

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
City of Gainesville, Florida
Year Ended September 30, 2001**

**Prepared By
The Finance Department**

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

Thomas D. Bussing.....Mayor
Pegeen Hanrahan.....Mayor-Commissioner Pro Tem
John BarrowCommissioner
Warren Nielsen.....Commissioner
Chuck Chestnut.....Commissioner

APPOINTED OFFICIALS

Wayne Bowers.....City Manager
Michael L. Kurtz.....General Manager for Utilities
Marion Radson.....City Attorney
Kurt M. Lannon.....Clerk of the Commission
Alan Ash.....City Auditor

FINANCE PROGRAM STAFF

Mark S. Benton.....Finance Director
Nancy Pollard.....Accounting Manager
Daniel Smierciak.....Accounting Supervisor
Kathy Branam.....Property Control Specialist
Sandra Ogle.....Accountant II
Lynn Thigpen.....Account Clerk, Sr.
Ronda Carney.....Account Clerk II
Belinda G. Tenney.....Account Clerk II
Lisa Varvel.....Account Clerk I

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CITY OF GAINESVILLE

Office of the City Manager

March 1, 2002

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

Dear Mayor, Commissioners, and Citizens:

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Gainesville, Florida for the fiscal year ended September 30, 2001. The report fulfills the requirements set forth in the City Code of Ordinances, Section 2-433; *Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550 and 10.650. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the City Code of Ordinances, and the Government Finance Officers Association.

The report was prepared by staff of the Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data as presented are accurate in all material aspects; the information is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs are included.

This *Comprehensive Annual Financial Report* is presented in three major sections. The content of each section is detailed below.

1. **Introductory Section** As the title indicates, the first section acquaints the reader with the report. It comprises a table of contents, this transmittal letter which includes the City organizational chart, and the 2000 Certificate of Achievement for Excellence in Financial Reporting awarded to the City of Gainesville by the Government Finance Officers Association.
2. **Financial Section** This section contains the City's basic financial statements, comprised of the combined financial statements, the notes to the financial statements and the auditors' report. The statements provide an overview for users who require less detailed information about the City's finances than is contained in the balance of the report. The remainder of the financial section presents combining statements, individual fund statements, and schedules focusing on individual funds rather than fund types.
3. **Statistical Section** Although this section contains substantial financial information, these tables differ from financial statements. They present some non-accounting data, cover more than two fiscal years and are designed to reflect social and economic data, financial trends and the fiscal capacity of the City.

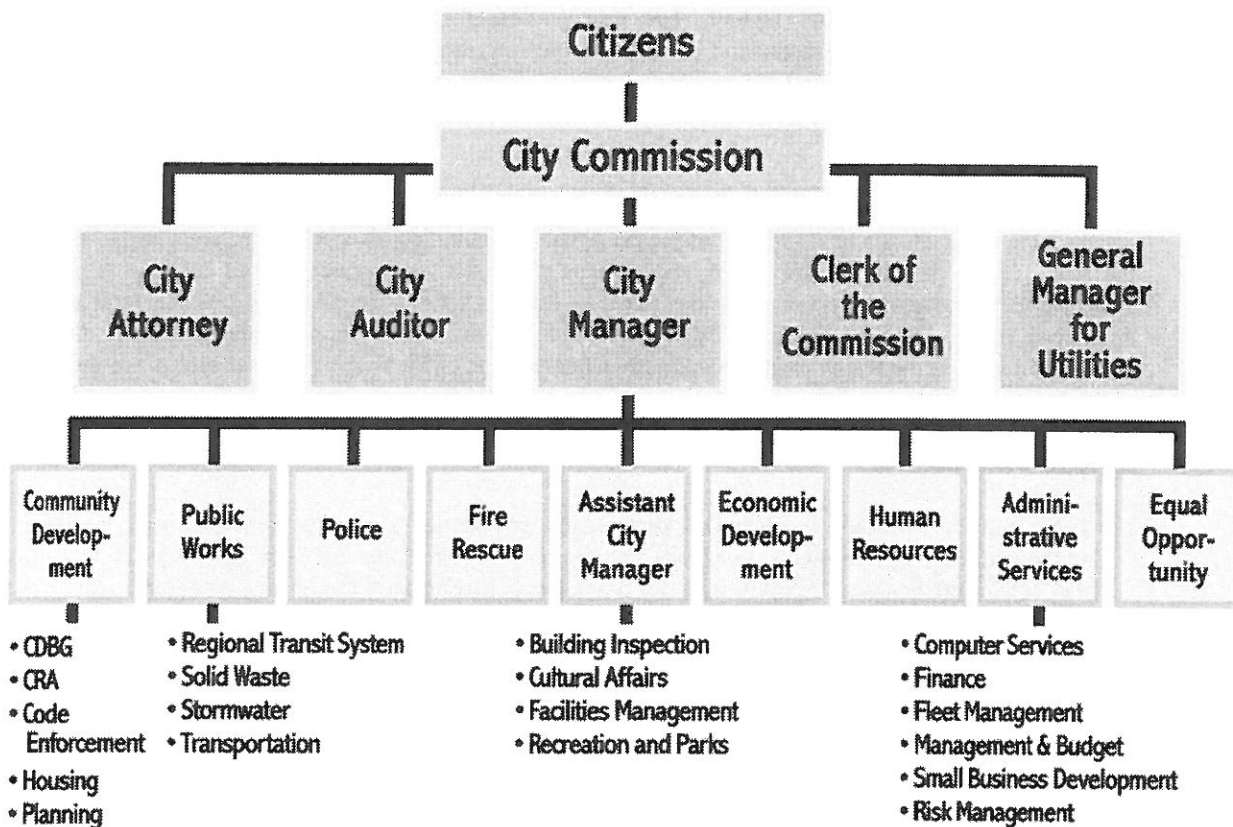
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REPORTING ENTITY AND ITS ORGANIZATION

The City of Gainesville is the most populous city in and county seat of Alachua County, and serves as the cultural, educational and commercial center for the North Central Florida region. Gainesville is located midway between the Gulf of Mexico and the Atlantic Ocean and halfway between Miami and Pensacola. There are approximately 53 square miles of land included within the corporate boundaries of the City. The City's most recent population estimate by the Bureau of Economic and Business Research at the University of Florida was 96,446.

The City was established in 1854, incorporated in 1869 and has operated under a Commission-Manager form of government since 1927. The City Commission consists of four elected commissioners and an elected Mayor. They are responsible for enacting the ordinances and resolutions which govern the City. The Mayor serves a three year term and presides over public meetings and ceremonial events. The Commission appoints the City Manager, General Manager for Utilities, City Auditor, City Attorney, and Clerk of the Commission. As chief executive officers, the City Manager and General Manager for Utilities are charged with the enforcement of all ordinances and resolutions passed by the Commission. They accomplish this task through the selection and supervision of an Assistant City Manager, an Administrative Services Director, Assistant General Managers for Utilities, and department heads. The current organizational structure is depicted below.

City of Gainesville Organizational Chart



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

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

Internal support services include the following:

- **accounting**
- **accounts payable**
- **billing & collections**
- **budgeting**
- **City-wide management**
- **computer systems support**
- **debt management**
- **affirmative action**
- **fleet maintenance**
- **facilities maintenance**
- **human resources**
- **information systems**
- **investment management**
- **labor relations**
- **mail services**
- **payroll**
- **property control**
- **purchasing**
- **risk management**

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

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

ECONOMIC CONDITIONS AND OUTLOOK

The economic landscape in Gainesville continues to be dominated by the government sector. Statistics compiled by the Bureau of Economic and Business Research at the University of Florida indicate that one of every three jobs in Gainesville is provided by federal, state or local government. This reliance on jobs from other than the private sector tends to modify Gainesville's reaction to external economic stimuli, such

that the local economy grows less rapidly than others during boom periods but also suffers less during economic declines. The City's unemployment rate remains low at 2.4% and enrollment at the University of Florida, the engine for the area's economy, continues to grow. Because of an economic slowdown in Florida and resulting budget cuts imposed on the University, Gainesville may be impacted but, at this juncture, there is no way to predict to what extent.

The recent growth in Gainesville's downtown area continued over the past year. Union Street Station, a multi-level development housing restaurants and retail spaces on its ground floor and residential units above, opened its doors in 2001 and has played an integral role in stimulating additional interest in the downtown area. The first phase of the Commerce Building project, which will provide the new home for the Gainesville Area Chamber of Commerce and 60,000 square feet of office space, is nearing completion. The second phase of this project, scheduled to begin in 2002, consists of approximately 46 condominiums. Finally, a multimillion dollar upgrade was completed in 2001 on the Kelly Power Plant located in the downtown area.

MAJOR INITIATIVES

FOR THE YEAR

Economic Development The Economic Development Department functions as a focal point of contact for business development within the City. As the liaison between city government and the business community of Gainesville, the department works to improve and ensure the quality of life through promoting business development. The City Commission's five main goals for the department are to:

- Increase the jobs available to all city residents;
- Promote existing business expansions;
- Diversify the city's employment sectors;
- Enhance and support the area's workforce development efforts; and
- Enhance the local tax revenue base.

In fiscal year 2001 economic development efforts were focused in the following areas.

Airport Industrial Park Development

The Economic Development Department continued to market the Airport Industrial Park to prospective property buyers. During fiscal 2001, discussions were held with two local companies regarding their move to the park and expansion of their facilities.

Technology Business Incubator

In the spring of 2001, the Technology Enterprise Center of Gainesville/Alachua County, also referred to as GTEC, was completed. The facility, located in an enterprise zone, will focus on high technology and light assembly start-up companies with potential for high growth and high-wage job creation. Upon opening, the City had pre-leased 65 percent of the 30,000 square foot building to Cenetec, LLC, which will serve as the anchor tenant for the facility. During the year, the City also entered into a public/private partnership agreement with the Alliance for Economic Development to operate and manage the facility. This agreement will strengthen the Center's connection to the community, as business incubation becomes a powerful strategy for economic development within Gainesville and Alachua County.

Enterprise Zone Activity

The Economic Development Director produced an updated enterprise zone packet to inform enterprise zone businesses of program changes made by the Florida Legislature during its 2001 legislative session.

East Gainesville Development Corporation

The objective of the East Gainesville Development Corporation is to stimulate business growth and foster economic development on the east side of Gainesville. The City continued to support the Corporation, providing the organization a grant in the amount of \$28,125 to assist in covering operating expenses.

FOR THE FUTURE

Development of SW 2nd Avenue Corridor Over the course of the next few years, the City of Gainesville and Alachua County will be undertaking projects that will significantly change the face of SW 2nd Avenue and create an attractive corridor connecting downtown Gainesville with the University of Florida.

Judicial Complex and Parking Garage

In a special referendum held on March 20, 2001 the County electorate approved the levy of a one-year, one cent local government infrastructure surtax. Use of the surtax proceeds is restricted to construction of a criminal courthouse and related parking facilities. Pursuant to an interlocal agreement between Alachua County and the City, the County is to distribute \$5.5 million of the surtax proceeds to the City. The City is obligated to construct a parking facility or facilities in close proximity to the criminal courthouse. The County retains the balance of the surtax for construction of the courthouse itself. In November of 2001, construction began on the 118,000 square foot, four story courthouse, which will take up six blocks of land at the intersection of South Main Street and SW 2nd Avenue. The anticipated completion date of the building project is fall of 2003.

Construction of the five-story, 500 space parking garage is expected to begin in November of 2002. The facility, located across SW 2nd Avenue from the courthouse will provide parking for courthouse customers and will include a ground floor set aside for retail space. Construction of the garage is scheduled to be completed in August of 2003.

Infrastructure improvements

The City has applied for a \$1.4 million federal grant to improve SW 2nd Avenue between the downtown area and the University of Florida. The project would consist of widening sidewalks, building landscape medians, providing pedestrian-scale lighting, and upgrading traffic signals.

DEPARTMENT FOCUS

Regional Transit System The Regional Transit System (RTS) has provided public transit services throughout Gainesville and in the unincorporated areas of Alachua County for 26 years. RTS has a fleet of 84 diesel buses used for fixed route service. There are currently 18 fixed routes that provide service throughout the city of Gainesville and areas of unincorporated Alachua County directly bordering corporate limits. Seven vans are used to provide demand response transportation.

Over the past several years ridership has increased dramatically, as evidenced by the following:

- In September 2001, RTS broke the previous year's ridership record for a single month – carrying 817,786 passengers compared to 708,574 in September 2000
- FY2001 total ridership was 6,302,953 – an increase of 21% over last year's ridership of 5,203,221
- During the last four years the number of passengers has increased 190% from 2,175,278 in 1997

The primary impetus for RTS' success has been its partnership with the University of Florida. A pre-paid, unlimited access fee was initiated in 1998 and allows UF students to access the entire RTS system by showing their student ID card. The revenue generated through this fee has funded enhanced service on base routes and provided funding for expanded service.

RTS remains committed to the continued growth of the system through the provision of reliable, efficient, and convenient transit service to its customers.

FINANCIAL INFORMATION

ACCOUNTING AND ADMINISTRATIVE CONTROLS

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Furthermore, management ensures that all accounting data is adequate for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable

but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The controls are also intended to provide assurance as to the reliability of financial records for preparing financial statements and accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

In addition to the examination of controls performed by members of the Finance Department, the City's internal auditors continually review and assess the soundness and adequacy of the accounting and budgetary aspects of the City's financial system. Financial transactions and related data are examined for accuracy, completeness and authorization. Furthermore, data processing applications and systems are analyzed to ensure that necessary controls are in effect.

All internal control evaluations occur within this framework. We believe the current internal accounting controls existing for the City of Gainesville adequately safeguard its assets. In addition to these internal controls, annual financial audits are performed by independent certified public accountants.

BUDGETARY CONTROLS

The City also maintains budgetary controls, the objective of which is to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. Annual budgets are legally adopted for activities of the *general fund*, *special revenue funds* and *debt service funds*. *Capital projects funds* are appropriated on a project basis. Budgets are controlled at the departmental level and total expenditures may not legally exceed appropriations for each budgeted fund without Commission approval. Encumbrance accounting is utilized in governmental funds in order to reserve the encumbered portion of the appropriation. Encumbrances outstanding at year end are reported as reservations of fund balance and are reappropriated as part of the following year's budget.

OPERATING FUNDS

The following schedules present a summary of the financial activities of the City's operating funds (defined as *governmental and proprietary funds*) for the fiscal year ended September 30, 2001, including the amount and percentage of increases and decreases in relation to prior year totals. The first schedule represents the combined operating funds' activities, while the second schedule breaks the activities down between governmental and proprietary funds. Included with the schedules is a discussion of some of the reasons for material variances between fiscal year 2001 and fiscal year 2000.

