about the risks of leaving vehicles unlocked.

2017 Case Closure Rates



GPD's case closure rates remain above the national average in all reported categories.



Gainesville.

Citizen centered
People empowered

Comprehensive Annual Financial Report

City of Gainesville, Florida
Fiscal Year Ended
September 30, 2017

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, 2017. 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 - x of this report, and the City's financial statements which begin on page 1.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$687,534,808 (*net position*). This is a decrease of 4.03% from fiscal year 2016.
- The City's total net position increased \$12,685,078 as a result of fiscal year 2017 operations.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$91,376,126, a decrease of \$680,286 in comparison with the prior year. Of the total ending fund balances, \$45,612,193 is available for spending at the City's discretion (*committed, assigned and unassigned fund balances*).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$16,199,506.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the City itself, but also a legally separate enterprise zone development agency (discretely reported component unit), and a legally separate redevelopment agency (blended component unit) for which the City is financially accountable. Financial information for the *discretely reported component unit* is reported separately from the financial information presented for the primary government itself. The *blended component unit* is reported in five non-major special revenue funds of the primary government and is included in the Governmental Activities section of the government-wide financial statements. The government-wide financial statements can be found on pages 1-3 of this report.

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

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

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

The City maintains seventy-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other seventy governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains six enterprise funds to account for the following operations: utilities (including electric power generation, transmission and distribution, natural gas distribution, water and wastewater treatment and telecommunications), refuse collection, golf course, stormwater management, building code enforcement, and mass transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains three internal service funds to account for fleet management operations, general insurance, and employee health insurance programs. 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 8-14 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 15-16 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 17-87 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 89-99 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 101-175 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, net position was \$687,534,808 at the close of the most recent fiscal year.

City of Gainesville's Net Position						
	Governmental Activities		Business-type Activities		Total	
	FY17	FY16	FY17	FY16	FY17	FY16
Current and other assets	\$ 129,444,877	\$ 129,541,107	\$ 469,380,437	\$ 484,426,994	\$ 598,825,314	\$ 613,968,101
Capital assets	233,082,984	230,268,044	2,185,132,520	2,242,956,534	2,418,215,504	2,473,224,578
Total assets	362,527,861	359,809,151	2,654,512,957	2,727,383,528	3,017,040,818	3,087,192,679
Deferred outflows	19,331,812	28,436,043	109,869,539	133,062,144	129,201,351	161,498,187
Long-term liabilities	207,927,004	223,608,268	1,899,587,117	2,030,234,741	2,107,514,121	2,253,843,009
Other liabilities	17,423,237	17,410,639	247,023,455	173,219,311	264,446,692	190,629,950
Total liabilities	225,350,241	241,018,907	2,146,610,572	2,203,454,052	2,371,960,813	2,444,472,959
Deferred inflows	5,817,661	6,326,051	80,928,887	81,461,864	86,746,548	87,787,915
Net position:						
Net investment in capital assets	195,530,215	190,440,482	326,814,049	361,120,054	522,344,264	551,560,536
Restricted	47,526,431	41,905,152	60,698,691	82,756,292	108,225,122	124,661,444
Unrestricted (Deficit)	(92,364,875)	(91,445,398)	149,330,297	131,653,410	56,965,422	40,208,012
Total net position	\$ 150,691,771	\$ 140,900,236	\$ 536,843,037	\$ 575,529,756	\$ 687,534,808	\$ 716,429,992

Approximately 76% of The City's net position reflects its investment in capital assets (e.g., land, utility plant and equipment, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

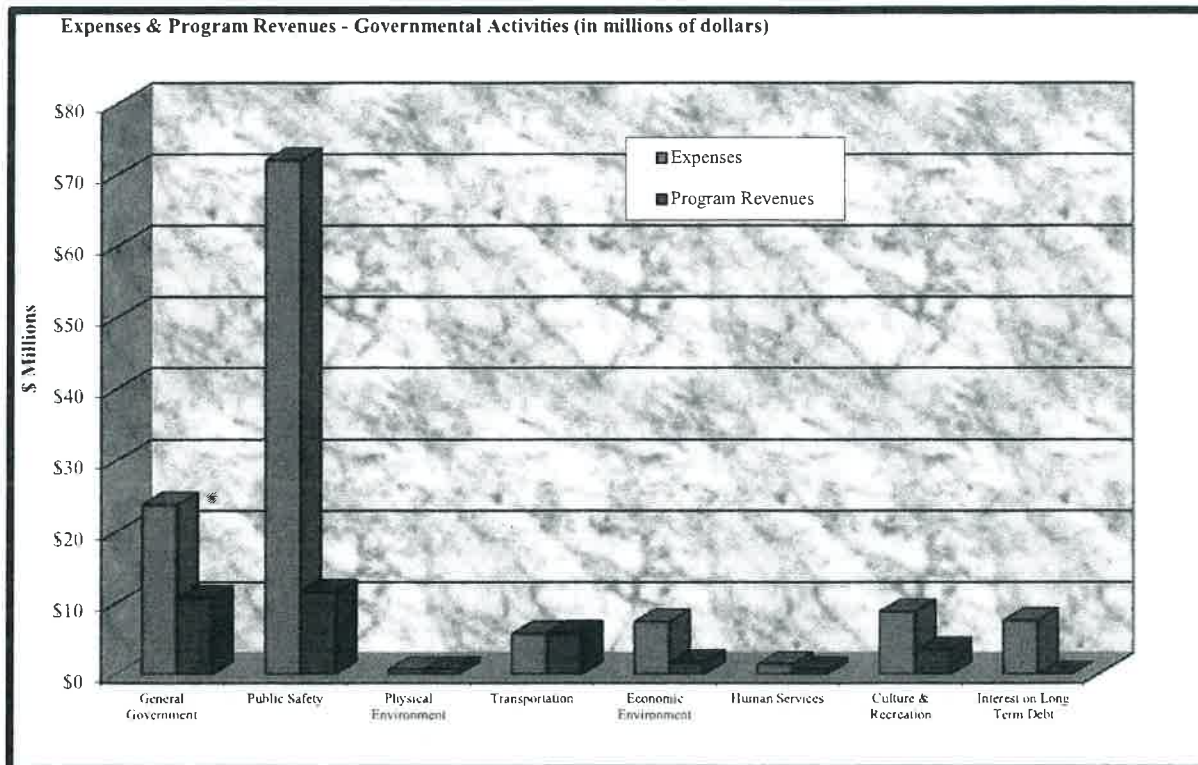
An additional portion of the City's net position, \$108,225,122 or 16% represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$56,965,422 may be used to meet the government's ongoing obligations to citizens and creditors.

City of Gainesville Changes in Net Position

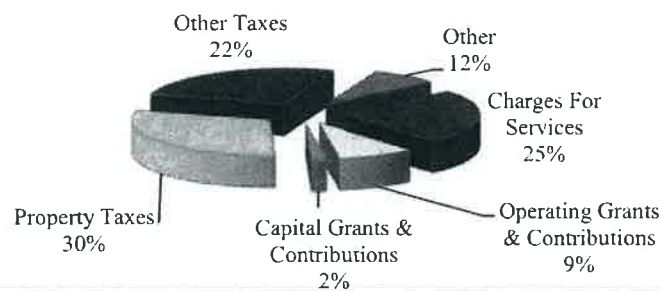
	Governmental activities		Business-type activities		Total	
	FY17	FY16	FY17	FY16	FY17	FY16
Revenues:						
Program revenues:						
Charges for services	\$ 24,328,262	\$ 24,068,605	\$ 438,797,419	\$ 417,345,917	\$ 463,125,681	\$ 441,414,522
Operating grants and contrib.	6,822,748	8,809,447	10,315,741	5,828,801	17,138,489	14,638,248
Capital grants and contrib.	2,634,365	1,698,750	13,089,525	5,305,542	15,723,890	7,004,292
General revenues:						
Property taxes	31,116,558	29,161,493	-	-	31,116,558	29,161,493
Other taxes	22,105,551	21,670,989	-	-	22,105,551	21,670,989
State revenue sharing	4,648,650	4,316,493	-	-	4,648,650	4,316,493
Investment gain (loss)	443,618	4,176,684	5,234,036	19,569,675	5,677,654	23,746,359
Other revenues	8,127,699	3,567,795	61,488,630	56,319,413	69,616,329	59,887,208
Total revenues	100,227,451	97,470,256	528,925,351	504,369,348	629,152,802	601,839,604
Expenses:						
General government	13,257,529	23,812,563	-	-	13,257,529	23,812,563
Public safety	60,307,834	72,097,913	-	-	60,307,834	72,097,913
Physical environment	1,820,004	637,207	-	-	1,820,004	637,207
Transportation	17,941,779	5,723,450	-	-	17,941,779	5,723,450
Economic environment	8,879,794	7,397,884	-	-	8,879,794	7,397,884
Human services	1,340,199	1,393,939	-	-	1,340,199	1,393,939
Culture & recreation	17,049,901	8,802,512	-	-	17,049,901	8,802,512
Interest on long-term debt	6,374,794	7,113,163	-	-	6,374,794	7,113,163
Electric	-	-	331,139,770	322,959,616	331,139,770	322,959,616
Gas	-	-	21,284,174	21,999,919	21,284,174	21,999,919
Water	-	-	32,390,604	28,179,472	32,390,604	28,179,472
Wastewater	-	-	37,417,260	32,454,104	37,417,260	32,454,104
GRUCom	-	-	12,358,447	12,491,683	12,358,447	12,491,683
Regional transit system	-	-	33,640,219	28,302,063	33,640,219	28,302,063
Stormwater management	-	-	8,877,317	7,504,695	8,877,317	7,504,695
Ironwood golf course	-	-	1,632,760	1,701,930	1,632,760	1,701,930
Florida building code enf.	-	-	2,656,233	2,661,425	2,656,233	2,661,425
Solid waste	-	-	8,099,106	9,002,895	8,099,106	9,002,895
Total expenses	126,971,834	126,978,631	489,495,890	467,257,802	616,467,724	594,236,433
Change in net position before transfers	(26,744,383)	(29,508,375)	39,429,461	37,111,546	12,685,078	7,603,171
Transfers	36,535,918	35,509,081	(36,535,918)	(35,509,081)	-	-
Change in net position	9,791,535	6,000,706	2,893,543	1,602,465	12,685,078	7,603,171
Net position - October 1	140,900,236	134,899,530	575,529,756	573,927,291	716,429,992	708,826,821
Restatement	-	-	(41,580,262)	-	(41,580,262)	-
Net position - October 1, as restated	140,900,236	134,899,530	533,949,494	573,927,291	674,849,730	708,826,821
Net position - September 30	\$ 150,691,771	\$ 140,900,236	\$ 536,843,037	\$ 575,529,756	\$ 687,534,808	\$ 716,429,992

Governmental activities.

- General government expenses decreased from prior year due to several large projects were completed in the prior fiscal year.
- Public safety expenses decreased from prior year due to several large projects were completed in the prior fiscal year. Also, the pension expense decreased significantly due to the net changes in the pension liability from the prior fiscal year.
- Physical environment expenses increased from prior fiscal year due to the commencement of several stormwater projects.
- Transportation expenses increased from the prior year due to several large road repair projects which were started in fiscal year 2017.
- Cultural and recreation expenses increased from the prior year due to additional spending on recreation facilities in fiscal year 2017.
- As in prior years, fiscal year 2017's expenses were dominated by public safety expenses.

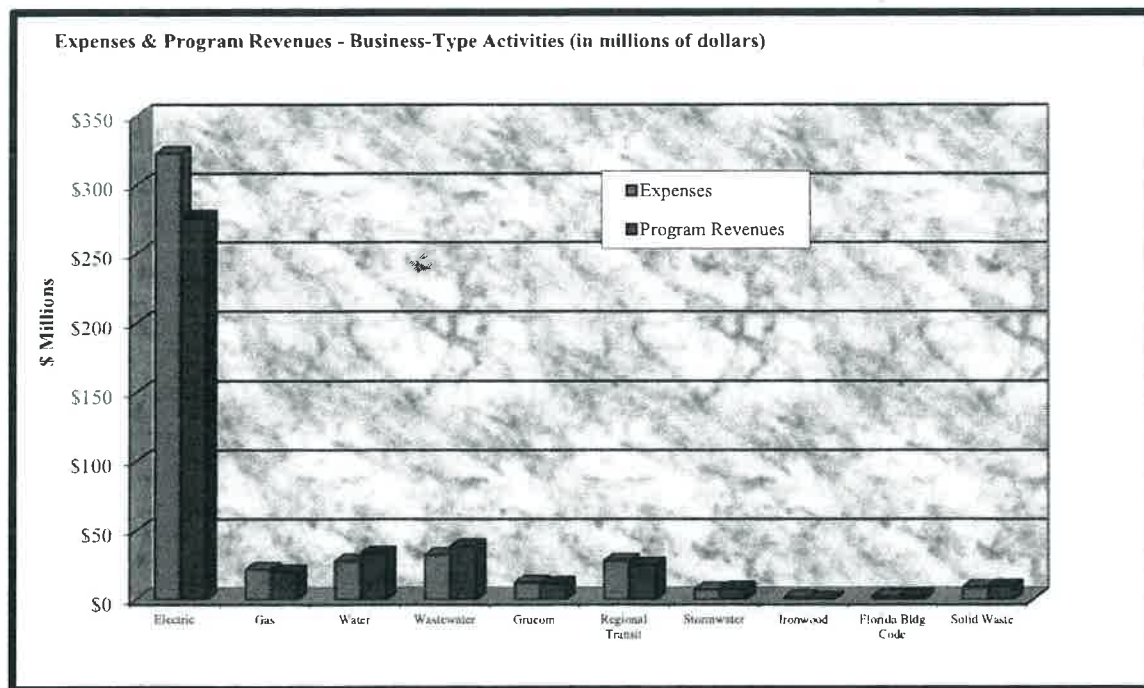


Revenues by Source - Governmental Activities



Business-type activities. Business-type activities' key elements for fiscal year 2016 are as follows:

- Gross utility plant in service increased \$128 million, or 6.9%, in fiscal year 2017. The increase was due primarily to completion of water and waste water pumping and treatment facilities.
- Long-term utility debt increased \$58.6 million, or 3.3%, in fiscal year 2017, due to the issuance of \$5 million of new debt and the reclassification of previously classified current portion of long-term debt to long-term debt.
- GRU is completing remediation efforts at a former manufactured gas plant site. The costs incurred to date total \$29.9 million. GRU accrued a regulatory asset and liability to account for the cost and cost recovery of the expense, which is being recognized as customer revenues are received.
- Sales and service charges increased \$10.4 million or 2.7% in fiscal year 2017. The increase in sales and service charges is the result of increases associated with sales, modest base rate increases in the water, wastewater, and gas systems offset by a reduction in the fuel adjustment rates.
- Operating expenses increased \$19.4 million or 5.1% in fiscal year 2017. The increase in operating expenses is due to increases in operation, maintenance, and administrative expenses.
- Transfers to rate stabilization were \$11.7 million in fiscal year 2017 as a result of budgeted transfers during the year.
- The number of customers for electric services increased 1.6%, water services increased 0.8%, wastewater services increased 1.3%, and gas services increased 1.3% in fiscal year 2017.
- On October 1, 2017, GRU implemented a 2% increase in the revenue requirement for the electric system. There were no increases or decreases in the revenue requirements in any of the other systems.



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 \$91,376,126, a decrease of \$680,286 in comparison with the prior year balance. Approximately 3.2% or

\$2,932,811 of this total amount constitutes *nonspendable fund balance*, which are amounts that are not in spendable form, primarily constituted of long-term receivables. An additional 46.9% or \$42,831,122 is *restricted*, indicating that funds can only be spent for specific purposes stipulated by external entities.

Approximately 34.2% (\$4,186,209 and \$27,042,204, respectively) are *committed and assigned* for spending at the government's discretion. The remaining 15.7% or \$14,383,780 of fund balance is *unassigned* to indicate that it has no internal or external restrictions or commitments.

The general fund is the chief operating fund of the City. At the end of the current fiscal year there was \$16,199,506 in unassigned fund balance of the general fund, while total fund balance was \$19,766,244. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance is 14.1% of total expenditures and transfers out, while total fund balance represents 17.2% of that same amount.

The fund balance of the City's general fund decreased \$3,074,196 during the current fiscal year. The original budget anticipated a decrease of fund balance in fiscal year 2017 of \$3,230,236 which was amended to appropriate \$0.5 million of general fund fund balance for Hurricane Irma related expenses. The general fund experienced a negative revenue variance of \$1,475,454 and departmental budgetary savings of \$2,707,224 compared to the final budget. The majority of the decrease of revenue can be found in fines and forfeitures and miscellaneous revenue. The majority of the positive variance in expenditures for the year can be found in general government expenditures; specifically there was over \$1 million in personnel positive variance and another positive variance of approximately \$600,000 in professional and contract services.

The special revenue funds have a total fund balance of \$32,157,022, which represents an increase of \$1,021,452 from last year's balance. The debt service funds have a total fund balance of \$735,049. The net decrease in fund balance for the current year for these funds was \$405,988. Fund balance in the capital projects funds increased by \$1,778,446 to end the fiscal year at \$38,717,811. This increase is primarily due to the City receiving \$4.2 million in half cent sales tax from the Wild Spaces Public Places sales tax initiative. Residents of Gainesville voted in favor of the half cent sales tax for enhancement and acquisition of recreation and cultural facilities.

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 a slight decrease of \$40,363. The difference between the original and final general fund budget for expenditures was a slight decrease of \$334,263. There were no significant budget amendments.

The most significant variances between the final budget and actual results for general fund revenues were for fines and forfeiture and miscellaneous revenue which were realized at \$437,449 or 29.8% below budgeted amounts for fines and forfeitures and \$482,807 or 28.3% below budgeted amounts for miscellaneous revenue. The majority of the shortfall for fines and forfeitures can be found in parking fines and court costs. The majority of the revenue shortfall for miscellaneous revenue was due to investment income falling short due to management's decision to liquidate all investments during fiscal year 2017 until new senior management in the Finance Department was selected.

The most significant variances between final budget and actual expenditures are found in general government, \$1,873,710 below budgeted amounts. Due to regular budget monitoring, most departments ended the fiscal year with expenditures below budgeted amounts.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2017 totals \$2,418,215,504 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, utility plant & equipment (including a capital lease for a biomass electric generation plant), infrastructure, roads, bike paths and sidewalks. Major capital asset events during the fiscal year include:

- Approximately \$4.7 million in road maintenance, repair, construction and drainage construction and maintenance.
- Acquisition of about \$2.6 million in vehicles for the fleet. \$2.2 million of that total was spent on public safety vehicles.
- Public safety projects totaling \$3.5 million with the majority of the expenditures spent on the new Fire Station #1.
- GRU initially recorded a capital lease asset during fiscal year 2014 when GREC began commercial operations in December 2013. The capital lease asset was recorded at \$1 billion at September 30, 2017.
- Electric generation capital expenditures were \$14.1 million for fiscal year 2017. These expenditures included \$1.2 million for the John R Kelly (JRK) generating station and \$12.9 million for the Deerhaven (DH) generation station.
- Electric transmission and distribution expansion was \$12.7 million in 2017 of which \$4.5 million was spent on underground system improvements.
- Water capital expenditures were \$6.3 million in fiscal year 2017 with \$1.8 million for supply, pumping and treatment and \$3.2 million for transmission and distribution.
- Wastewater capital expenditures were \$12.8 million in 2017. This included \$3.1 million spent on treatment plant improvements and \$7.7 million in collection improvements.
- Gas distribution expansion expenditures were \$3.0 million in 2017. This expansion included expenditures of \$0.8 million in gas distribution mains, \$0.8 million in residential gas services.
- Telecommunication fiber and electronics expansion were \$1.8 million which included \$0.6 million in fiber and related infrastructure installation and \$0.5 million in electronics upgrades.