SOURCES AND USES OF COMBINED OPERATING FUNDS (000's Omitted)

<u>SOURCES</u>	<u>2001</u>	<u>2000</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Property Taxes	\$ 12,556	\$ 11,868	\$ 688	5.5
Other Taxes/Licenses	15,334	14,533	801	5.5
Intergovernmental	20,044	17,370	2,674	15.4
Charges for Services	256,039	226,735	29,304	12.9
Miscellaneous	<u>14,647</u>	<u>4,937</u>	<u>9,710</u>	66.3
Total Revenues	318,620	275,443	43,177	15.7
Debt Proceeds	<u>3,175</u>	<u>0</u>	<u>3,175</u>	100.0
TOTAL SOURCES	<u>\$ 321,795</u>	<u>\$ 275,443</u>	<u>\$46,352</u>	16.8
 <u>USES</u>				
General Government	\$ 30,215	\$ 28,725	\$ 1,490	5.2
Public Safety	34,292	33,604	688	2.0
Transportation	18,636	17,231	1,405	8.2
Utilities	178,244	157,213	21,031	13.4
Other	<u>23,151</u>	<u>21,702</u>	<u>1,449</u>	6.7
Total Expenditures/Expenses	284,538	258,475	26,063	10.1
Debt Service	<u>3,142</u>	<u>3,335</u>	<u>(193)</u>	(5.8)
TOTAL USES	<u>\$ 287,680</u>	<u>\$ 261,810</u>	<u>\$ 25,870</u>	9.9

Significant Variances

Sources:

Intergovernmental The increase in intergovernmental revenues is primarily attributable to the classification of approximately \$1.9 million in capital grant proceeds in the Regional Transit System Fund as grant revenues as required by Governmental Accounting Standards Board (GASB) Statement 33. In prior years these grant revenues were recorded as contributed capital on the balance sheet.

Charges for Services The increase in charges for services was principally a result of a significant increase in the cost of natural gas during the winter months of 2000 and early 2001. This cost increase was passed through to customers and translated to higher revenues in the Electric Fund and the Gas Fund.

Miscellaneous The increase in miscellaneous revenues increased is driven in large part by the recognition of approximately \$9.8 million in revenues from capital contributions in the Water, Wastewater, and Fleet Funds. In prior years, these revenues were recorded as contributed capital on the balance sheet, but implementation of GASB Statement 33 required the change.

Debt Proceeds In fiscal year 2001 debt proceeds increased as the City borrowed \$2,775,000 through the First Florida Governmental Financing Commission. In fiscal year 2000, no new debt was incurred.

Uses:

Utilities As noted above, increases in the cost of natural gas drove fuel costs in the Electric and Gas Funds higher in fiscal year 2001.

GOVERNMENTAL FUNDS BY FUND TYPE
(000's Omitted)

	<u>2001</u>	<u>2000</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
SOURCES				
General	\$ 67,233	\$ 62,877	\$ 4,356	6.9
Special Revenue	6,906	7,614	(708)	9.3
Debt Service	5,823	3,338	2,485	74.4
Capital Projects	<u>7,411</u>	<u>2,663</u>	<u>4,748</u>	178.3
TOTAL SOURCES	<u>87,373</u>	<u>76,492</u>	<u>10,881</u>	14.2
USES				
General	64,967	62,679	2,288	3.7
Special Revenue	6,959	6,609	350	5.3
Debt Service	5,870	3,319	2,551	76.9
Capital Projects	<u>6,707</u>	<u>5,511</u>	<u>1,196</u>	17.8
TOTAL USES	<u>84,503</u>	<u>78,118</u>	<u>6,385</u>	8.2
SOURCES OVER (UNDER) USES	<u>\$ 2,870</u>	<u>\$ (1,626)</u>	<u>\$ 4,496</u>	

Significant Variances

Sources:

Debt Service The increase in Debt Service sources is primarily attributable to the \$2,794,848 in debt proceeds related to the 2001 Series First Florida Governmental Financing Commission Loan received in fiscal year 2001.

Capital Projects Increases in Capital Projects sources were generated from two areas. First, net proceeds of \$2,745,000 related to the 2001 Series First Florida Governmental Financing Commission borrowing

were transferred from Debt Service Funds to the Fleet Acquisition 2001 Capital Project Fund. Second, transfers from the General Fund to General Capital Projects increased by nearly \$1.8 million over fiscal year 2000 to cover increased expenditures in this fund. This increase in expenditures was primarily related to the State Road 26/26A project as well as completion of construction on the Technology Business Incubator.

Uses:

Debt Service The increase in uses is a result of the transfer of the net proceeds from the 2001 Series First Florida Governmental Financing Commission borrowing to the Fleet Acquisition 2001 Capital Project Fund.

Capital Projects Uses increased significantly in fiscal year 2001 in the General Capital Projects Fund as well as the new Fleet Acquisition 2001 Fund associated with the 2001 Series First Florida Governmental Financing Commission Loan. In the General Capital Projects Fund, three projects contributed to the increase in uses. First, the final work associated with construction of the Technology Enterprise Center of Gainesville/Alachua County. Second was work associated with a joint project between the City of Gainesville, Alachua County and the Florida Department of Transportation on State Road 26/26A. Finally, there was an increase over fiscal year 2000 in expenditures related to the Depot Avenue Facility. In the Fleet Acquisition 2001 Fund, just over \$1 million was expended for the acquisition of five new fire trucks

PROPRIETARY FUNDS

The City accounts for the following funds using proprietary fund accounting practices: *Regional Transit System, Gainesville Regional Utilities, Stormwater Management Utility, Ironwood Golf Course, Solid Waste, General Insurance, Fleet Management and Employees Health and Accident Benefit (EHAB)*. The following table reflects the revenues and expenses generated during fiscal years 2001 and 2000.

PROPRIETARY FUND SOURCES AND USES BY SEGMENT
(000's Omitted)

<u>SOURCES</u>	<u>2001</u>	<u>2000</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Transit	\$ 10,158	\$ 7,681	\$ 2,477	32.2
Utilities	237,614	203,180	34,434	16.9
Stormwater	4,812	4,090	722	17.6
Ironwood Golf Course	1,492	1,282	210	16.4
Solid Waste	5,216	5,145	71	1.4
General Insurance	4,045	3,540	505	14.3
Fleet	6,658	5,392	1,266	23.5
EHAB	9,355	8,728	627	7.1
TOTAL SOURCES	<u>279,350</u>	<u>239,038</u>	<u>40,312</u>	16.9
<u>USES</u>				
Transit	9,824	8,665	1,159	13.4
Utilities	209,077	187,405	21,672	11.5
Stormwater	3,468	4,036	(568)	(14.1)
Ironwood Golf Course	1,638	1,400	238	17.0
Solid Waste	5,176	5,313	(137)	(2.6)
General Insurance	5,117	4,294	823	19.2
Fleet	4,631	4,472	159	3.6
EHAB	9,728	8,928	800	9.0
TOTAL USES	<u>248,659</u>	<u>224,513</u>	<u>24,146</u>	10.7
NET GAIN/(LOSS)	<u>\$ 30,691</u>	<u>\$ 14,525</u>	<u>\$ 16,166</u>	111.3

Significant Variances

Sources:

Transit Increases in Transit sources were primarily attributable to two factors - increases in ridership and revenues from University of Florida students, and the recognition as revenue of capital grant proceeds in

accordance with GASB Statement 33 that were previously recorded as contributed capital on the Regional Transit System Fund's balance sheet.

Utilities There are two predominant factors behind the increase in Utilities sources versus fiscal year 2000. A significant increase in the cost of natural gas in late 2000 and early 2001 was passed along to customers, thus increasing revenues in the Electric Fund and Gas Fund. As required by GASB Statement 33, approximately \$8.6 million was recognized as revenue related to capital contributions. In prior years, this would have been recorded as contributed capital on the balance sheets of the Water Fund and Wastewater Fund.

Stormwater Approximately \$465,000 was recognized as revenue related to capital contributions due to the implementation of GASB Statement 33. In prior years this would have been recorded as contributed capital on the balance sheet of the Stormwater Management Utility Fund. Stormwater fees increased by approximately \$147,000 versus fiscal year 2000 due to a 4.3% fee increase implemented in fiscal 2001.

Ironwood Golf Course Higher revenues at Ironwood resulted largely from increased utilization following the opening of the new clubhouse. Concessions, green fees, pro shop sales, and cart rentals all showed increases from their fiscal 2000 levels.

General Insurance General insurance premium revenues increased approximately \$227,000 over fiscal year 2000 totals as premiums were raised to cover anticipated expense increases. Additionally, reimbursements from reinsurers increased from the previous fiscal year.

Fleet In fiscal year 2001, approximately \$1.2 million related to capital contributions was recognized as revenue due to the implementation of GASB 33. In prior years, these revenues would have been recorded as contributed capital on the Fleet Fund balance sheet.

Uses:

Transit Uses increased significantly in fiscal year 2001 due to costs related to increased service delivery and expanded routes, primarily those associated with the University of Florida.

Utilities In fiscal year 2001, Utilities' uses increased due to a significant increase in the cost of natural gas in late 2000 and early 2001.

Stormwater Stormwater uses declined in fiscal year 2001 due to a material reduction in depreciation expense. A significant portion of Stormwater assets reached a fully depreciated status during the preceding fiscal year.

Ironwood Golf Course Significant increases in uses were recognized in the Pro Shop and Concession operations of the Ironwood Golf Course in fiscal year 2001 following the opening of the new clubhouse.

General Insurance An increase in the estimated claims liability in the wake of increased claims expense over the past two years caused General Insurance Fund uses to increase. Worker's Compensation claims were the primary cause.

FUND BALANCES

General Fund The fund balance of the General Fund at September 30, 2001 was **\$17.6 million**, an increase of a **\$2.3 million** primarily due to an operating surplus in fiscal 2001. General Government sources exceeded budgeted levels by approximately **\$1.4 million**, while expenditures were approximately **\$2.4 million** below budget.

Other Governmental Funds Fund balances of governmental funds other than the General Fund increased in fiscal 2001 by **\$0.6 million** to **\$13.2 million**. The increase is primarily due to expenditures lagging behind revenues in the Capital Projects Funds, where the proceeds of the Series 2001 First Florida Governmental Financing Commission borrowing were recorded.

ENTERPRISE OPERATIONS

The City's enterprise operations are comprised of the following activities:

- **Gainesville Regional Utilities** - electric, natural gas, water, wastewater and telecommunications services
- **Regional Transit System** - bus service
- **Stormwater Management**
- **Ironwood Golf Course**
- **Solid Waste Management**

Significant Transfers

Under a formula adopted by the City Commission, the Utility System transferred just over **\$24.3 million** to the General Fund in fiscal year 2001. See Note 9 in the *Notes to the Financial Statements* for further details regarding the transfer formula.

FIDUCIARY FUNDS

In addition to governmental and proprietary funds, the City accounts for several individual trust funds. The following table shows the asset change experienced during the last fiscal year for City trust funds.

TRUST FUND ASSETS BY TRUST TYPE (000's Omitted)

	<u>2001</u>	<u>2000</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Pension Trusts - fair value	\$213,547	\$250,821	\$ (37,274)	(14.9)
Expendable Trusts	<u>3,235</u>	<u>2,868</u>	<u>367</u>	12.8
TOTAL ASSETS	<u>\$216,782</u>	<u>\$253,689</u>	<u>\$ (36,907)</u>	(14.5)

PENSION OPERATIONS

PENSION TRUST FUND MANAGEMENT

The City provides three pension plans for its employees:

- (1) **Consolidated Police Officers' and Firefighters' Retirement Plan (Consolidated Plan)**
- (2) **Employees' Pension Plan (Employees' Plan)**
- (3) **Defined Contribution Pension Plan**

The *Consolidated Plan* and the *Employees' Plan* are contributory defined benefit plans, qualifiable under the provisions of the Internal Revenue Code, whose assets are maintained in separate investment pools. Each plan has a separate Board of Trustees. Plan administration and investment management responsibility rest with these Boards.

The Consolidated Board employs six investment managers. Four invest in domestic equity securities, one invests in international equity securities, and one invests in fixed income securities. At September 30, 2001, the fair value of *Consolidated Plan* assets was approximately **\$66.7 million**.

The **Employees' Plan** has eight investment managers. Five invest in domestic equity securities, one invests in international equity securities, and two others invest in fixed income securities. At September 30, 2001, the fair value of the *Employees' Plan* assets was approximately **\$146.8 million**.

Investment managers are selected and retained for both plans based upon proven investment performance superior to standard indices.

The *Defined Contribution Pension Plan* is qualified under the provisions of Section 401(a) of the Internal Revenue Code. Under the provisions of this Plan, the City contributes an amount equal to 10% of the employees' gross pay, and employees contribute 5%. These contributions are submitted to external retirement corporations that are responsible for management of the investments as directed by the employee. At September 30, 2001, the value of the assets approximated \$9.4 million.

ALL FUNDS

The following table combines the assets and liabilities of all funds of the primary government as of September 30 of each year (*000s omitted*).

	<u>2001</u>	<u>2000</u>
Current and Other Assets		
Cash and Investments *	\$ 454,305	\$ 480,309
Receivables, net	52,171	56,630
Inventories, at cost	11,281	9,449
Deferred and Prepaid Expenses	<u>234,190</u>	<u>248,297</u>
	751,947	794,685
Property, Plant and Equipment - Net	<u>700,608</u>	<u>666,333</u>
TOTAL ASSETS	<u>1,452,554</u>	<u>1,461,018</u>
Less Liabilities and Deferred Credits:		
Payable and Accrued Liabilities	55,989	71,224
Deferred Credits & Revenues	228,448	233,008
Bonds and Notes Payable	<u>443,523</u>	<u>425,275</u>
TOTAL LIABILITIES AND CREDITS	<u>727,960</u>	<u>729,507</u>
TOTAL NET ASSETS	<u>\$ 724,594</u>	<u>\$ 731,511</u>

* All investments are stated at fair value in accordance with GASB Statement 31.

DEBT ADMINISTRATION

All required principal and interest payments on outstanding debt were remitted timely and in full. The reserve requirements mandated by bond covenants were funded at the prescribed levels. As a result, bond ratings reflect that the City's bonds have the characteristic of strong investment quality as shown below, based on ratings by Moody's Investor Service:

Public Improvement Revenue Bonds	Aaa (insured)
Utility System Bonds	AA

The ratio of net bonded debt to assessed valuation and amount of bonded debt per capita are indicators of the City's debt position. The data for the City of Gainesville in recent years is as follows:

<u>YEAR</u>	<u>NET DIRECT AD VALOREM TAX SUPPORTED DEBT</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1990	\$645,000	.05%	\$ 7.61
1995	0	0%	0
2000	0	0%	0

The above tabulation includes only non self-supporting debt. The complete history since 1992 of the above and the debt service coverage of the self-supporting debt is presented in the statistical section of this report. The following chart recaps the total debt outstanding for the City as of September 30, 2001 and 2000.