City of Gainesville's Capital Assets (net of depreciation)						
	Governmental activities		Business-type activities		Total	
	FY17	FY16	FY17	FY16	FY17	FY16
Land	\$ 33,992,083	\$ 33,867,429	\$ 9,466,133	\$ 9,464,437	\$ 43,458,216	\$ 43,331,866
Utility P&E	-	-	1,110,949,243	1,121,981,976	1,110,949,243	1,121,981,976
Utility Capital Lease	-	-	879,694,878	913,255,170	879,694,878	913,255,170
Buildings	48,722,162	49,556,455	39,503,107	40,654,564	88,225,269	90,211,019
Improvements	15,532,789	10,131,525	2,540,975	2,708,598	18,073,764	12,840,123
Mach & equip	15,527,649	15,301,584	17,446,708	17,196,405	32,974,357	32,497,989
Infrastructure	108,580,442	104,211,194	31,600,677	21,800,794	140,181,119	126,011,988
Const in prog	10,727,859	17,199,857	93,930,799	115,894,590	104,658,658	133,094,447
Total	<u>\$ 233,082,984</u>	<u>\$ 230,268,044</u>	<u>\$ 2,185,132,520</u>	<u>\$ 2,242,956,534</u>	<u>\$ 2,418,215,504</u>	<u>\$ 2,473,224,578</u>

Additional information on the City's capital assets can be found in Note 8 on pages 71-72 of this report.

Bonded debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,085,095,430. 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 obligation bonds	\$ 72,864,045	\$ -	\$ 72,864,045
Revenue bonds & notes	<u>50,549,999</u>	<u>935,794,398</u>	<u>986,344,397</u>
Total	<u>\$ 123,414,044</u>	<u>\$ 935,794,398</u>	<u>\$ 1,059,208,442</u>

- The City's total bonded debt decreased by approximately \$25.9 million, or 2.4% during the current fiscal year through scheduled principal payments.
- During fiscal year 2017, GRU reduced utilities system revenue bonds and commercial paper notes by \$24,020,000 through scheduled principal payments.
- During fiscal year 2017, GRU issued \$5,000,000 in tax exempt commercial paper to support construction costs for water and wastewater systems.
- During fiscal year 2017, GRU replaced the liquidity facility for the 2008B revenue bonds from BMO to Barclays as well as replaced the liquidity facility for the 2012B revenue bonds from SMBC to Citibank. GRU also extended a letter of credit with State Street for the taxable commercial paper line of \$25 million.
- As a result of the start of commercial operation of the GREC biomass plant in December 2013, GRU recorded a capital lease liability of \$941,269,071 at September 30, 2017.

The Utility has ratings of AA, Aa3, and AA with Standard and Poor's, Moody's Investor Service, and/or Fitch Ratings, respectively, for utility system revenue bonds. The Utility has ratings of P-2 or better, A-2 or better, and F2 or better with Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively, for commercial paper notes. In September 2017, Moody's Investors Service lowered GRU's long term rating to Aa3 from Aa2 following GRU's announcement of the Asset Purchase Agreement (APA) to buy out the GREC biomass plant for \$750 million and terminate the existing power purchase agreement (PPA).

The Fitch rating on the City's pension bonds and Capital Improvement Revenue Bonds Series 2010 and 2014 is AA- and the City's underlying Issuer Default Rating is AA.

Additional information on the City's long-term debt can be found in Note 7 on pages 58-70 of this report.

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

- GRU management, with the approval of the City Commission, entered into a long-term contract to obtain dependable capacity, energy, and environmental attributes from GREC's 100 megawatt biomass fueled power plant. The facility is located on a portion of land leased from GRU's Deerhaven power plant site and is owned by a third party. The plant became commercially operable in December 2013.
- On March 10, 2016, arbitration was filed by GREC with the American Arbitration Association (AAA) against GRU alleging that GREC did not have to perform a scheduled annual Planned Maintenance outage for April 2016. Prior to the dispute and the arbitration being filed with the AAA, GRU and GREC mutually agreed in writing to an annual Planned Maintenance Outage for twenty-one days, scheduled to take place April 9-29, 2016. GREC unilaterally cancelled the twenty-one day mutually agreed upon annual Planned Maintenance outage. Section 10.4.1(a) of the Power Purchase Agreement (PPA) requires GREC to submit a written annual maintenance plan containing its forecast of planned maintenance for the coming year no later than sixty (60) days prior to the start of each calendar year. Any and all changes to such plan shall be mutually agreeable to GREC and GRU. In April of 2016, GRU withheld \$4.1 million in Available Energy invoice payments related to the agreed upon annual Planned Maintenance outage. As of September 30, 2017, GRU has withheld approximately \$8,514,656 for various commercial disputes related to the PPA. GRU entered into a Memorandum of Understanding with GREC on April 24, 2017, to explore the possible purchase of the biomass plant, the cancellation of the PPA and the resolution of the arbitration case. On September 12, 2017, GRU and GREC executed the APA which defined the purchase of the biomass plant,

the termination of the PPA and the resolution of the arbitration case. Closing occurred on November 7, 2017. See Note 13 Commitments and Contingencies and Note 19 Subsequent Events for additional information.

GRU's long-term energy supply strategy is to encourage maximum cost effective energy conservation, renewable energy in combination with GRU owned generation, and purchased power while managing potential regulatory requirements. Based on the most recent forecasts, GRU has adequate reserves of generating capacity to meet forecasted loads plus a reserve margin through 2022. This forecast incorporates new population forecasts and changed economic circumstances.

Economic Factors and Next Year's Budgets and Rates

Some of the significant factors considered in preparing the City's fiscal year 2018 budget were:

- The transfer to the General Fund from the Utility accounts for approximately 33% of General Fund revenues, and is based on formulas approved by the City Commission. During the FY 2015 budget process, an amended transfer formula was adopted by the City Commission. The formula uses its base equal to the FY 2014 transfer, a growth rate at 1.5% and reduced by the property tax received for the biomass plant. The same formula was used for FY 2018.
- Property tax revenues have flattened due to a combination of legislative action and a soft real estate market. The taxable values have begun a slow rebound, which combined with robust new construction results in the FY 2018 plan anticipating about a 8.8% growth. The growth is primarily composed of approximately \$406 million of appreciation value of existing properties along with \$122 million in new construction. The City Commission approved an increase of the millage rate from 4.5079 to 4.7474.
- Utility tax revenues are generated through taxes levied on utility customers within the City's corporate limits. The FY 2018 forecast of utility tax revenues is projected to be about 1.87% increase over fiscal year 2017.
- Charges for services include a wide variety of sources. To keep with the increases in costs in these services, the City's practice has historically been to increase most user fees by 5% every other year. The FY 2018 plan includes these increases except for Landlord License fees, for which a \$130,000 decrease has been proposed.
- Two significant revenues which are expected to improve are State Revenue Sharing and Half Cent Sales Tax which are projected to generate just around 5% more revenue in FY 2018.
- The City Commission maintained the fire assessment, which was added in FY 2011, bringing needed diversification to the revenue base during a period of generally flat revenue growth. Gainesville has the highest percentage of property off the tax roll of any municipality in Florida, with 59% of the value of property exempt. The fire assessment broadens the base of those who pay for services delivered by the City. This is expected to generate approximately \$6.9 million in FY 2018 due to the City Commission approving an increase of the fee by nearly 30%.
- Pension liabilities are long-term in nature and the investment plan and asset allocation strategy to fund these liabilities should be long-term as well. To that end, approximately 70% of the plan assets of the City's two defined benefit pension plans are invested in equities. The City has negotiated and implemented pension reform for the General and Consolidated Police & Fire pension plans to mitigate the increases in contributions due to poor market performance during the recession and changing employee and retiree demographics.
- Two of every three area jobs are supplied by the government, education and health services sectors. Such an economic structure tends to mitigate the impact of external economic stimuli. Gainesville's economy does not rise as much as the national average during economic expansions, nor fall as much during economic declines.
- This area's primary economic engine, the University of Florida (UF) has a number of ambitious expansion plans in progress which will contribute to long-term growth for the City.
- In November 2016, the citizens of Gainesville passed a 0.5% sales tax increase for eight years for the Wild Spaces Public Places recreation and land conservation initiative. The funds will be used to enhance current City owned parks and recreation programs.