TOTAL DEBT OUTSTANDING
(000's Omitted)

	<u>2001</u>	<u>2000</u>	<u>Percent Change</u>
Guaranteed Entitlement Revenue and Refunding Bonds	\$13,007	\$ 13,457	(3.3)
Financing Commission Loans	17,230	15,605	10.4
Promissory Notes	1,294	978	32.3
Enterprise Fund Debt	<u>4,661</u>	<u>0</u>	N/A
TOTAL GENERAL GOVERNMENT DEBT	<u>36,192</u>	<u>30,040</u>	20.5
Utility Commercial Paper Notes	95,533	75,109	27.2
Utility Revenue Bonds	<u>330,395</u>	<u>341,380</u>	(3.2)
TOTAL UTILITY DEBT	<u>425,928</u>	<u>416,489</u>	2.3
TOTAL OUTSTANDING DEBT	<u>\$ 462,120</u>	<u>\$ 446,529</u>	3.5

NOTE: *This excludes accrued compensated absences and unamortized discounts.*

CASH MANAGEMENT

It is the City's intention to earn a competitive yield on its portfolio consistent with its primary function of safeguarding public assets by minimizing credit and market risks. To that end, City investments are guided by an investment ordinance and detailed administrative policy as explained in Note 1(D) of the *Notes to the Financial Statements*. In keeping with this policy, approximately 96% of the carrying value of the City's portfolio is held in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The yield investment rate of the portfolio for fiscal year 2001 was 5.3%.

RISK MANAGEMENT

The City, through its Risk Management Department, administers a City-wide insurance program. This function covers responsibility for a loss-control program which includes:

- Analyzing City exposure to any existing or potential risk;
- Examining available options of treating such risks and determining required courses of action;
- Implementing approved safety programs; and
- Participating in and interpreting legislation, which deals with insurance issues impacting the City.

The City is self-insured for workers' compensation, auto, and general liability. Third-party coverage is maintained for workers' compensation claims in excess of \$350,000 for general employees and police and fire personnel. These activities, among other things, are reported in the *General Insurance Fund* which is an *Internal Service Fund*.

In addition, the City administers its own Group Self-Insurance Health Care Program through its Risk Management Department. The City employs an external claims administrator for an annually contracted amount based upon the number of City employees. Stop-loss insurance coverage for an individual is effective at the \$150,000 level.

OTHER INFORMATION

Independent Audit *Florida Statutes* and *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed jointly by Davis, Monk & Company and Ernst & Young.

In addition to meeting the requirements set forth in State statutes and City ordinances, the audit was also designed to meet the requirements of the Federal *Single Audit Act of 1984* and related *OMB Circular A-133*. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report.

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

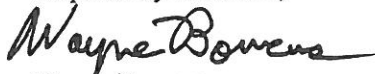
A Certificate of Achievement is valid for a period of one year only. The City of Gainesville has received a Certificate of Achievement since 1951. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to GFOA. Additionally, the City received the Government Finance Officers Association's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2000. The City of Gainesville has received this award consecutively since the fiscal year beginning October 1, 1984. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



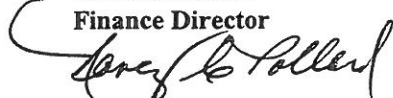
Wayne Bowers
City Manager



Glenda T. Currie
Administrative Services Director



Mark S. Benton
Finance Director



Nancy C. Pollard, C.P.A.
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

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



Thomas A. Brew
President

Jeffrey L. Essler
Executive Director

CITY OF GAINESVILLE, FLORIDA

INTRODUCTION TO THE FINANCIAL SECTION

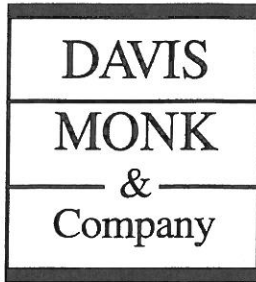
The Financial Section "Pyramid"

The financial section may be viewed as a "reporting Pyramid." In accordance with recommendations of the Governmental Accounting Standards Board, the financial statements and schedules are presented only as far down the reporting pyramid-in the terms of increasing levels of detail-as necessary to (1) report fairly the financial position and operating results, (2) to demonstrate legal compliance, and (3) to assure adequate disclosure.

The levels of the pyramid are:

- (1) Combined Statements – Overview: These statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund types. They also serve as an introduction to the more detailed statements and schedules that follow. Separate columns are used for each fund type and account group.
- (2) Notes to the Financial Statements: These notes form an integral part of the financial statements and contain the "Summary of Significant Accounting Policies" and other notes to the financial statements necessary for adequate disclosure.
- (3) Combining Statements – By Fund Type: Combining statements for all funds of a given type are presented in columnar format. The total columns of these combining statements agree with the amount presented in the Combined Statement – Overview. In some instances, adequate disclosure is achieved at this level; in other cases, these statements "Link" the combined statements – Overview and the individual fund statements and schedules.
- (4) Individual Fund and Account Group Statements: These statements present information of the individual funds and account groups where (a) there is only one fund of a specific type, or (b) sufficient detail to assure adequate disclosure is not presented in the combining statements. These statements are also used to present budgetary data.
- (5) Schedules: Data contained in these schedules and statements are not necessary for fair presentation of fund financial position or operating results. These schedules and statements are used (a) to provide detail of data summarized in the individual fund and account groups statements; (b) to show compliance with bond indentures which contain requirements that are not in accordance with generally accepted accounting principles; and (c) to present other information considered useful to management.

INDEPENDENT AUDITORS' REPORT



Certified Public Accountants
& Business Consultants

A Partnership Consisting of
Professional Associations

Mailing address:

P.O. Box 13494
Gainesville, Florida 32604

Location:

4010 N.W. 25th Place
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Phone:

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(800) 344-5034

Fax:

(352) 375-1583

Website:

www.davismonk.com

Honorable Mayor and City Commissioners
City of Gainesville, Florida:

We have audited the accompanying general purpose financial statements of the City of Gainesville, Florida (the City), as of and for the fiscal year ended September 30, 2001. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of Gainesville Regional Utilities' Enterprise Funds, which statements reflect total assets of \$1,078,805,431 as of September 30, 2001, and total revenues of \$237,613,968 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for Gainesville Regional Utilities in the Enterprise Fund columns, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2001 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath
International

As discussed in Note 1(Q) to the general purpose financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as of October 1, 2000.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed in the table of contents as "supplemental information" are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The schedules of funding progress are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and express no opinion on it.



December 14, 2001
Gainesville, Florida

CITY OF GAINESVILLE, FLORIDA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2001

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
<u>ASSETS AND OTHER DEBITS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 61,203	\$ 959,512
Equity in Pooled Cash and Investments	8,594,584	3,720,366	370,122	6,628,100
Investments	-	-	1,580,233	-
Receivables	5,644,958	3,238,104	-	213,773
Due from Other Funds	5,786,882	-	-	-
Prepaid Expenses	-	-	-	-
Inventories	118,927	-	-	-
Assets Held for Evidence	-	66,499	-	-
Restricted Assets:				
Cash and Investments	-	-	-	-
Fixed Assets	-	-	-	-
Deferred Charges	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	-
Amount to be Provided	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 20,145,351	\$ 7,024,969	\$ 2,011,558	\$ 7,801,385
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 2,071,029	\$ 523,038	\$ 1,261	\$ 142,211
Due to Other Funds	-	387,634	58,664	1,130
Deferred Revenue	489,428	2,546,686	-	-
Payable from Restricted Assets:				
Utility Deposits	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Accounts Payable and Accrued Liabilities	-	-	-	-
Long-Term Debt	-	-	-	-
Deferred Credits	-	-	-	-
TOTAL LIABILITIES	2,560,457	3,457,358	59,925	143,341
<u>FUND EQUITY AND OTHER CREDITS</u>				
Contributed Capital	-	-	-	-
Investment in General Fixed Assets	-	-	-	-
Retained Earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund Balances:				
Reserved	15,479,387	2,026,959	1,162,125	1,852,706
Unreserved:				
Designated for Future Use	-	1,533,705	789,508	5,813,091
Undesignated	2,105,507	6,947	-	(7,753)
TOTAL EQUITY AND OTHER CREDITS	17,584,894	3,567,611	1,951,633	7,658,044
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 20,145,351	\$ 7,024,969	\$ 2,011,558	\$ 7,801,385

The accompanying "Notes to Financial Statements" form an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS GAINESVILLE ENTERPRISE ZONE DEVELOPMENT AGENCY COMMUNITY REDEVELOPMENT AGENCY	
ENTERPRISE	INTERNAL SERVICE	TRUST	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT			
\$ -	\$ 380,530	\$ 4,693,533			\$ 6,094,778	\$ -	\$ -
26,798,009	13,304,392	5,138,694	-	-	64,554,267	11,472	98,660
-	-	206,790,286	-	-	208,370,519	-	-
34,758,853	465,606	159,496	-	-	44,480,790	-	-
1,502,195	401,109	-	-	-	7,690,186	-	-
10,686,909	46,912	-	-	-	10,733,821	-	-
11,042,531	119,409	-	-	-	11,280,867	-	-
-	-	-	-	-	66,499	-	-
175,174,912	-	-	-	-	175,174,912	-	-
659,873,297	7,042,953	-	33,691,329	-	700,607,579	-	-
189,361,149	-	-	-	-	189,361,149	-	-
-	-	-	-	1,951,633	1,951,633	-	-
-	-	-	-	32,076,979	32,076,979	-	-
\$ 1,109,197,855	\$ 21,760,911	\$ 216,782,009	\$ 33,691,329	\$ 34,028,612	\$ 1,452,443,979	\$ 11,472	\$ 98,660

\$ 26,480,697	\$ 5,448,411	\$ 101,872	\$ -	\$ -	\$ 34,768,519	\$ 861	\$ 6,775
6,339,788	5,000	897,970	-	-	7,690,186	-	-
-	-	42,244	-	-	3,078,358	-	-
3,693,091	-	-	-	-	3,693,091	-	-
10,985,000	-	-	-	-	10,985,000	-	-
10,129,843	-	-	-	-	10,129,843	-	-
398,509,175	-	-	-	34,028,612	432,537,787	-	-
225,369,366	-	-	-	-	225,369,366	-	-
681,506,960	5,453,411	1,042,086	-	34,028,612	728,252,150	861	6,775
123,466,304	4,551,455	-	-	-	128,017,759	-	-
-	-	-	33,691,329	-	33,691,329	-	-
39,082,464	2,271,758	-	-	-	41,354,222	-	-
265,142,127	9,484,287	-	-	-	274,626,414	-	-
-	-	212,992,135	-	-	233,513,312	-	1,000
-	-	2,747,788	-	-	10,884,092	-	-
-	-	-	-	-	2,104,701	10,611	90,885
427,690,895	16,307,500	215,739,923	33,691,329	-	724,191,829	10,611	91,885
\$ 1,109,197,855	\$ 21,760,911	\$ 216,782,009	\$ 33,691,329	\$ 34,028,612	\$ 1,452,443,979	\$ 11,472	\$ 98,660

CITY OF GAINESVILLE, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND SIMILAR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	GOVERNMENTAL FUND TYPES					TOTALS PRIMARY GOVERNMENT (MEMORANDUM) ONLY	COMPONENT UNITS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FIDUCIARY FUND TYPE EXPENDABLE TRUST		GAINESVILLE	COMMUNITY
							ENTERPRISE ZONE DEVELOPMENT AGENCY FUND	REDEVELOP- MENT AGENCY FUND
REVENUES								
Taxes	\$ 23,447,094	\$ -	\$ -	\$ -	\$ 539,556	\$ 23,986,650	\$ -	
Licenses and Permits	1,859,727	-	-	-	-	1,859,727	-	
Intergovernmental	8,404,825	4,994,230	1,095,679	1,275,521	-	15,770,255	-	
Charges for Services	5,627,373	852,583	-	-	79,598	6,559,554	-	
Fines and Forfeitures	1,208,980	150,352	-	-	-	1,359,332	-	
Miscellaneous	1,549,263	621,079	307,363	503,880	(59,370)	2,922,215	832	
TOTAL REVENUES	42,097,262	6,618,244	1,403,042	1,779,401	559,784	52,457,733	832	
							4,586	
EXPENDITURES								
Current:								
General Government	15,641,299	262,473	-	-	-	15,903,772	-	
Public Safety	31,829,470	1,391,913	-	-	-	33,221,383	-	
Physical Environment	1,902,396	94,375	-	-	-	1,996,771	-	
Transportation	6,156,720	170,113	-	-	-	6,326,833	-	
Economic Environment	201,106	3,869,223	-	-	306,566	4,376,895	1,637	
Human Services	-	56,616	-	-	-	56,616	-	
Culture and Recreation	3,464,763	668,683	-	-	30,000	4,163,446	-	
Capital Outlay	-	-	-	6,265,480	-	6,265,480	-	
Debt Service:								
Principal	-	-	1,647,489	16,200	-	1,663,689	-	
Interest and Fiscal Charges	-	-	1,477,860	-	-	1,477,860	-	
TOTAL EXPENDITURES	59,195,754	6,513,396	3,125,349	6,281,680	336,566	75,452,745	1,637	
							202,134	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,098,492)	104,848	(1,722,307)	(4,502,279)	223,218	(22,995,012)	(805)	
							(197,548)	
OTHER FINANCING SOURCES (USES)								
Debt Proceeds	-	-	2,794,848	-	380,016	3,174,864	-	
Operating Transfers In	25,135,909	287,484	1,625,336	5,631,584	306,772	32,987,085	-	
Operating Transfers Out	(5,771,487)	(445,166)	(2,745,000)	(424,881)	(356,048)	(9,742,582)	-	
Operating Transfer from Primary Government	-	-	-	-	-	-	237,178	
Operating Transfer to Component Unit	-	-	-	-	(237,178)	(237,178)	-	
TOTAL OTHER FINANCING SOURCES (USES)	19,364,422	(157,682)	1,675,184	5,206,703	93,562	26,182,189	-	
							237,178	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,265,930	(52,834)	(47,123)	704,424	316,780	3,187,177	(805)	
							39,630	
FUND BALANCES, October 1	15,318,964	3,620,445	1,998,756	6,953,620	2,772,721	30,664,506	11,416	
							52,255	
FUND BALANCES, September 30	\$ 17,584,894	\$ 3,567,611	\$ 1,951,633	\$ 7,658,044	\$ 3,089,501	\$ 33,851,683	\$ 10,611	
							\$ 91,885	

The accompanying "Notes to Financial Statements" form an integral part of this statement.

CITY OF GAINESVILLE, FLORIDA
COMBINED STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

GENERAL FUND

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes	\$ 23,447,094	\$ -	\$ 23,447,094	\$ 22,580,477	\$ 866,617
Licenses and Permits	1,859,727	-	1,859,727	1,742,499	117,228
Intergovernmental	8,404,825	-	8,404,825	8,359,977	44,848
Charges for Services	5,627,373	-	5,627,373	5,788,489	(161,116)
Fines and Forfeitures	1,208,980	-	1,208,980	1,335,233	(126,253)
Miscellaneous	1,549,263	-	1,549,263	1,182,562	366,701
TOTAL REVENUES	42,097,262	-	42,097,262	40,989,237	1,108,025
EXPENDITURES					
Current:					
General Government	15,641,299	287,615	15,928,914	16,814,679	885,765
Public Safety	31,829,470	296,163	32,125,633	32,881,957	756,324
Physical Environment	1,902,396	80,507	1,982,903	1,999,981	17,078
Transportation	6,156,720	131,626	6,288,346	6,215,931	(72,415)
Economic Environment	201,106	17,017	218,123	279,312	61,189
Human Services	-	-	-	-	-
Culture and Recreation	3,464,763	12,313	3,477,076	3,638,671	161,595
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	59,195,754	825,241	60,020,995	61,830,531	1,809,536
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,098,492)	(825,241)	(17,923,733)	(20,841,294)	2,917,561
OTHER FINANCING SOURCES (USES)					
Proceeds from Bonds	-	-	-	-	-
Operating Transfers In	25,135,909	-	25,135,909	24,836,530	299,379
Operating Transfers Out	(5,771,487)	-	(5,771,487)	(6,353,195)	581,708
TOTAL OTHER FINANCING SOURCES (USES)	19,364,422	-	19,364,422	18,483,335	881,087
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 2,265,930	\$ (825,241)	\$ 1,440,689	\$ (2,357,959)	\$ 3,798,648

The accompanying "Notes to Financial Statements" form an integral part of this statement.