Utility highlights for the 2018 fiscal year budget are as follows:

- The primary factors currently affecting the utility industry include environmental regulations, Operating, Planning and Critical Infrastructure Protection Standards promulgated by NERC under FERC

jurisdiction, and the increasing strategic and price differences among various types of fuels. No state or federal legislation is pending or proposed at this time for retail competition in Florida.

- GRU and its operations are subject to federal, state, and local statutory and regulatory requirements with respect to the siting and licensing of facilities, safety and security, air and water quality, land use, and other environmental factors.
- On October 26, 2016, the EPA published an update to the Cross-State Air Pollution Rule (“CSAPR”). For three states, including Florida, the EPA is removing them from the CSAPR ozone season NOx trading program because modeling for the Final Rule indicates that these states do not contribute significantly to ozone air quality problems in downwind states. Therefore, GRU will not have to meet any ozone season limits in 2018 and probably 2019.
- In late 2011, the EPA promulgated the Mercury and Air Toxics Standards (MATS) to reduce emissions of toxic air pollutants from power plants which faced several legal challenges including a decision on June 29, 2015, by the U.S. Supreme Court reversing the District of Columbia Circuit Court’s decision to uphold the EPA’s rule establishing the standards. But since the Supreme Court did not vacate the rule, the MATS rule remained in effect. On April 14, 2016, the Administrator of the EPA signed the final supplemental finding in the MATS rule and concluded it is proper to regulate mercury emissions from power plants. Challenges to the rule were filed by various parties and on April 27, 2017, the D.C. Circuit Court granted the EPA’s motion to postpone oral argument in these challenges and directed the EPA to file status reports with the courts every 90 days. GRU’s Deerhaven (DH) Unit #2 is the only generation unit affected by the MATS rule and air quality control systems are currently in place at DH which enables this station to comply with these standards at a known cost for operations and reagents. See Note 13 Commitments and Contingencies for additional information.
- Legislation and regulation at the federal level has been proposed to mandate the use of renewable energy and to constrain the emission of greenhouse gases. GRU’s institution of a solar feed-in-tariff and purchase of a 102.5 megawatt biomass fueled power plant will hedge against these uncertainties. See Note 19, Subsequent Event, for additional information.

Requests for Information

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 42,453,001	\$ 9,147,588	\$ 51,600,589
Licenses and permits	5,901,029	-	5,901,029
Intergovernmental	14,195,190	12,108,172	26,303,362
Charges for services	10,552,595	1,523,406	12,076,001
Fines and forfeitures	1,032,912	127,337	1,160,249
Miscellaneous	1,062,559	2,123,662	3,186,221
Total revenues	<u>75,197,286</u>	<u>25,030,165</u>	<u>100,227,451</u>
EXPENDITURES			
Current:			
General government	17,447,884	435,028	17,882,912
Public safety	58,005,467	2,943,921	60,949,388
Physical environment	185,498	1,453,353	1,638,851
Transportation	11,389,719	2,117,249	13,506,968
Economic environment	391,759	8,057,994	8,449,753
Human services	-	1,342,820	1,342,820
Culture and recreation	8,584,733	1,112,832	9,697,565
Debt service:			
Principal	-	7,512,126	7,512,126
Interest and fiscal charges	-	6,129,579	6,129,579
Capital outlay	-	10,296,971	10,296,971
Total expenditures	<u>96,005,060</u>	<u>41,401,873</u>	<u>137,406,933</u>
Excess of revenues over(under) expenditures	<u>(20,807,774)</u>	<u>(16,371,708)</u>	<u>(37,179,482)</u>
OTHER FINANCING SOURCES(USES)			
Transfers in	36,705,718	22,335,845	59,041,563
Transfers out	(18,972,140)	(3,570,227)	(22,542,367)
Total other financing sources(uses)	<u>17,733,578</u>	<u>18,765,618</u>	<u>36,499,196</u>
Net change in fund balances	<u>(3,074,196)</u>	<u>2,393,910</u>	<u>(680,286)</u>
Fund balances - beginning	<u>22,840,440</u>	<u>69,215,972</u>	<u>92,056,412</u>
Fund balances - ending	<u>\$ 19,766,244</u>	<u>\$ 71,609,882</u>	<u>\$ 91,376,126</u>

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2017

(T) Statement of Cash Flows

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

(U) Use of Estimates

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

(V) Rates and Regulation

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

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

(W) Fund Balance Reporting

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of September 30, 2017, fund balances for governmental funds are comprised of the following:

- Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term note receivables.
- Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource provider.
- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. Formal actions include ordinances (for more permanent regulations) and resolutions (for shorter term actions) approved by the City Commission. Ordinances require two readings for approval and therefore are technically considered the most binding. This formal action must occur prior to the end of the reporting period, but the amount of the commitment may be determined in the subsequent period.
- Assigned Fund Balance – comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by a body (for example a budget or finance committee) or official to whom the City's Commission has delegated the authority to assign amounts to be used for specific purposes. The City Commission has delegated such authority to the City Manager.
- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Unassigned Fund Balance also includes the negative fund balance of Special Revenue Funds due to expenditures incurred exceeding the amounts restricted, committed and assigned.