SPECIAL REVENUE FUNDS

DEBT SERVICE FUNDS

SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS		
ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	BUDGET	VARIANCE-FAVORABLE (UNFAVORABLE)	ACTUAL AND BUDGETARY BASIS	BUDGET	VARIANCE-FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
4,994,230	-	4,994,230	6,257,113	(1,262,883)	1,095,679	1,095,679	-
852,583	-	852,583	910,295	(57,712)	-	-	-
150,352	-	150,352	150,352	-	-	-	-
621,079	-	621,079	563,308	57,771	307,363	210,151	97,212
<u>6,618,244</u>	<u>-</u>	<u>6,618,244</u>	<u>7,881,068</u>	<u>(1,262,824)</u>	<u>1,403,042</u>	<u>1,305,830</u>	<u>97,212</u>
262,473	-	262,473	262,473	-	-	-	-
1,391,913	230,617	1,622,530	1,622,530	-	-	-	-
94,375	178,844	273,219	273,219	-	-	-	-
170,113	3,796	173,909	214,334	40,425	-	-	-
3,869,223	995,157	4,864,380	5,158,820	294,440	-	-	-
56,616	-	56,616	56,616	-	-	-	-
668,683	113,157	781,840	881,507	99,667	-	-	-
-	-	-	-	-	1,647,489	1,647,489	-
-	-	-	-	-	1,477,860	1,489,443	11,583
<u>6,513,396</u>	<u>1,521,571</u>	<u>8,034,967</u>	<u>8,469,499</u>	<u>434,532</u>	<u>3,125,349</u>	<u>3,136,932</u>	<u>11,583</u>
<u>104,848</u>	<u>(1,521,571)</u>	<u>(1,416,723)</u>	<u>(588,431)</u>	<u>(828,292)</u>	<u>(1,722,307)</u>	<u>(1,831,102)</u>	<u>108,795</u>
-	-	-	-	-	2,794,848	2,789,606	5,242
287,484	-	287,484	265,003	22,481	1,625,336	1,625,336	-
(445,166)	-	(445,166)	(484,404)	39,238	(2,745,000)	(2,745,000)	-
<u>(157,682)</u>	<u>-</u>	<u>(157,682)</u>	<u>(219,401)</u>	<u>61,719</u>	<u>1,675,184</u>	<u>1,669,942</u>	<u>5,242</u>
<u>\$ (52,834)</u>	<u>\$ (1,521,571)</u>	<u>\$ (1,574,405)</u>	<u>\$ (807,832)</u>	<u>\$ (766,573)</u>	<u>\$ (47,123)</u>	<u>\$ (161,160)</u>	<u>\$ 114,037</u>

CITY OF GAINESVILLE, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>OPERATING REVENUES</u>			
Sales and Service Charges	\$ 227,607,694	\$ 7,281,934	\$ 234,889,628
Employer Contributions	-	6,186,436	6,186,436
Employee Contributions	-	1,765,828	1,765,828
Retiree Contributions	-	797,848	797,848
Other Operating Revenues	<u>5,777,187</u>	<u>62,750</u>	<u>5,839,937</u>
TOTAL OPERATING REVENUES	<u>233,384,881</u>	<u>16,094,796</u>	<u>249,479,677</u>
<u>OPERATING EXPENSES</u>			
Operations and Maintenance	132,362,529	8,182,220	140,544,749
Administrative and General	21,869,003	1,951,041	23,820,044
Depreciation and Amortization	26,220,466	1,386,745	27,607,211
Benefits Paid and Other Expenses	-	8,186,269	8,186,269
TOTAL OPERATING EXPENSES	<u>180,451,998</u>	<u>19,706,275</u>	<u>200,158,273</u>
OPERATING INCOME	<u>52,932,883</u>	<u>(3,611,479)</u>	<u>49,321,404</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Investment Income	10,139,640	927,946	11,067,586
Interest Expense	(23,447,313)	-	(23,447,313)
Gain(Loss) on Disposal of Fixed Assets	(19,903)	30,440	10,537
Operating Grants	2,384,488	-	2,384,488
Capital Grants	1,889,100	-	1,889,100
Capital Contributions	9,169,137	1,195,885	10,365,022
Local Option Gas Tax	2,043,521	-	2,043,521
Other	<u>614</u>	<u>-</u>	<u>614</u>
TOTAL NON OPERATING REVENUES (EXPENSES)	<u>2,159,284</u>	<u>2,154,271</u>	<u>4,313,555</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>55,092,167</u>	<u>(1,457,208)</u>	<u>53,634,959</u>
<u>OPERATING TRANSFERS</u>			
From Other Funds	253,221	1,808,049	2,061,270
To Other Funds	<u>(25,236,071)</u>	<u>(69,700)</u>	<u>(25,305,771)</u>
TOTAL OPERATING TRANSFERS	<u>(24,982,850)</u>	<u>1,738,349</u>	<u>(23,244,501)</u>
NET INCOME	30,109,317	281,141	30,390,458
DEPRECIATION OF FIXED ASSETS ACQUIRED BY CAPITAL CONTRIBUTIONS			
	<u>742,563</u>	<u>-</u>	<u>742,563</u>
NET INCREASE IN RETAINED EARNINGS	30,851,880	281,141	31,133,021
RETAINED EARNINGS, October 1	<u>273,372,711</u>	<u>11,474,904</u>	<u>284,847,615</u>
RETAINED EARNINGS, September 30	<u>\$ 304,224,591</u>	<u>\$ 11,756,045</u>	<u>\$ 315,980,636</u>

The accompanying "Notes to Financial Statements" form an integral part of this statement.

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

	EMPLOYEES PENSION FUND	POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND	TOTALS (MEMORANDUM ONLY)
ADDITIONS:			
Contributions:			
Employer Contributions	\$ 3,023,078	\$ 2,000,882	\$ 5,023,960
Employee Contributions	2,460,971	1,138,274	3,599,245
State Contributions	-	897,696	897,696
Total Contributions	5,484,049	4,036,852	9,520,901
Investment Income			
Net Depreciation in Fair Value of Investments	(23,333,928)	(14,959,141)	(38,293,069)
Dividends & Interest	4,239,440	2,206,034	6,445,474
Broker Refunds	9,963	29,707	39,670
Total Investment Income	(19,084,525)	(12,723,400)	(31,807,925)
Less Investment Expense	566,207	338,312	904,519
Net Investment Income	(19,650,732)	(13,061,712)	(32,712,444)
TOTAL ADDITIONS	(14,166,683)	(9,024,860)	(23,191,543)
DEDUCTIONS:			
Benefit Payments	7,891,144	5,778,002	13,669,146
Refunds of Contributions	322,583	232,691	555,274
Administrative Expenses	248,993	157,918	406,911
TOTAL DEDUCTIONS	8,462,720	6,168,611	14,631,331
NET DECREASE	(22,629,403)	(15,193,471)	(37,822,874)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, October 1	169,433,038	81,040,258	250,473,296
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, September 30	\$ 146,803,635	\$ 65,846,787	\$ 212,650,422

The accompanying "Notes to Financial Statements" form an integral part of this statement.

CITY OF GAINESVILLE, FLORIDA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 231,729,720	\$ 16,017,176	\$ 247,746,896
Cash Paid to Suppliers	(115,449,410)	(15,179,022)	(130,628,432)
Cash Paid to Employees	(34,136,680)	(1,783,464)	(35,920,144)
Quasi-External Activities	(4,065,367)	-	(4,065,367)
Other Operating Receipts	3,906,410	-	3,906,410
	<u>81,984,673</u>	<u>(945,310)</u>	<u>81,039,363</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	2,043,520	-	2,043,520
Operating Grants	2,384,488	-	2,384,488
Transfers from Other Funds	253,221	1,808,046	2,061,267
Transfers to Other Funds	(25,236,071)	(69,700)	(25,305,771)
	<u>(20,554,842)</u>	<u>1,738,346</u>	<u>(18,816,496)</u>
<u>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</u>			
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Repayments on Long-term Debt	(14,778,005)	-	(14,778,005)
Proceeds from Sale of Fixed Assets	92,918	30,440	123,358
Interest Paid on Revenue Bonds	(23,362,846)	-	(23,362,846)
Intergovernmental Capital Grants	1,915,932	-	1,915,932
Acquisition and Construction of Fixed Assets	(62,917,583)	(1,413,494)	(64,331,077)
Proceeds from Lease Transaction	4,110,952	-	4,110,952
Proceeds from Debt Issues	25,012,000	-	25,012,000
Capitalized Connection Fees	3,920,786	-	3,920,786
	<u>(66,005,846)</u>	<u>(1,383,054)</u>	<u>(67,388,900)</u>
<u>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	7,996,388	927,946	8,924,334
Purchase of Investments	(520,255,268)	(9,141,528)	(529,396,795)
Proceeds from Investment Maturities	521,285,806	11,239,503	532,525,309
	<u>9,026,926</u>	<u>3,025,921</u>	<u>12,052,848</u>
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>			
NET INCREASE IN CASH	4,450,911	2,435,903	6,886,815
CASH - OCTOBER 1, 2000	7,281,616	2,107,491	9,389,107
CASH - SEPTEMBER 30, 2001	\$ 11,732,527	\$ 4,543,394	\$ 16,275,922

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
OPERATING INCOME (LOSS)	\$ 52,932,883	\$ (3,611,479)	\$ 49,321,404
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	24,446,263	1,386,745	25,833,008
(Increase)/Decrease in Receivables	3,622,630	8,446	3,631,076
(Increase)/Decrease in Inventories	(1,870,672)	16,631	(1,854,041)
(Increase)/Decrease in Due from Other Funds	(623,049)	(86,069)	(709,118)
(Increase)/Decrease in Prepaid Expenses	(1,753,315)	(7,528)	(1,760,843)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(6,474,911)	1,342,944	(5,131,967)
Increase/(Decrease) in Due to Other Funds	37,968	5,000	42,968
Increase/(Decrease) in Deferred Credits	288,090	-	288,090
(Increase)/Decrease in Deferred Debits	11,617,564	-	11,617,564
Increase/(Decrease) in Utility Deposits	(238,778)	-	(238,778)
NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES	\$ 81,984,673	\$ (945,310)	\$ 81,039,363

RECONCILIATION OF CASH TO BALANCE SHEET

Cash	\$ 11,732,527	\$ 4,543,394	\$ 16,275,922
Unamortized Discount	5,729,834	-	5,729,834
Accrued Interest	1,888,899	-	1,888,899
Investments	182,621,661	9,141,528	191,763,188

TOTAL CASH, EQUITY IN POOL, AND INVESTMENTS PER BALANCE SHEET

\$ 201,972,921	\$ 13,684,922	\$ 215,657,843
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NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

Contribution of Utility Plant Fixed Assets	\$ 4,703,234	\$ -	\$ 4,703,234
Change in Fair Value of Investments	\$ 5,066,253	\$ 298,469	\$ 5,364,722

The accompanying "Notes to Financial Statements" form an integral part of this statement.

CITY OF GAINESVILLE, FLORIDA
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September 30, 2001

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CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the City of Gainesville, Florida (City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB) or, where applicable, the Financial Accounting Standards Board (FASB). Gainesville Regional Utilities (GRU) has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners (NARUC) for Utility Enterprise funds.

(A) Reporting Entity

The City is a Florida municipality established by the Laws of Florida, Section 12760, pursuant to the authority provided in Chapter 165, Florida Statutes, and is governed by an elected five member Commission, which includes an elected Mayor. It provides most of the traditional services to its citizens including police and fire protection, community development and code enforcement, streets, recreation, parks, cultural affairs, and other general government activities. It also operates transit, stormwater, golf course, solid waste, water, wastewater, natural gas, telecommunications and electric utility enterprises. The City does not provide educational, health care, court or detention facilities.

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

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

Discretely Presented Component Units - The Community Redevelopment Agency (CRA) and the Gainesville Enterprise Zone Development Agency (GEZDA) were created by ordinance of the City to carry out community redevelopment within the City of Gainesville under Chapter 163 of the Florida Statutes. The City Commission appoints the boards of these organizations and approves their budgets. These organizations have a September 30 year-end and are presented as governmental fund types. Separate financial statements of the individual component units are not available.

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

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

accountable for the GHA.

Gainesville-Alachua County Regional Airport Authority (GACRAA) GACRAA is an independent special district created for the purpose of providing airport services for citizens of Gainesville and Alachua County, Florida and surrounding areas. The GACRAA is considered a related organization because the City is responsible for appointing a voting majority of GACRAA's board members. The City is not financially accountable for the GACRAA.

The only joint venture in which the City participated in fiscal year 2000-2001 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in detail in Note 15.

(B) Fund Accounting Basis of Presentation

The City's financial statements are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is the specialized accounting used by local governments. It arose in response to the special limitations placed on significant amounts of the resources provided to governmental jurisdictions by legal ordinances, grantors, and other resource providers.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements, into seven generic fund types within three broad fund categories plus two Account Groups as follows:

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

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

In these funds, the measurement focus objective is to determine financial flow and availability of financial resources rather than to determine net income. The operating statements present the "available spendable resources" by reporting changes (revenue and expenditures) in those resources. The balance sheets of these funds identify those amounts and their availability for appropriation as fund balance. Fund balance is the remainder when liabilities are deducted from assets.

Proprietary Funds are used to account for the City's ongoing activities which are similar to those often found in the private business sector. The measurement focus is on determination of net income and/or capital maintenance. The following are the City's proprietary fund types:

- Enterprise Funds
- Internal Service Funds

The balance sheets of these funds include all assets and liabilities (whether current or noncurrent) associated with their activities. The result of the deduction of total liabilities from total assets, reported as fund equity, represents the economic net worth of those funds. Their reported fund equities are segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in fund equity, including depreciation expense, which is not reported in other fund types or account groups.

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

The measurement focus of *Expendable Trust Funds* is similar to governmental funds while the measurement focus of *Pension Trust Funds* is similar to proprietary funds.

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. These account groups are not considered funds, since they are concerned only with the measurement of financial position and are not involved with the measurement of results of operations.

(C) Basis of Accounting

The basis of accounting refers to the timing of revenue and expenditure or expense recognition. The basis of accounting applied to each fund type follows:

Governmental funds recognize revenues and expenditures on the modified accrual basis. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Measurable refers to the ability to quantify in monetary terms the amount of the revenue and receivable. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities existing at the balance sheet date. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt. Transfers are recognized in the accounting period in which the interfund receivable and payable arise.

Proprietary fund revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

Fiduciary fund revenues and expenses or expenditures are recognized on the basis consistent with the fund's accounting measurement objective. *Pension Trust Funds* are accounted for on the accrual basis; *Expendable Trust Funds* are accounted for on the modified accrual basis.

Revenues are recognized when earned, measurable, and available except for certain governmental fund revenue sources which are not considered susceptible to accrual. Material revenues in the following categories are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

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

Grant revenues are considered earned and are accrued simultaneously with the grant expenditures unless such recognition is prohibited by the grant requirements.

Interest and Investment Income Earnings are recognized when earned and allocated monthly based on each funds' equity in the pool.

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

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

(D) Deposits with Financial Institutions and Investments

In accordance with *GASB Statement No. 3*, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," the City's investments and deposits are

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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categorized as follows to give an indication of the level of risk assumed by the City.

Deposits

- Category 1* Bank balance of deposits that are insured or collateralized with securities held by the City or by its agents in the City's name.
- Category 2* Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3* Uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name.

Investments

- Category 1* Includes investments that are insured or registered, or securities held by the City or its agents in the City's name.
- Category 2* Includes uninsured and unregistered investments held by a counterparty's trust department or agents in the City's name.
- Category 3* Includes uninsured and unregistered investments for which securities are held by a counterparty, its trust department or agents, but not in the City's name.

	TOTAL		
	CATEGORY @ FAIR VALUE		
	1	2	
<u>DEFINED BENEFIT</u>			
<u>PENSION INVESTMENTS</u>			
U.S. Treasury Obligations	\$16,476,738	-	\$16,476,738
Corporate Bonds	48,525,384	-	48,525,384
Government Bonds	7,226,704	-	7,226,704
Mortgage Backed Obligations	3,922,530	-	3,922,530
Common and Preferred Stock	<u>129,675,833</u>	-	<u>129,675,833</u>
<i>Subtotal Defined Benefit</i>			
<i>Pension Investments</i>	<u>205,827,189</u>	-	<u>205,827,189</u>
 <u>DEPOSITS</u>			
Cash in Bank	8,951,696	-	8,951,696
Cash Held by Pension Trustees	4,572,109	-	4,572,109
Certificates of Deposit	<u>5,101,000</u>	-	<u>5,101,000</u>
<i>Subtotal Deposits</i>	<u>18,624,805</u>	-	<u>18,624,805</u>
 <u>OTHER INVESTMENTS</u>			
Government Securities	101,298,831	-	101,298,831
Repurchase Agreements	-	18,856,715	18,856,715
Government Bonds	23,026,111	-	23,026,111
Corporate Bonds	757,370	-	757,370
Mortgage Backed Securities	2,105,506	-	2,105,506
Corporate Commercial Paper	<u>82,943,984</u>	-	<u>82,943,984</u>
<i>Subtotal Other Investments</i>	<u>210,131,802</u>	<u>18,856,715</u>	<u>228,988,517</u>
Investments - Mutual Funds			864,097
TOTAL DEPOSITS AND INVESTMENTS			<u>\$454,304,608</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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The above deposits and investments include those held by the Component Units as follows:

	<u>GEZDA</u>	<u>CRA</u>
Certificates of Deposit	\$1,093	\$9,402
Repurchase Agreements	4,041	34,756
Government Bonds	5,724	49,226
Corporate Bonds	163	1,395
Mortgage Backed Securities	<u>451</u>	<u>3,881</u>
TOTAL	<u>\$11,472</u>	<u>\$98,660</u>

The following schedule reconciles the deposit and investment information above to the City's combined balance sheet:

<u>FUND TYPE</u>	<u>CASH & CASH EQUIVALENTS</u>	<u>EQUITY IN POOLED CASH & INVESTMENTS</u>	<u>INVESTMENTS</u>	<u>RESTRICTED CASH & INVESTMENTS</u>	<u>TOTAL DEPOSITS & INVESTMENTS</u>
General	\$ -	\$8,594,584	\$ -	\$ -	\$8,594,584
Special Revenue	-	3,720,366	-	-	3,720,366
Debt Service	61,203	370,122	1,580,233	-	2,011,558
Capital Projects	959,512	6,628,100	-	-	7,587,612
Enterprise	-	26,798,009	-	175,174,912	201,972,921
Internal Service	380,530	13,304,392	-	-	13,684,922
Trust	<u>4,693,533</u>	<u>5,138,694</u>	<u>206,790,286</u>	-	<u>216,622,513</u>
Total Primary					
Government	6,094,778	64,554,267	208,370,519	175,174,912	454,194,476
Component Units:					
GEZDA	-	11,472	-	-	11,472
CRA	-	98,660	-	-	98,660
GRAND TOTAL	<u>\$6,094,778</u>	<u>\$64,664,399</u>	<u>\$208,370,519</u>	<u>\$175,174,912</u>	<u>\$454,304,608</u>

In accordance with the AICPA's *Audits of State and Local Governmental Units*, overdrafts which resulted from funds overdrawing their share of the pooled cash account were reported as liabilities of those particular funds by establishing an interfund payable to the General Fund. Following is a reconciliation of these accounts as reported on the balance sheet to their balances before adjustment for overdraft liabilities.

<u>FUND</u>	<u>POOLED CASH & INVESTMENTS PER BALANCE SHEET</u>	<u>ADJUSTMENT FOR OVERDRAFT LIABILITIES</u>	<u>BALANCE</u>
General	\$8,594,584	\$3,981,989	\$12,576,573
Community Development Block			
Grant Fund	-	<22,888>	<22,888>
HOME Grant Fund	-	<223,141>	<223,141>
FFGFC Series 1992 Fund	-	<58,664>	<58,664>
Water Fund	-	<2,233,391>	<2,233,391>
GRUCom Fund	-	<545,934>	<545,934>
Police Officers & Firefighters			
Consolidated Retirement Fund	-	<848,787>	<848,787>
Evergreen Cemetery Fund	-	<49,183>	<49,183>

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

CITY OF GAINESVILLE, FLORIDA
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Defined Benefit Pension Investments

These funds represent investments administered by the City's Defined Benefit Pension Fund investment managers. They comprise \$205,827,189 of the City's total fair value of investments, and are exclusive of the \$3,147,472 in equity in pooled cash and investments held by the City's Pension Funds and \$4,572,109 held in cash by the Trustees. These investments are reported at fair value. The City uses several investment managers and maintains separation between its equity and fixed income portfolios. Investment managers of these funds are permitted to invest in the following instruments:

Equity Funds (domestic and international)

- Common Stocks
- Convertible Preferred Stocks
- Convertible Debentures

Fixed Income Funds

- United States Treasury bonds, notes and bills
- United States government Agency securities and instrumentalities of government sponsored corporations
- Corporate bonds with an average weighted quality rating of A-3 as rated by Moody's or A- as rated by Standard & Poor
- Certificates of deposit up to FDIC or FSLIC insurance coverage or any amount fully collateralized by United States government securities or issued by an institution which is a qualified public depository within the State of Florida
- Commercial paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1
- Repurchase agreements which are fully collateralized with United States Treasury or Agency securities with maturities of less than 365 days
- Debentures
- Zero coupon bonds
- Pass- through securities such as FHLMC, GNMA, and FNMA, provided they are agency rated
- Floating rate notes with a quality rating of A or better
- Bankers Acceptances.

Other Than Defined Benefit Pension Investments

These funds comprise \$248,477,419 of the City's total fair value of deposits and investments. This figure includes \$864,097 invested in mutual funds.

Deposits At year end, the carrying value of the City's deposits, excluding cash held by Pension Trustees, was \$14,052,696. The bank balance was \$25,573,322. The institutions in which the City's monies were deposited were certified as qualified public depositories under the Florida Public Deposits Act. Therefore, the City's total bank balances on deposit are entirely insured by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. Additionally, under the terms of the Gainesville Regional Utilities bond resolution, the depository is restricted to be a bank, savings and loan association or trust company of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$10 million.

Investments As previously indicated, investments of the defined benefit pension plans are reported at fair value. The City's other investments are also reported at fair value in accordance with Governmental Accounting Standards Board Statement #31. Fair value is based on market values.

State statutes, City ordinances and Gainesville Regional Utilities bond resolutions authorize the City to invest in the following instruments:

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

The City has a contractual relationship with a Qualified Public Depository in the State of Florida. Under the terms of the contract, essentially all bank balances are transferred into a sweep account at the close of each business day. The financial institution sells securities to the City in the form of repurchase agreements in amounts equal to the bank balance. Each day the institution issues a confirmation to the City for the securities that are sold to the City. Simultaneously, the institution issues safekeeping receipts for the specific securities sold to the City under the terms of the repurchase agreement, evidencing clear ownership of the securities by the City. The securities are obligations of the United States Government. The maturities of such securities do not exceed 365 days from the date of the repurchase agreement, and the securities have a market value, exclusive of accrued interest, at least equal to 102% of the purchase price. The securities sold to the City in the form of repurchase agreements are held by the custodial bank in its trust department in the name of the City.

Money belonging to the Evergreen Cemetery Trust Fund is invested in accordance with guidelines established by the Evergreen Cemetery Advisory Committee and/or as approved by the City Commission. These guidelines authorize investments in mutual funds including domestic equities, international equities and natural resources funds as well as in certificates of deposit and in repurchase agreements at the City's contracted rate.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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(E) Receivables

For the most part, receivables and the related revenues, whether for services rendered, grant entitlements, or reimbursements due, are recognized when determined and billed, or otherwise measurable and available.

Unbilled utilities service receivables are recorded at year end. They are calculated by prorating cycle billings subsequent to September 30, 2001 according to the number of days applicable to the current fiscal year.

Receivables are reported net of an estimated allowance for uncollectible accounts. At September 30, 2001, the allowance was \$135,500 for the General Fund and \$817,000 for Enterprise Funds.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, despite their spending measurement focus. However, special reporting treatments are used to indicate that they are not considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become available and measurable. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

(F) Inventories

The City accounts for its General Fund inventory using the "consumption method"; that is, inventory is budgeted and recorded as items are consumed.

Except for inventories of the General Fund, inventories are stated at the lower of cost or market. Cost is determined using the weighted average method except for fuel in Enterprise Funds, which is determined using the last-in, first-out method. Obsolete and unusable items are reduced to estimated salvage values. Inventory in the General Fund is recorded at cost. Such inventory is written down to a lower market value if the inventory is affected by physical deterioration or obsolescence.

(G) Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the fund's measurement focus. Financial statement measurement focus objectives for Governmental Funds and Expendable Trust Funds vary significantly from the objectives of the statements for Proprietary Funds and Pension Trust Funds as previously set forth in this Note under "Fund Accounting Basis of Presentation."

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated market value on the date donated. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets are not capitalized. Depreciation expense on general fixed assets is not accounted for, but accumulated depreciation has been recorded in the General Fixed Assets Account Group.

Fixed assets in the proprietary funds are accounted for within each related fund, and depreciation expense is a component of current income, and improvements other than buildings are recognized as assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

CITY OF GAINESVILLE, FLORIDA
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Buildings and Utility Plant -----	20 to 50 years
Improvements other than Buildings -----	20 to 30 years
Equipment -----	5 to 20 years

Utility plant for the water, Wastewater and Regional Transit System enterprise funds include assets acquired as a result of capital contributions through September, 2000. No contributed fixed assets were recorded in the current fiscal year because of the city's adoption of Governmental Accounting Standards board Statement 33. See Note 12.

Depreciation of utility plant is computed using the straight-line method over the estimated service life of the property. Depreciation was equivalent to 2.99% of average depreciable property for 2001.

City-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in the Crystal River Unit 3 nuclear power plant operated by Florida Power Corporation. Depreciation expense includes a provision for decommissioning costs related to the jointly-owned nuclear power plant. The cost of nuclear fuel, including estimated disposal cost, is charged to operating expenses.

The average cost and related accumulated depreciation of proprietary fund assets are removed from the accounts upon disposal or retirement, with any resulting gain or loss recognized as nonoperating income or expense. The average cost of appreciable utility plant retired is eliminated from the plant accounts, and such cost plus removal expense less salvage value is charged to accumulated depreciation.

Interest capitalized in the Enterprise Funds during the 2001 fiscal year totaled \$882,000. This amount is included in construction in progress and reduces interest expense in the Enterprise Funds. It is computed by applying the effective interest rate on the funds borrowed to finance the projects to the monthly balance of projects under construction. The effective interest rate was approximately 5.2% for fiscal year 2001. For assets constructed with governmental fund resources, interest during construction is not capitalized.

(H) Amortization and Deferred Charges/Credits

GRU prepares its financial statements in accordance with Statement of Financial Accounting Standard No. 71, and records various regulatory assets and liabilities. These assets and liabilities are being amortized over the period in which they will be recovered in future rates. Deferred charges include environmental costs of \$10,100,000 (see Note 11), deferred acquisition costs of \$3,104,000, deferred fuel charges of \$143,000, and deferred charges of \$252,980 related to the GRU's investment in The Energy Authority (see Note 15). Fuel revenue is recognized based on actual costs. Deferred fuel charges represent actual fuel costs in excess of amounts charged to customers.

Deferred charges and deferred credits include \$183,459,000 and \$213,915,000 respectively, relating to GRU's lease/leaseback transaction (see Note 14). In Enterprise Funds, GRU's \$3,054,000 of unamortized bond issuance costs are being amortized over the remaining life of the bonds.

(I) Compensated Absences

The City's policy is to allow limited vesting of employee vacation and sick pay. The limitation of vacation time is governed by the period of employment and is determinable. Unused sick leave may be added to an employee's length of service at the time of retirement for the purpose of computing retirement benefits for employees who are members of a defined benefit pension plan, or, in some cases, received partially in cash upon election at retirement. Such liabilities are not determinable in advance, however.

The City follows generally accepted accounting principles in accounting for accrued compensated absences. A liability for compensated absences of employees of proprietary funds is accrued in such funds. A

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

liability for compensated absences of employees of governmental funds is reported in the General Long-Term Debt Account Group.

(J) Risk Management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a General Insurance Fund (an Internal Service Fund) to account for some of its uninsured risk of loss. Under the current program, the City is self-insured for workers' compensation, auto, and general liability. Third-party coverage is currently maintained for workers' compensation claims in excess of \$350,000. Settlements have not exceeded insurance coverage in any of the last three years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs), and are shown at current dollar value.