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2017

Fund balances for major and nonmajor governmental funds as of September 30, 2017 are classified as follows
(Continued):

	General Fund	Nonmajor Governmental Funds	Total
Assigned for:			
City Building Improvements	-	2,038,638	2,038,638
Community Redevelopment	-	386,394	386,394
Cultural Events	-	62,374	62,374
Debt Service Principal & Interest	-	735,325	735,325
Depot Avenue Project	-	310,436	310,436
Economic Development	-	637,627	637,627
Equipment Replacement	-	250,794	250,794
Fire Equipment	-	73,066	73,066
Fire Programs	-	24,476	24,476
Fire Station	-	4,456,232	4,456,232
FY18 Budget	1,607,428	-	1,607,428
Homeless Assistance	-	801,117	801,117
Information Technologies	-	2,053,638	2,053,638
Land Acquisitions	-	1,294,210	1,294,210
Neighborhood Improvements	-	668,637	668,637
Other Purposes	-	656,237	656,237
Parking Improvements	-	13,545	13,545
Police Equipment	-	335,451	335,451
Police Programs	-	24,001	24,001
Recreation Equipment	-	125,119	125,119
Recreation Facilities	-	1,351,193	1,351,193
Recreation Programs	-	25,420	25,420
Road Improvements	-	8,705,960	8,705,960
Sidewalks/Pedestrian & Bike Path:	-	92,295	92,295
Streetscapes	-	148,836	148,836
Traffic Signals	-	162,197	162,197
Transportation Improvements	-	1,558	1,558
	1,607,428	25,434,776	27,042,204
Unassigned	16,199,506	(1,815,726)	14,383,780
Total	\$ 19,766,244	\$ 71,609,882	\$ 91,376,126

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2017

Encumbrances for major and nonmajor governmental funds as of September 30, 2017 are classified as follows:

	General Fund	Nonmajor Governmental Funds	Total
Advertising Services	\$ 10,000	\$ -	\$ 10,000
Architect Services	47,100	7,325	54,425
Community Redevelopment	-	2,927,272	2,927,272
Consulting Services	-	91,937	91,937
Economic Development	-	523,005	523,005
Engineering Services	-	96,930	96,930
Equipment Replacement	-	4,188	4,188
Fire Station	-	7,892,328	7,892,328
Homeless Assistance	-	7,062	7,062
Housing & Community Development	-	220,641	220,641
Information Technologies	61,759	110,936	172,695
Land Acquisition	-	7,042	7,042
Neighborhood Improvements	-	30,770	30,770
Other	15,000	-	15,000
Police Equipment	39,000	-	39,000
Police Programs	-	182,130	182,130
Professional Services-Other	4,543	-	4,543
Recreation Equipment	-	376,076	376,076
Recreation Facilities	-	108,856	108,856
Roadway Improvements	-	2,317,666	2,317,666
Traffic Signals	48,142	36,119	84,261
	<u>\$ 225,544</u>	<u>\$ 14,940,283</u>	<u>\$ 15,165,827</u>

Restricted Net Position

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

The composition of net position "restricted for other purposes", based on third party external restrictions, at September 30, 2017 is:

Business-type activities

GRU Utility Restrictions	\$ 529,091
Regional Transit Capital Acquisition Reserve	<u>468,600</u>
Total	<u>\$ 997,691</u>

The government-wide statement of net position reports \$108,225,122 of restricted net position, of which \$45,004,695 is restricted by enabling legislation.

Reserve Policy

During Fiscal Year 2014, the City Commission amended the General Fund Reserve Policy which was originally adopted during Fiscal Year 2005 to ensure General Government's orderly provision of services to its citizens, availability of adequate working capital, plan for contingencies, and retain the City's good standing with the rating agencies and the credit markets.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2017

For each fiscal year, the unassigned Fund Balance of the General Fund will be at least 10% of the Proposed General Fund Revenue Budget (excluding one-time appropriations from fund balance). This balance is to provide for the following:

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

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

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

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

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

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

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

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

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

(X) Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2018. The statements address:

- OPEB-accounting and financial reporting by employers;
- Split-interest agreements;
- Various practice issues (Omnibus), and;
- Certain debt extinguishing issues.

The City is currently evaluating the effects that these statements will have on its 2018 financial statements.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2017

Employees covered by benefit terms. At September 30, 2017, the following employees were covered by the benefit terms:

Active employees	393
Inactive employees:	
Retirees and beneficiaries currently receiving benefits	427
Vested terminated members entitled to future benefits	20
Total	840

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

The City is required to contribute at an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Firefighters contribute 9.0% of gross pay and Police Officers contribute 7.5% of gross pay. The City's contribution rate for fiscal year 2017 was 15.76% of covered payroll for police personnel and 20.31% for fire personnel. This rate was influenced by the issuance of the Taxable Pension Obligation Bonds, Series 2003B. In addition, State contributions, which totaled \$1,258,283, are also made to the plan on behalf of the City under Chapters 175/185, Florida Statutes. 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. Differences between the required contribution and actual contribution are due to actual payroll experiences varying from the estimated total payroll used in the generation of the actuarially required contribution rate. Administrative costs are financed through investment earnings.

Net Pension Liability. The net pension liability related to the Consolidated Plan was measured as of September 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016.

The components of the net pension liability reported at September 30, 2017 were as follows:

<u>Components of Net Pension Liability</u>	
Total pension liability	\$ 263,488,192
Plan fiduciary net position	(219,000,182)
City's net pension liability	\$ 44,488,010
Plan fiduciary net position as a percentage of the total pension liability	83.12%

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

<u>Actuarial Assumptions</u>	
Inflation	3.00%
Salary Increases for police employees with less than 5 years of service	6.00%
Salary Increases for fire employees with less than 5 years of service	5.00%
Salary Increases for police employees with 5 to 9 years of service	5.00%
Salary Increases for fire employees with 5 to 9 years of service	4.00%
Salary Increases for police employees with 10 to 14 years of service	4.00%
Salary Increases for fire employees with 10 to 14 years of service	3.00%
Salary Increases for police employees more than 14 years of service	3.00%
Salary Increases for fire employees more than 14 years of service	2.00%
Investment Rate of Return	8.10%, net of pension investment expenses