All funds other than Electric, Gas, Water, Wastewater, and Telecommunications (GRUCom) Enterprise Funds participate in the general insurance program. Risk management/insurance related activities of the Electric, Gas, Water, Wastewater, and GRUCom Funds are accounted for within the respective Utility Enterprise Funds. An actuarially computed liability of \$3,152,309 is recorded in the Utility Enterprise Funds as a deferred credit. Changes in the Utility Enterprise Funds' claims liability for the last two years are as follows:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2000-2001	\$3,152,309	\$542,466	\$542,466	\$3,152,309
1999-2000	3,152,309	498,964	498,964	3,152,309

There is a claims liability of \$3,985,822 included in the General Insurance Fund as the result of management estimates. Changes in the General Insurance Fund's claims liability were:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2000-2001	\$3,074,453	\$3,091,496	\$ 2,180,127	\$3,985,822
1999-2000	3,316,679	2,342,755	2,584,981	3,074,453

The City is also self-insured for its Employee Health and Accident Benefit Plan (the Plan). The Plan is accounted for in two Internal Service Funds and is externally administered, for an annually contracted amount based upon the volume of claims processed. Contributions for City employees and their dependents are shared by the city and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$150,000 per individual. Settlements have not exceeded insurance coverage for each of the last three years. Changes in claims liability for the last two years are as follows:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2000-2001	\$700,192	\$7,800,307	\$7,483,243	\$1,017,256
1999-2000	700,192	7,044,634	7,044,634	700,192

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

(K) Combined Statements - Memorandum Totals

Total columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only for informational purposes and to facilitate financial analysis. However, adjustments to eliminate interfund transactions (see Note 1 (L) below) have not been recorded in arriving at the aggregate memorandum totals. The totals are not intended to present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

(L) Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Following is a summary of the accounting treatment applied to such interfund transactions:

Quasi-External Transactions Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the City are similarly treated when they involve other City Funds. Examples include utility services; payments to the General Fund for indirect services; stores, and services provided to other funds by Internal Service Funds.

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

Operating Transfers Operating transfers affect the results of operations in both Governmental and Proprietary Funds. They are reported as "Other Financing Sources/Uses" in governmental fund operating statements and as "Operating Transfers" in proprietary fund operating statements. An example is the payment to the General Fund from the Enterprise Funds.

(M) Property Taxes

Ad valorem property tax revenue is recognized as revenue in the fiscal year for which taxes are levied, measurable and available. Only property taxes collected within 60 days after year end are recognized as revenue. The total millage levy is assessed at *4.9416 mills*. Taxes are levied and collected according to Florida Statutes under the following calendar:

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

The County Tax Collector bills and collects ad valorem taxes for the City. State Statutes provide tax discounts for installment or other payments before certain dates. Installment payments of 25% of estimated taxes are due and discounted as follows: June 30 - 6%, September 30 - 4.5%, December 31 - 3% and March 31 - 0%. Taxes are due by March 31, with discount deadlines as follows: November 30 - 4%, December 31 - 3%, January 31 - 2%, February 28 - 1%. The Tax Collector remits tax collections to the City periodically during the collection period. Thereafter remittances are made to the City on a monthly basis.

(N) Budgetary Accounting and Encumbrances

Annual budgets are legally adopted for all governmental funds other than Capital Projects Funds, which are appropriated on a project-length basis. Budgets are controlled at the department level throughout the year and total expenditures plus encumbrances may not legally exceed appropriations in any budgeted fund.

Budget amounts reflected in the accompanying financial statements incorporate all budgetary amendments (including supplemental appropriations) to the original budget. Budget amendments are approved by the

CITY OF GAINESVILLE, FLORIDA
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City Commission during the year, with a final amendatory ordinance approved after the end of the fiscal year.

The City Manager can approve budget transfers within and between operating departments and divisions of the same fund. All interfund budget transfers require prior approval of the City Commission, as do transfers from contingency funds exceeding \$25,000. Transfers concerning personnel can be made as long as the total number of permanent positions approved in the budget is not exceeded.

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

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

(O) 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.

(P) Proprietary Activities

For its proprietary activities, the City applies all applicable GASB pronouncements. Additionally, the City applies pronouncements of the FASB and its predecessor bodies issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(Q) Change in Accounting Principle

The City implemented GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, effective for the year ended September 30, 2001. This change in accounting principle resulted in current year revenue that would have been recorded as contributed capital prior to the implementation of the new standard.

(R) Impending Change in Accounting Principle

The City of Gainesville, Florida has not adopted Statement 34 of the Governmental Accounting Standards Board. The City will implement this standard effective October 1, 2001. Because this standard requires retroactive application the City will restate its financial statements during the 2002 fiscal year.

(S) Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

NOTE 2 - RETIREMENT PLANS

(A) Defined Benefit Plans

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

CITY OF GAINESVILLE, FLORIDA
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- The Employees' Pension Plan (Employees' Plan)
- The Consolidated Police Officers' and Firefighters' Retirement Plan (Consolidated Plan)

Employees' Plan:

Plan Description. The Employees' Plan is a contributory defined benefit pension plan that covers all permanent employees of the City, except certain personnel who elected to participate in the Defined Contribution Plan and who were grandfathered into that plan, and police officers and firefighters who participate in the Consolidated Plan. The Employees' Plan provides retirement, disability, and death benefits to plan members and beneficiaries. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Employees' Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602 or by calling (352)334-5054.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by Ordinance approved by the City Commission. Plan members are required to contribute 5.0% of their annual covered salary. The City is required to contribute an actuarially determined percentage of covered payroll, currently 5.02 % for retirement and death benefits and 1.13% for disability benefits.

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

Annual required contribution	\$3,023,078
Interest on net pension obligation	-
Adjustment to annual required contribution	-
<i>Annual Pension Cost</i>	<u>\$3,023,078</u>
Contributions Made	<u>3,023,078</u>
Increase (Decrease) in net pension obligation	-
Net Pension Obligation, beginning of year (adjusted)	-
<i>Net Pension Obligation, end of year</i>	<u><u>\$ -</u></u>

The required contribution for the current year was determined as part of the October 1, 1998 actuarial valuation, which used the entry age actuarial cost method. The actuarial assumptions included (a) 9.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4% to 7% per year. Both (a) and (b) included an inflation component of 4%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2001 was 14 years.

Three-year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9/30/99	\$2,185,643	100.0%	\$ -
9/30/00	2,341,981	100.0%	-
9/30/01	3,023,078	100.0%	-

CITY OF GAINESVILLE, FLORIDA
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Consolidated Plan:

Plan Description. The Consolidated Plan is a contributory defined benefit pension plan that covers the City's sworn police officers and firefighters. The Consolidated Plan provides retirement, disability, and death benefits to plan members and beneficiaries. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville in accordance with Florida Statutes. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602 or by calling (352)334-5054.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission in accordance with applicable Florida Statutes. Currently, plan members are required to contribute 7.50% of their annual covered salary. The City is required to contribute an actuarially determined percentage of covered payroll, currently 13.17%. In addition, State contributions, totaling \$897,696 in fiscal 2001, are also made to the plan on behalf of the City.

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

Annual required contribution	\$2,898,578
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual Pension Cost	\$2,898,578
Contributions Made	2,898,578
Increase (Decrease) in net pension obligation	-
Net Pension Obligation, beginning of year	-
Net Pension Obligation, end of year	\$ -

The required contribution for the current year was determined as part of the October 1, 1999 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 9.0% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4% to 7% per year. Both (a) and (b) included an inflation component of 4%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2001 was 22 years.

Three-year Trend Information

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>9/30/99</u>	\$2,263,855	100.0%	\$ -
9/30/00	2,941,885	100.0%	-
9/30/01	2,898,578	100.0%	-

(B) Defined Contribution Pension Plan

Plan Description. The Defined Contribution Pension Plan is open to certain City professional and managerial employees. It is no longer available to all newly hired professional and managerial employees. The plan is qualified under the provisions of Section 401A of the Internal Revenue Code. Assets of the Defined Contribution Plan are self-directed, and investment results are reported to employees quarterly. The City does not have fiduciary accountability for the Defined Contribution Pension Plan and, accordingly, the Plan is not reported in the accompanying financial statements.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

NOTE 3 - DEFERRED COMPENSATION PLAN

The City of Gainesville offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City has complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 4 - LONG-TERM DEBT

(A) Changes in Long-Term Debt

	<u>Balances</u> <u>10/01/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>09/30/01</u>
<i>GENERAL LONG-TERM DEBT</i>				
Guaranteed Entitlement Revenue and Refunding Bonds 1994	\$13,457,220	\$ -	\$450,000	\$13,007,220
First Florida Financing Commission Loan 1992	1,215,000	-	590,000	625,000
First Florida Financing Commission Loan 1996	3,895,000	-	310,000	3,585,000
First Florida Financing Commission Loan 1998	10,495,000	-	250,000	10,245,000
First Florida Financing Commission Loan 2001	-	2,775,000	-	2,775,000
Promissory Notes	978,304	380,016	63,689	1,294,631
Compensated Absences	<u>2,311,210</u>	<u>185,551</u>	<u>-</u>	<u>2,496,761</u>
TOTAL GENERAL LONG-TERM DEBT	<u>32,351,734</u>	<u>3,340,567</u>	<u>1,663,689</u>	<u>34,028,612</u>
 <i>ENTERPRISE LONG-TERM DEBT</i>				
Clean Water State Revolving Fund Loan Agreement	-	110,952	-	110,952
State Infrastructure Bank Loan	-	4,000,000	-	4,000,000
Utility Revenue Bonds	341,380,000	-	10,985,000	330,395,000
Utility Notes	<u>75,109,000</u>	<u>25,012,000</u>	<u>4,588,000</u>	<u>95,533,000</u>
	416,489,000	29,122,952	15,573,000	430,038,952
<i>Less unamortized loss of refinancings</i>	29,502,610	-	1,929,466	27,573,144
<i>Less unamortized discount</i>	<u>4,253,314</u>	<u>-</u>	<u>296,681</u>	<u>3,956,633</u>
TOTAL ENTERPRISE LONG-TERM DEBT	<u>382,733,076</u>	<u>29,122,952</u>	<u>13,346,853</u>	<u>398,509,175</u>
TOTAL LONG-TERM DEBT	<u>\$415,084,810</u>	<u>\$ 32,463,521</u>	<u>\$15,010,544</u>	<u>\$ 432,537,787</u>

Note: Enterprise Fund Long-Term Debt does not include the current portion of the debt.

(B) Long-Term Debt Service Requirements

The City's long-term debt (exclusive of unamortized loss on refinancings and discounts, and compensated absences) is summarized for each issue at September 30, 2001.

CITY OF GAINESVILLE, FLORIDA
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September 30, 2001

	<u>Outstanding Principal</u>	<u>Interest to Maturity</u>	<u>Total Debt Service</u>
GENERAL LONG-TERM DEBT			
1994 Guaranteed Entitlement Revenue and Refunding Bonds	\$13,007,219	\$12,217,839	\$25,225,058
1992 First Florida Governmental Financing Commission Loan	625,000	38,125	663,125
1996 First Florida Governmental Financing Commission Loan	3,585,000	1,044,350	4,629,350
1998 First Florida Governmental Financing Commission Loan	10,245,000	3,102,648	13,347,648
2001 First Florida Governmental Financing Commission Loan	2,775,000	341,800	3,116,800
Commerce Building Promissory Note	839,400	566,362	1,405,762
Arlington Square Promissory Note	51,771	19,284	71,055
Stringfellow Property Promissory Note	221,082	(1)	(1)
Union Street Station Promissory Note	117,577	49,630	167,207
Greenspace Acquisition Promissory Note	<u>64,800</u>	<u>-</u>	<u>64,800</u>
Subtotal General Long-Term Debt	<u>31,531,849</u>	<u>(1)</u>	<u>(1)</u>
ENTERPRISE LONG-TERM DEBT			
Clean Water State Revolving Fund Loan Agreement	110,952	19,954	130,906
State Infrastructure Bank Loan	4,000,000	-	4,000,000
1983 Utilities System Revenue Bonds Utilities System Taxable Commercial Paper Notes - Series D	4,675,000	3,646,500	8,321,500
	17,093,000	(1)	(1)
1992 Utilities System Revenue Bonds	63,160,000	39,470,993	102,630,993
1993 Utilities System Revenue Bonds	128,075,000	54,207,634	182,282,634
1996 Utilities System Revenue Bonds	134,485,000	98,313,402	232,798,402
Utilities System Commercial Paper Notes-Series C	<u>78,440,000</u>	<u>(1)</u>	<u>(1)</u>
Subtotal Enterprise Long-Term Debt	<u>430,038,952</u>	<u>(1)</u>	<u>(1)</u>
TOTAL LONG-TERM DEBT	<u>\$461,570,801</u>	<u>(1)</u>	<u>(1)</u>

(1) Not determinable. See description that follows.

(C) General Long-Term Debt

\$15,892,220 Guaranteed Entitlement Revenue and Refunding Bonds, Series 1994 - 3.0-6.1%, final maturity 2024; payable solely from and secured by a lien upon and pledge of monies from the City's Guaranteed Entitlement Funds (Intergovernmental Revenues). Principal and interest are payable as follows:

Current Interest Paying Bonds - Principal and interest are payable February 1 and August 1 through August 1, 2006.

Capital Appreciation Bonds - Principal is payable August 1 and February 1 beginning August 1, 2018. Interest accrues to principal and is payable upon maturity or prior redemption.

\$15,830,000 First Florida Governmental Financing Commission Loan, Series 1992 - 3.75-7.0%, final maturity 2012; payable solely from non-ad valorem revenues. Principal is payable July 1; interest is payable July 1 and January 1.

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

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

\$2,775,000 First Florida Governmental Financing Commission Loan, Series 2001 - 4.0%, issued May 1, 2001, final maturity July, 2006; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 2002. Interest payable semi-annually beginning July 1, 2001.

\$839,400 Promissory Note of the Downtown Tax Increment Fund - 6.00% interest, dated September 1999, maturing 2015; first annual installment of \$40,000 beginning in 2002, second annual installment of \$82,500 in 2003 and annual installments of \$112,500 beginning in 2004 until paid in full in 2015. The loan will be repaid from tax increment proceeds from the redeveloped parcels used for the Commerce Building Project.

\$60,000 Promissory Note of the Downtown Tax Increment Fund - 6.50% interest, dated September 1999, maturing 2008; payable in annual installments of \$10,150 from tax increment proceeds from the redevelopment of parcels used for the Arlington Square project.

\$221,083 Promissory Note of the College Park/University Heights Tax Increment Fund - 7% interest, dated April 2001, maturity date indeterminate. Interest is payable in monthly installments beginning November 1, 2001, with principal repayment to be made from proceeds of the sale of specified tax parcels with the College Park/University Heights tax increment district.

\$162,000 Promissory Note of the Greenspace Acquisition Fund - non-interest bearing, dated October, 1995, maturing 2004; payable in annual installments of \$16,200 from previously unpledged and available non-ad valorem revenues.

\$158,933 Promissory Note of the Downtown Tax Increment Fund - 5.537% interest, dated December 2000, maturing November 2012. Interest and principal are payable in monthly installments beginning in March 2001, from tax increment proceeds of the Downtown Tax Increment Fund.

(D) Enterprise Long-Term Debt

\$660,698 Clean Water State Revolving Loan Fund Agreement - 3.27% interest, dated March 2001, maturing 2015. Principal and interest are payable from stormwater fees semiannually in October and April, beginning October 2004.

\$4,000,000 State Infrastructure Bank Loan - non interest bearing, dated July 2001, maturing July 2005. Payable in annual installments each August beginning 2002 from a combination of local funds, capital grants from the Florida Department of Transportation, and allocations of Surface Transportation Program funds by the Florida Department of Transportation.

\$186,000,000 Utilities System Revenue Bonds, Series 1983 - 6.0%, dated August 1, 1983, final maturity 2014; payable solely from and secured by an irrevocable lien of Gainesville Regional Utilities (Utility) net revenues. Interest is payable on April 1 and October 1. Principal is payable on October 1.

The bonds are subject to redemption at the option of the City at a redemption price of 100%.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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\$134,920,000 Utilities System Revenue Bonds, Series 1992 - 5.9-7.5%, dated March 1, 1992, final maturity 2017.

The 1992A Bonds are not subject to redemption at the option of the City.

The 1992B Bonds maturing on or after October 1, 2003 through October 1, 2007, inclusive are subject to redemption at the option of the City on or after October 1, 2002, as a whole at any time or in part on any interest payment date, at a redemption price of 102% in 2002, 101% in 2003 and 100% thereafter. The 1992B Bonds maturing October 1, 2017 are subject to redemption at the option of the City on or after October 1, 2002, as a whole at any time or in part on any interest payment date, at a redemption price of 100%.

\$35,180,000 Utilities System Revenue Bonds Series 1993A - 4.75-5.30%, dated March 1, 1993, final maturity October 1, 2006.

\$128,795,000 Utilities System Revenue Bonds Series 1993B - 4.75-5.50%, dated March 1, 1993, final maturity October 1, 2013. The 1993 Series A and B Bonds maturing on or after October 1, 2004 are subject to redemption at the option of the City on and after October 1, 2003 as a whole at any time or in part on any interest payment date, at the following redemption prices, plus accrued interest to the date of redemption:

<u>Redemption Period</u> <u>(dated inclusive)</u>	<u>Redemption Price</u>
October 1, 2003 to September 30, 2004	102%
October 1, 2004 to September 30, 2005	101%
October 1, 2005 and thereafter	100%

\$143,215,000 1996 Utilities System Revenue Bonds Series 1996A - 4.0%-5.75%, dated February 1, 1996, final maturity October 1, 2026.

The 1996A Series A Bonds maturing on or after October 1, 2010 are subject to redemption at the option of the City on or after October 1, 2006 as a whole or in part at anytime, at the following redemption prices, plus accrued interest to the date of the redemption.

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

\$85,000,000 Commercial Paper Notes, Series C Notes (tax-exempt)- These may continue to be issued to refinance maturing Series C Notes or provide for other costs. Liquidity support for the Series C notes is provided under a long-term credit agreement dated as of March 1, 2000 with Bayerische Landesbank Gironzentrale. The obligation of the bank may be substituted by another bank which meets certain credit standards and which is approved by GRU and the agent. Under terms of the agreement, GRU may borrow up to \$85,000,000 with same day availability ending on the termination date, as defined in the agreement. Series C Notes of \$37,200,000 were issued in May 2000. Series C Notes of \$4,600,000 and \$2,680,000 were redeemed during fiscal 2001 and 2000, respectively.

\$25,000,000 Commercial Paper Notes, Series D (taxable) - In June 2000, a Utilities System Commercial Paper Note Program, Series D (taxable) was established in a principal amount not to exceed \$25,000,000. Liquidity support for the Series D Notes is provided under a long-term credit agreement dated June 1, 2000 with SunTrust Bank. The obligation of the bank may be substituted by another bank which meets certain credit standards and is approved by GRU. Under the terms of the agreement, GRU may borrow up to \$25,000,000 with same day availability ending on the termination date, as defined in the agreement. As of September 30, 2001, \$17,093,000 of Series D Notes were outstanding.

CITY OF GAINESVILLE, FLORIDA
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Interest Rate Swap - On February 13, 2001 GRU committed to enter into an interest rate swap in a notional amount of \$37.3 million with Merrill Lynch Capital Services (the "Counterparty"), effective July 3, 2002. Under the terms of the swap agreement, GRU will pay the Counterparty a fixed annual interest rate of 4.10% payable on April 1 and October 1 of each year, beginning October 2, 2002 and will receive a variable rate payment each month beginning August 1, 2002. The variable rate will be equal to the Bond Market Association (BMA) Municipal Swap Index. The Counterparty has the right, but not the obligation, to terminate the swap if the BMA Municipal Swap Index exceeds 7% for any immediate preceding rolling consecutive 180 day calendar period. As of September 30, 2001, the termination value of the swap, if exercised, would have resulted in a payment to the Counterparty of approximately \$1.1 million. Additionally, on or about July 3, 2002, GRU expects to issue approximately \$37.3 million of Utilities System Variable Rate Revenue Bonds to refund a portion of its 1992B Bonds at the October 1, 2002 call date.

(E) Debt Service Requirements by Fiscal Year

Debt Service Funds are used to retire the public improvement revenue and refunding bonds, the financing commission loans, and certain promissory notes. Other funds are also used periodically to retire some general long-term debt.

Aggregate annual debt service requirements (excluding the Commercial Paper Notes and the \$221,083 promissory note of the College Park/University Heights Tax Increment Fund) including maturities of principal and payments of current interest are as follows:

<u>Fiscal Year(s)</u>	<u>General (1)</u>	<u>Enterprise(2)</u>	<u>Total</u>
2002	\$3,635,188	\$30,762,722	\$34,397,910
2003	3,681,994	30,769,389	34,451,383
2004	3,739,500	30,192,355	33,931,855
2005	3,772,569	29,059,327	32,831,896
2006	3,592,589	28,055,414	31,648,003
2007-2011	14,276,808	170,875,885	185,152,693
2012-2016	7,212,742	126,857,191	134,069,933
2017-2021	5,477,200	58,384,140	63,861,340
2022-2026	<u>3,285,000</u>	<u>25,307,300</u>	<u>28,592,300</u>
	48,673,590	530,263,723	578,937,313
Less Interest	<u>17,362,824</u>	<u>195,757,771</u>	<u>213,120,595</u>
Total Principal	<u>\$31,310,766</u>	<u>\$334,505,952</u>	<u>\$365,816,718</u>

(1) Excludes principal of \$221,083 and an indeterminable amount of interest related to that principal. See prior description of the College Park/University Heights Tax Increment Fund promissory note.

(2) Excludes principal of \$95,533,000 and an indeterminable amount of interest related to that principal. See prior description of the Utility System Commercial Paper Notes.

NOTE 5 - FIXED ASSETS

A summary of the major classes of fixed assets by fund and account group follows. The federal government has a reversionary interest in certain property, plant and equipment purchased with federal grant monies.

(A) Enterprise Funds

Enterprise Funds' fixed assets are reported net of accumulated depreciation and amortization.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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<i>Utility Funds</i>	
Electric production, transmission and distribution	\$578,646,296
Electric plant held for future use	6,053,926
Natural gas distribution	36,426,540
Water treatment, transmission and distribution	119,568,184
Wastewater treatment and collection	155,778,581
GRUCom distribution and general plant	18,347,518
Construction in progress	<u>76,671,812</u>
	991,492,857
<i>Accumulated Depreciation and Amortization</i>	<u>349,136,049</u>
<i>Net Utility Assets</i>	642,356,808
<i>Regional Transit System Fund</i>	
Land	210,500
Buildings	2,646,214
Improvements	420,859
Equipment	15,024,163
Construction in progress	<u>121,076</u>
	18,422,812
<i>Accumulated Depreciation</i>	<u>8,169,394</u>
<i>Net Regional Transit System Assets</i>	10,253,418
<i>Stormwater Management Utility Fund</i>	
Land	152,181
Buildings	112,689
Equipment	461,049
Infrastructure	20,964,756
Construction in progress	<u>806,500</u>
	22,497,175
<i>Accumulated Depreciation</i>	<u>17,050,929</u>
<i>Net Stormwater Assets</i>	5,446,246
<i>Ironwood Golf Course Fund</i>	
Land	520,266
Buildings	719,510
Improvements	1,306,343
Equipment	264,874
Construction in progress	<u>0</u>
	2,810,993
<i>Accumulated Depreciation</i>	<u>1,105,642</u>
<i>Net Ironwood Golf Course Assets</i>	1,705,351
<i>Solid Waste Enterprise Fund</i>	
Land	100,989
Improvements	11,535
Equipment	<u>46,328</u>
	158,852
<i>Accumulated Depreciation</i>	<u>47,378</u>
<i>Net Solid Waste Assets</i>	<u>111,474</u>
Total Enterprise Fund Fixed Assets, Net	<u>\$659,873,297</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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(B) Internal Service Funds

Internal Service Funds' fixed assets are reported net of accumulated depreciation.

General Insurance Fund	
Equipment	\$66,914
Accumulated Depreciation	<u>27,242</u>
Net General Insurance Assets	<u>39,672</u>
Employees Health & Accident Benefit Fund	
Equipment	46,313
Accumulated Depreciation	<u>26,547</u>
Net Employee Health & Accident Benefit Assets	<u>19,766</u>
Fleet Management Fund	
Buildings	195,366
Equipment	<u>14,503,150</u>
	14,698,516
Accumulated Depreciation	<u>7,715,001</u>
Net Fleet Management Assets	<u>6,983,515</u>
Total Internal Service Fund Fixed Assets, Net	<u>\$7,042,953</u>

(C) General Fixed Assets

	Balance 10/1/00	Changes		Balance 9/30/01
		Additions	Deletions	
Land	\$12,582,811	\$225,045	\$6,085	\$12,801,771
Buildings	24,633,058	3,673,387	-	28,306,445
Improvements	5,478,598	200,211	-	5,678,809
Equipment	13,901,021	1,331,408	1,868,013	13,364,416
Construction in Progress	<u>2,007,968</u>	<u>493,147</u>	<u>1,952,967</u>	<u>548,148</u>
	58,603,456	5,923,198	3,827,065	60,699,589
Accumulated Depreciation	<u>25,749,947</u>	<u>2,413,061</u>	<u>1,154,748</u>	<u>27,008,260</u>
Total General Fixed Assets, Net	<u>\$32,853,509</u>	<u>\$3,510,137</u>	<u>\$2,672,317</u>	<u>\$33,691,329</u>

NOTE 6 - INDIVIDUAL FUND DEFICITS

The following funds had deficit fund balances/retained earnings at September 30, 2001:

Enterprise Funds

GRUCom Fund	<1,188,848>
Stormwater Management Fund	<4,308,491>
Ironwood Golf Course Fund	<1,073,473>

Internal Service Funds

General Insurance Fund	<153,577>
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The GRUCom Fund deficit is a result of the fact that GRUCOM is a relatively new utility system still in its start-up stages. Rates are being set which in conjunction with projected growth in the system should address this deficit in upcoming years.

CITY OF GAINESVILLE, FLORIDA
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The Stormwater Management Fund deficit is primarily attributable to the fact that stormwater rates were not structured to cover the depreciation expense of the infrastructure in place. A schedule of stormwater fee increases beginning in FY99 and slated to run through FY02 are designed to address this problem. The current fiscal year experienced a net gain after depreciation.

Ironwood Golf Course was in significant need of renovation when it was acquired in 1992. Repairs and enhancements continue, including the construction of a new clubhouse that was completed in the fourth quarter of 2000. Revenues from concessions and pro shop sales increased during FY01, and greens fee rates were increased as well. Start up costs related to the new clubhouse overshadowed these revenue increases during the past fiscal year, but management anticipates that revenues will continue to increase in the future.

The General Insurance Fund deficit is due to a rise in claim expense, primarily workers compensation claims, over the past several years. Premium rates will be adjusted to address this deficit.

NOTE 7 - INTERFUND BALANCES

The City has numerous interfund transactions during the year [See Note 1(L)]. All such interfund transactions (with the exception of Utility transactions) are settled through allocations of equity in the City's cash and investment pool. The remaining interfund balances at September 30, 2001, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$5,786,882	\$ -
Special Revenue Funds		
<i>Community Development Block Grant Fund</i>	-	22,888
<i>HOME Grant Fund</i>	-	223,141
<i>Miscellaneous Gifts and Grants Fund</i>	-	132,214
<i>Street, Sidewalk and Ditch Improvement Fund</i>		9,391
Debt Service Funds		
<i>FFGFC Series 1992 Fund</i>		58,664
Capital Projects Funds		
<i>General Capital Projects Fund</i>		1,130
Enterprise Funds		
<i>Electric Fund</i>	1,502,195	-
<i>Gas Fund</i>		951,109
<i>Water Fund</i>	-	3,287,532
<i>Wastewater Fund</i>	-	1,567,548
<i>GRUCom Fund</i>	-	401,947
<i>Regional Transit System Fund</i>	-	23,691
<i>Stormwater Management Utility Fund</i>	-	68,006
<i>Solid Waste Fund</i>	-	39,955
Internal Service Funds		
<i>General Insurance Fund</i>	267,150	-
<i>Employees Health and Accident Benefit Fund</i>	-	5,000
<i>Fleet Management Fund</i>	133,959	-
Fiduciary Funds		
<i>Police Officers and Firefighters Consolidated</i>		
<i>Retirement Fund</i>	-	848,787
<i>Evergreen Cemetery Fund</i>	-	49,183
	<u>\$7,690,186</u>	<u>\$7,690,186</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

NOTE 8 - EQUITY RESERVES

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

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

Fund Type	Encumbrances	Inventories	Noncurrent Receivable	Debt Service	Employees Pension Benefits	Legal Restrictions for a Specific Future Use	TOTAL
<i>General Fund</i>	\$825,241	\$118,927	\$1,853,762	-	-	\$12,681,457	\$15,479,387
<i>Special Revenue Funds</i>	1,521,571	-	-	-	-	505,388	2,026,959
<i>Debt Service Funds</i>	-	-	-	1,162,125	-	-	1,162,125
<i>Capital Projects Funds</i>	1,716,017	-	-	-	-	136,689	1,852,706
<i>Enterprise Funds</i>	-	-	-	38,998,336	-	84,128	39,082,464
<i>Internal Service Funds</i>	-	-	-	-	-	2,271,758	2,271,758
<i>Fiduciary Funds</i>	224,136	-	-	-	212,650,422	117,577	212,992,135
<i>Component Units</i>	-	-	-	-	-	1,000	1,000
Total Reserves	<u>\$4,286,965</u>	<u>\$118,927</u>	<u>\$1,853,762</u>	<u>\$40,160,461</u>	<u>\$212,650,422</u>	<u>\$15,797,997</u>	<u>\$274,868,534</u>

**NOTE 9- ENTERPRISE FUND (UTILITIES SYSTEM) OPERATING TRANSFERS TO
GENERAL FUND**

In 1986, the City Commission established a formula to determine the amount of Utility System revenues to be transferred to the General Fund of the City from the Enterprise (Utilities System) Funds. The transfer to the General Fund may be made only to the extent such monies are not necessary to pay debt service on the outstanding bonds and subordinated debt or to make other necessary transfers under the Resolution. The transfer to the General Fund for the year ended September 30, 2001 was \$24.3 million.