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	BUDGETED AMOUNTS				BUDGETARY	VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES	BASIS	FINAL BUDGET -
REVENUES						POSITIVE
						(NEGATIVE)
Taxes	\$ 41,439,156	\$ 41,440,027	\$ 41,402,447	\$ -	\$ 41,402,447	\$ (37,580)
Licenses and permits	948,516	948,516	943,444	-	943,444	(5,072)
Intergovernmental	12,575,385	12,575,385	13,023,993	-	13,023,993	448,608
Charges for services	14,926,680	14,953,264	15,081,655	-	15,081,655	128,391
Fines and forfeitures	1,459,451	1,458,611	1,228,781	-	1,228,781	(229,830)
Miscellaneous	1,432,074	1,336,195	1,580,219	-	1,580,219	244,024
TOTAL REVENUES	72,781,262	72,711,998	73,260,539	-	73,260,539	548,541
EXPENDITURES						
Current:						
General government	16,602,099	17,147,577	16,044,498	-	16,044,498	1,103,079
Public safety	56,373,952	57,076,464	55,699,775	62,618	55,762,393	1,314,071
Physical environment	187,183	187,183	187,153	-	187,153	30
Transportation	12,055,761	12,210,231	11,174,274	135,354	11,309,628	900,603
Economic environment	474,736	514,736	414,883	-	414,883	99,853
Human services	145,670	160,670	99,320	-	99,320	61,350
Culture and recreation	7,444,503	7,386,625	7,723,176	7,125	7,730,301	(343,676)
TOTAL EXPENDITURES	93,283,904	94,683,486	91,343,079	205,097	91,548,176	3,135,310
EXCESS OF REVENUES OVER						
(UNDER) EXPENDITURES	(20,502,642)	(21,971,488)	(18,082,540)	(205,097)	(18,287,637)	3,683,851
OTHER FINANCING SOURCES (USES)						
Transfers in	35,818,031	35,853,593	35,615,727	-	35,615,727	(237,866)
Transfers out	(16,305,252)	(16,703,996)	(16,642,736)	-	(16,642,736)	61,260
TOTAL OTHER FINANCING						
SOURCES (USES)	19,512,779	19,149,597	18,972,991	-	18,972,991	(176,606)
NET CHANGE IN FUND BALANCES	\$ (989,863)	\$ (2,821,891)	\$ 890,451	\$ (205,097)	\$ 685,354	\$ 3,507,245

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES	ORIGINAL	FINAL				
Taxes	\$ 42,782,088	\$ 42,782,088	\$ 42,453,001	\$ -	\$ 42,453,001	\$ (329,087)
Licenses and permits	6,197,781	6,197,781	5,901,029	-	5,901,029	(296,752)
Intergovernmental	13,657,862	13,704,163	14,195,190	-	14,195,190	491,027
Charges for services	11,128,638	10,972,981	10,552,595	-	10,552,595	(420,386)
Fines and forfeitures	1,470,361	1,470,361	1,032,912	-	1,032,912	(437,449)
Miscellaneous	1,476,373	1,545,366	1,062,559	-	1,062,559	(482,807)
TOTAL REVENUES	76,713,103	76,672,740	75,197,286	-	75,197,286	(1,475,454)
EXPENDITURES						
Current:						
General government	19,719,401	19,455,453	17,447,884	133,859	17,581,743	1,873,710
Public safety	58,425,405	58,257,535	58,005,467	-	58,005,467	252,068
Physical environment	195,235	195,235	185,498	39,000	224,498	(29,263)
Transportation	12,047,815	11,906,332	11,389,719	48,142	11,437,861	468,471
Economic environment	418,295	418,295	391,759	-	391,759	26,536
Human services	20,200	20,200	-	-	-	20,200
Culture and recreation	8,220,196	8,459,234	8,584,733	4,543	8,589,276	(130,042)
TOTAL EXPENDITURES	99,046,547	98,712,284	96,005,060	225,544	96,230,604	2,481,680
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,333,444)	(22,039,544)	(20,807,774)	(225,544)	(21,033,318)	1,006,226
OTHER FINANCING SOURCES (USES)						
Transfers in	36,685,148	36,694,963	36,705,718	-	36,705,718	10,755
Transfers out	(17,581,940)	(19,082,473)	(18,972,140)	-	(18,972,140)	110,333
TOTAL OTHER FINANCING SOURCES (USES)	19,103,208	17,612,490	17,733,578	-	17,733,578	121,088
NET CHANGE IN FUND BALANCES	\$ (3,230,236)	\$ (4,427,054)	\$ (3,074,196)	\$ (225,544)	\$ (3,299,740)	\$ 1,127,314

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service costs	\$ 3,812,252	\$ 4,094,841	\$ 3,730,365
Interest	20,156,185	23,375,806	19,299,422
Differences between expected and actual experience	(6,006,515)	(140,568)	-
Changes of assumptions	2,719,455	2,608,508	2,523,158
Benefit payments, including refunds of employee contributions	(15,444,821)	(17,602,583)	(12,898,782)
Net change in total pension liability	5,236,556	12,336,004	12,654,163
Total pension liability-beginning	258,251,636	245,915,632	233,261,469
Total pension liability-ending (a)	<u>\$ 263,488,192</u>	<u>\$ 258,251,636</u>	<u>\$ 245,915,632</u>
Plan fiduciary net position			
Employer contributions	\$ 3,716,354	\$ 3,682,847	\$ 3,855,020
Employee contributions	2,093,074	1,972,417	2,067,685
State contributions	1,242,740	1,269,827	1,259,995
Net investment income	22,310,321	(93,259)	21,911,535
Benefit payments, including refunds of employee contributions	(15,444,821)	(17,602,583)	(12,898,782)
Administrative expense	(585,416)	(609,229)	(609,264)
Net change in plan fiduciary net position	13,332,252	(11,379,980)	15,586,189
Plan fiduciary net position-beginning	205,667,930	217,047,910	201,461,721
Plan fiduciary net position-ending (b)	<u>\$ 219,000,182</u>	<u>\$ 205,667,930</u>	<u>\$ 217,047,910</u>
City's net pension liability-ending (a)-(b)	<u>\$ 44,488,010</u>	<u>\$ 52,583,706</u>	<u>\$ 28,867,722</u>
Plan fiduciary net position as a percentage of the total pension liability	83.12%	79.64%	88.26%
Annual covered payroll	\$ 23,885,642	\$ 25,539,198	\$ 24,364,333
Net pension liability as a percentage of covered payroll	186.25%	205.89%	118.48%

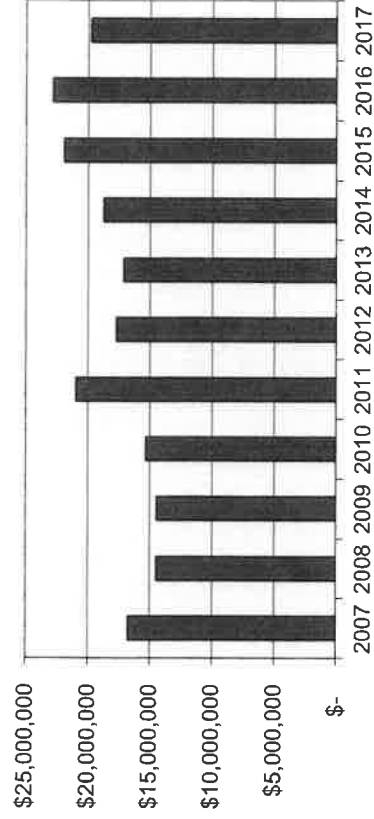
Notes to Schedule:

Changes of Assumptions: The investment rate of return was changed from 8.3% to 8.2% for 2016.
The schedule will present ten years comparative data in the future.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 3,474,278	\$ 3,363,691	\$ 2,959,587	\$ 2,753,498	\$ 2,487,568	\$ 2,238,498	\$ 1,959,310
Assigned	-	-	-	-	1,060,672	2,236,549	772,730	1,494,098	1,985,914	3,551,786	1,607,428
Unassigned	-	-	-	-	16,433,938	12,087,485	13,408,146	14,520,395	17,476,507	17,050,156	16,199,506
Reserved *	4,925,724	4,629,909	4,768,553	4,051,937	-	-	-	-	-	-	-
Unreserved *	11,826,843	9,818,911	9,659,258	11,264,725	-	-	-	-	-	-	-
Total general fund	\$ 16,752,567	\$ 14,448,820	\$ 14,427,811	\$ 15,316,662	\$ 20,968,888	\$ 17,687,725	\$ 17,140,463	\$ 18,767,991	\$ 21,949,989	\$ 22,840,440	\$ 19,766,244
All other governmental funds:											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 70,813,952	\$ 64,831,266	\$ 5,636,125	\$ -	\$ 973,501	\$ 973,501	\$ 973,501
Restricted	-	-	-	-	782,237	782,237	901,448	45,981,942	40,819,050	36,886,125	42,831,122
Committed	-	-	-	-	10,370,993	16,633,174	12,555,440	1,361,332	2,714,703	3,684,544	4,186,209
Assigned	-	-	-	-	(29,288)	(3,067,169)	(2,499,106)	9,632,021	31,481,786	29,243,195	25,434,776
Unassigned	-	-	-	-	-	-	-	(2,121,436)	(1,734,610)	(1,571,393)	(1,815,726)
Reserved *	5,215,953	8,635,651	12,958,151	12,066,838	-	-	-	-	-	-	-
Unreserved, reported in: *											
Special revenue funds	17,059,686	19,457,506	20,652,435	17,677,648	-	-	-	-	-	-	-
Capital projects funds	30,400,097	26,667,704	47,356,632	54,624,332	-	-	-	-	-	-	-
Debt service funds	544,869	784,834	819,434	965,256	-	-	-	-	-	-	-
Total all other governmental funds	\$ 53,220,605	\$ 55,545,695	\$ 81,786,652	\$ 85,334,074	\$ 81,337,894	\$ 79,179,508	\$ 16,593,907	\$ 54,853,859	\$ 74,254,430	\$ 69,215,972	\$ 71,609,882

General Fund - Fund Balance

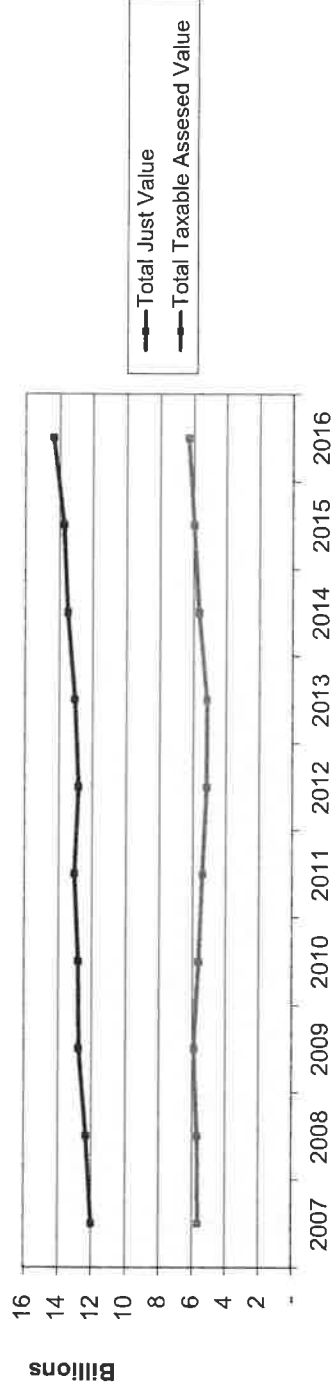


* GASB 54 was implemented in FY11, which changed the presentation of fund balance components.

City of Leesville
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Just Value				Exemptions				Total Taxable Assessed Value	Total Direct Tax Rate
	Tax Year	Real Property	Personal Property	Centrally Assessed Property	Governmental	Agricultural	Institutional	Homestead		
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	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	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	5,886,019,548	4.3963
2011	2010	10,570,350,300	2,241,373,073	987,726	4,815,548,071	37,517,700	896,937,822	1,313,405,085	5,608,220,528	4.2544
2012	2011	10,756,478,800	2,308,068,145	1,130,083	5,343,081,038	39,115,900	1,029,746,160	1,134,254,774	5,402,238,297	4.2544
2013	2012	10,437,604,712	2,386,565,278	1,073,991	5,408,327,315	37,576,500	1,112,522,902	993,996,869	5,163,658,711	4.4946
2014	2013	10,480,490,440	2,587,608,797	2,138,554	5,609,545,384	39,389,400	1,095,790,104	916,778,157	5,174,659,235	4.5780
2015	2014	10,508,455,900	2,979,114,148	2,210,823	5,603,063,413	39,298,000	1,129,921,784	895,414,243	5,643,317,160	4.5079
2016	2015	10,815,607,700	2,912,715,109	2,251,700	5,651,530,893	40,988,400	1,094,785,940	992,344,032	5,769,528,673	4.5079
2017	2016	11,183,742,495	3,179,982,350	2,303,808	5,923,396,413	42,466,700	1,065,499,494	1,041,502,131	6,025,643,439	4.5079

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.

Note: Exempt property makes up 57% of total assessed value. Disclosing the nature of the exemptions provides more relevant information than detailing real property categories.

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}
2008	124,491	8,781,243,000	35,313	29.6	28,198	4.70%
2009	125,904	9,240,924,000	33,044	29.7	27,100	7.40%
2010	132,217	8,706,501,000	35,488	30.1	28,581	8.30%
2011	124,397	9,386,000,000	36,858	30.5	28,085	8.10%
2012	123,903	9,819,000,000	38,045	30.8	27,491	6.90%
2013	124,391	10,514,601,000	37,929	25.8	27,506	5.30%
2014	125,661	10,255,284,000	38,462	25.8	27,390	4.90%
2015	127,955	10,619,747,010	38,847	25.8	27,802	4.50%
2016	128,612	10,725,944,480	39,235	25.7	27,343	4.20%
2017	129,816	11,352,822,000	40,444	26.6	26,881	3.50%

Note:

- (a) At the 2012 Year-end, the BEA published revised Personal Income and Per Capita Personal Income Statistics for years prior. The revised statistics are reflected in this publication.
- (b) 2012 Personal Income and Per Capital Personal Income are estimates based on a 1% growth rate from the 2011 BEA data published November 26, 2012.

Sources:

- (1) The Population and Median Age of Gainesville were obtained from the University of Florida Bureau of Economic and Business Research
- (2) Total Personal Income and Per Capita Personal Income amounts obtained from Bureau of Economic Analysis (BEA)
- (3) Public School Enrollment information obtained from Alachua County School Board
- (4) Unemployment Rates obtained from the United States Department of Labor