NOTE 10- POST-RETIREMENT BENEFITS

In addition to providing pension benefits, the City provides certain health care insurance benefits for retired employees. The City also permits retirees to participate in the life insurance program. Most permanent full and part-time employees who are eligible for normal, early retirement, or disability are eligible for these benefits. Individual benefits are the same for all employees, but the cost to the City may vary. Contributions by the City to fund these benefits are neither mandated nor guaranteed. Funds are appropriated annually to fund the actuarially determined costs of the health insurance program and to cover the costs of other programs. The City recognizes the cost of these benefits on a monthly basis by contributing a percentage of active payroll costs. The cost of providing these benefits for the 618 retirees for the fiscal year 2001 was \$2,145,992.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

At September 30, 2001, the City had contractual commitments for various construction projects totaling approximately \$2,900,000.

The Utilities System Enterprise Funds (operating as Gainesville Regional Utilities, or GRU) has been named as a potentially responsible party at two hazardous waste sites under the Comprehensive Environmental Response Compensation and Liability Act. In addition, the System assumed responsibility for the investigation and remediation of environmental impact related to the operation of a former

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

manufactured gas plant which was purchased in 1990. Based upon GRU's analysis of these and other identified environmental contingencies, GRU has accrued a liability of \$10,100,000. Because GRU anticipates recovering the costs of environmental cleanup through future customer rates, a related asset of equal amount has been reflected as a deferred charge in the accompanying balance sheet. GRU management believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect on the City's financial position.

Pursuant to an interlocal agreement executed October 25, 2000, the City is obligated to construct a parking facility or facilities with a minimum of 375 parking spaces at a location in close proximity to the County Judicial Complex. This same interlocal agreement commits the County to distributing \$5.5 million towards the construction of this parking facility from the proceeds of the levy of a one-cent, one year local government infrastructure surtax as approved by County voters via referendum.

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

NOTE 12 - CONTRIBUTED CAPITAL

The City implemented GASB Statement No. 33 effective October 1, 2000. This statement requires that contributions of capital be reported as revenues. During the year, contributed capital changed as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Contributed Capital, October 1	\$128,120,252	\$4,551,455
Current Year Contributions	-	-
Depreciation of Contributed Capital Assets from Grants	<742,563>	-
Utility Charge Off of Contributed Capital	<3,911,385>	-
Contributed Capital, September 30	<u>\$123,466,304</u>	<u>\$4,551,455</u>

NOTE 13 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains the following enterprise funds which account for the operations of utility, transit (bus), golf, stormwater management and solid waste services: *Electric Fund, Gas Fund, Water Fund, Wastewater Fund, GRUCom Fund, Regional Transit System Fund (RTS), Stormwater Management Utility Fund (SMUF), Golf Course Fund, and Solid Waste Fund.* Segment information for the year ended September 30, 2001, is shown below.

	<u>Sub Total</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>GRUCom</u>
Operating Revenues	\$219,513,853	\$163,904,259	\$21,626,827	\$12,888,414	\$15,943,520	\$5,150,833
Deprec./Amortization	24,968,462	19,674,756	1,200,111	1,344,590	1,202,613	1,546,392
Operating Income(Loss)	58,240,911	43,041,826	3,455,962	4,442,789	6,471,973	828,361
Operating Transfers:						
In	-	-	-	-	-	-
Out	<24,356,263>	<15,916,180>	<1,064,000>	<3,044,758>	<4,059,325>	<272,000>
Net Income(Loss)	28,537,450	19,671,488	1,118,150	3,488,647	4,413,817	<154,652>
Current Capital Contributions	-	-	-	-	-	-
Property, Plant & Equipment						
Additions	52,553,000	31,792,000	1,935,000	7,919,000	7,073,000	3,834,000
Deletions	<1,559,000>	<599,000>	<103,000>	<773,000>	<84,000>	-
Working Capital	41,321,878	39,409,871	3,119,394	<2,064,877>	<190,914>	1,048,404
Total Assets	1,078,805,431	751,095,840	42,240,443	111,282,922	150,646,557	23,539,669
Long-Term Debt	394,398,223	220,634,143	27,768,973	51,727,831	70,826,276	23,441,000
Total Fund Equity	403,639,224	276,361,416	3,542,154	51,987,938	72,297,937	<550,221>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

	<u>Sub Total</u>	<u>RTS</u>	<u>SMUF</u>	<u>Ironwood Golf Course</u>	<u>Solid Waste</u>	<u>GRAND TOTAL</u>
Operating Revenues	\$13,871,028	\$3,674,587	\$4,010,825	\$1,154,891	\$5,030,725	\$233,384,881
Operating Grants	2,384,488	2,346,737	-	-	37,751	2,384,488
Local Option Gas Tax	2,043,521	2,043,521	-	-	-	2,043,521
Deprec./Amortization	1,252,004	909,681	175,844	164,285	2,194	26,220,466
Operating Income(Loss)	<5,308,028>	<6,115,861>	675,713	<322,607>	454,727	52,932,883
Operating Transfers:						
In	253,221	1,013	-	252,208	-	253,221
Out	<879,808>	-	<132,822>	<146,986>	<600,000>	<25,236,071>
Net Income(Loss)	1,571,867	333,924	1,343,808	<145,502>	39,637	30,109,317
Current Capital Contributions	-	-	-	-	-	-
Property, Plant & Equipment						
Additions	7,165,911	6,135,573	911,856	106,147	12,335	59,718,911
Deletions	<1,299,845>	<794,624>	<391,742>	<111,979>	<1,500>	<2,858,845>
Working Capital	10,646,134	3,362,393	5,145,986	97,393	2,040,362	51,968,012
Total Assets	30,392,424	14,810,077	10,809,287	1,846,968	2,926,092	1,109,197,855
Long-Term Debt	4,110,952	4,000,000	110,952	-	-	398,509,175
Total Fund Equity	24,051,671	9,615,811	10,481,280	1,802,744	2,151,836	427,690,895

NOTE 14 – LEASE/LEASEBACK TRANSACTION

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

The proceeds received by GRU from this transaction were approximately \$249 million. From these proceeds, GRU deposited \$142 million as a payment undertaking agreement and a second deposit of \$72 million in the form of a collateralized Guaranteed Investment Contract (GIC) both with an AAA rated insurance company. The deposit instruments will mature in amounts sufficient to meet the annual payment obligations under the leaseback including the end of term fixed purchase option if elected by GRU.

The net benefit of this transaction, after payment of transaction expenses, was approximately \$35 million and resulted in a deferred gain, which will be amortized as income on a straight-line basis over the leaseback period of 20 years. Of the \$35 million, \$5.1 million was transferred to the City of Gainesville's General Fund with the remainder being used, along with other funds on hand, to pay off approximately \$43 million of tax-exempt commercial paper.

GRU accounted for the lease/leaseback transaction as an operating lease in 2001. Amortization of the net benefit was \$1,774,000 in fiscal 2001, and reported as a component of other operating revenue.

NOTE 15 – INVESTMENT IN THE ENERGY AUTHORITY

In May 2000, GRU became an equity member of The Energy Authority ("TEA"), a power marketing joint venture. As of September 30, 2001 this joint venture was comprised of six municipal utilities across the nation. GRU's ownership interest was 7.14 percent and it accounted for this investment using equity accounting. To become a member, GRU paid an initial capital contribution of \$1 million and a membership fee of \$867,360. The membership fee is to be amortized over 24 months. Included in deferred charges at

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2001

September 30, 2001 is the unamortized balance of \$252,980. GRU has reflected the capital contribution as an investment on the balance sheet. As of September 30, 2001, GRU's investment in TEA was \$1.7 million. Separate financial statements of the joint venture are not available.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/c
09/30/01	\$157,637,000	\$189,421,000	\$31,784,000	83.22%	\$49,922,000	63.67%
09/30/00	\$160,784,000	\$164,266,000	\$3,482,000	97.88%	\$48,268,257	7.21%
09/30/99	\$138,755,649	\$131,380,332	(\$7,375,317)	105.61%	\$48,075,476	-15.34%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
CONSOLIDATED PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/c
10/01/01	\$72,819,864	\$106,023,966	\$33,204,102	68.68%	\$14,237,135	233.22%
10/01/99	\$72,733,066	\$93,705,531	\$20,972,465	77.62%	\$16,821,405	124.68%
10/01/97	\$59,716,347	\$69,789,068	\$10,072,721	85.57%	\$16,151,495	62.36%

THE CITY OF GAINESVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2001

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>EMPLOYEES'</u> <u>PLAN</u>	<u>CONSOLIDATED</u> <u>PLAN</u>																				
<i>Valuation Date</i>	9/30/01(updated)	10/1/01																				
<i>Actuarial Cost Method</i>	Entry Age Normal	Entry Age Normal																				
<i>Amortization Method</i>	Level percent - 15 years open	Level percent - open																				
<i>Asset Valuation Method</i>	5-year Smoothed Market	5-year Smoothed Market																				
<i>Actuarial Assumptions:</i>																						
Investment Rate of Return *	9.5% per annum	9.0% per annum																				
Salary Increase Rate*	<table border="0" style="margin-left: 20px;"> <thead> <tr> <th><u>Years of Service</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>6 and under</td> <td>7%</td> </tr> <tr> <td>7-11</td> <td>6</td> </tr> <tr> <td>12-16</td> <td>5</td> </tr> <tr> <td>Over 16</td> <td>4</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Rate</u>	6 and under	7%	7-11	6	12-16	5	Over 16	4	<table border="0" style="margin-left: 20px;"> <thead> <tr> <th><u>Age Range</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>less than 30</td> <td>7%</td> </tr> <tr> <td>30-35</td> <td>6</td> </tr> <tr> <td>35-40</td> <td>5</td> </tr> <tr> <td>40 and older</td> <td>4</td> </tr> </tbody> </table>	<u>Age Range</u>	<u>Rate</u>	less than 30	7%	30-35	6	35-40	5	40 and older	4
<u>Years of Service</u>	<u>Rate</u>																					
6 and under	7%																					
7-11	6																					
12-16	5																					
Over 16	4																					
<u>Age Range</u>	<u>Rate</u>																					
less than 30	7%																					
30-35	6																					
35-40	5																					
40 and older	4																					

* Includes inflation of 4% for each plan.

CITY OF GAINESVILLE, FLORIDA
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2001

ASSETS

Equity in Pooled Cash and Investments	\$ 8,594,584
Receivables	5,644,958
Due from Other Funds	5,786,882
Inventories	<u>118,927</u>
TOTAL ASSETS	<u><u>\$ 20,145,351</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 2,071,029
Deferred Revenue	<u>489,428</u>
TOTAL LIABILITIES	<u>2,560,457</u>

FUND BALANCES

Reserved For:	
Encumbrances	825,241
Inventories	118,927
Noncurrent Receivables	1,853,762
Legal Restrictions	<u>12,681,457</u>
Total Reserved	15,479,387
 Unreserved:	
Undesignated	<u>2,105,507</u>
TOTAL FUND BALANCES	<u>17,584,894</u>

TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 20,145,351</u></u>
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CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	BUDGET	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes	\$ 23,447,094	\$ -	\$ 23,447,094	\$ 22,580,477	\$ 866,617
Licenses and Permits	1,859,727	-	1,859,727	1,742,499	117,228
Intergovernmental	8,404,825	-	8,404,825	8,359,977	44,848
Charges for Services	5,627,373	-	5,627,373	5,788,489	(161,116)
Fines and Forfeitures	1,208,980	-	1,208,980	1,335,233	(126,253)
Miscellaneous	1,549,263	-	1,549,263	1,182,562	366,701
TOTAL REVENUES	42,097,262	-	42,097,262	40,989,237	1,108,025
EXPENDITURES					
Current:					
General Government	15,641,299	287,615	15,928,914	16,814,679	885,765
Public Safety	31,829,470	296,163	32,125,633	32,881,957	756,324
Physical Environment	1,902,396	80,507	1,982,903	1,999,981	17,078
Transportation	6,156,720	131,626	6,288,346	6,215,931	(72,415)
Economic Environment	201,106	17,017	218,123	279,312	61,189
Culture and Recreation	3,464,763	12,313	3,477,076	3,638,671	161,595
TOTAL EXPENDITURES	59,195,754	825,241	60,020,995	61,830,531	1,809,536
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,098,492)	(825,241)	(17,923,733)	(20,841,294)	2,917,561
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	25,135,909	-	25,135,909	24,836,530	299,379
Operating Transfers Out	(5,771,487)	-	(5,771,487)	(6,353,195)	581,708
TOTAL OTHER FINANCING SOURCES (USES)	19,364,422	-	19,364,422	18,483,335	881,087
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 2,265,930	\$ (825,241)	\$ 1,440,689	\$ (2,357,959)	\$ 3,798,648

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT</u>					
Administrative Services	\$ 158,105	\$ -	\$ 158,105	\$ 167,177	\$ 9,072
City Commission	203,014	351	203,365	214,031	10,666
Clerk of the Commission	532,530	10,123	542,653	570,522	27,869
City Manager	509,281	774	510,055	510,055	-
City Auditor	354,581	-	354,581	354,581	-
City Attorney	962,780	63,738	1,026,518	1,067,350	40,832
Computer Services	1,817,904	17,903	1,835,807	1,801,452	(34,355)
Finance	1,871,669	23,413	1,895,082	2,028,861	133,779
Equal Opportunity	214,748	810	215,558	238,960	23,402
Community Development	1,416,655	31,953	1,448,608	1,560,585	111,977
Facilities Management	1,996,074	67,243	2,063,317	2,006,753	(56,564)
Human Resources	1,186,601	58,722	1,245,323	1,253,732	8,409
Management and Budget	384,753	385	385,138	432,585	47,447
Nondepartmental	4,032,604	12,200	4,044,804	4,608,035	563,231
TOTAL GENERAL GOVERNMENT	15,641,299	287,615	15,928,914	16,814,679	885,765
<u>PUBLIC SAFETY</u>					
Police Department	20,632,375	245,058	20,877,433	21,562,626	685,193
Fire Department	9,350,344	19,751	9,370,095	9,436,876	66,781
Building Inspections	861,987	7,495	869,482	874,619	5,137
Community Development	570,863	23,859	594,722	607,836	13,114
Nondepartmental	413,901	-	413,901	400,000	(13,901)
TOTAL PUBLIC SAFETY	31,829,470	296,163	32,125,633	32,881,957	756,324
<u>PHYSICAL ENVIRONMENT</u>					
Recreation and Parks	1,902,396	80,507	1,982,903	1,999,981	17,078
<u>TRANSPORTATION</u>					
Fire Department	373,118	-	373,118	393,857	20,739
Police Department	242,193	-	242,193	225,455	(16,738)
Public Works	4,964,766	131,626	5,096,392	5,132,474	36,082
Nondepartmental	576,643	-	576,643	464,145	(112,498)
TOTAL TRANSPORTATION	6,156,720	131,626	6,288,346	6,215,931	(72,415)
<u>ECONOMIC ENVIRONMENT</u>					
Community Development	18,975	-	18,975	93,206	74,231
Economic Development	157,131	17,017	174,148	161,106	(13,042)
Nondepartmental	25,000	-	25,000	25,000	-
TOTAL ECONOMIC ENVIRONMENT	201,106	17,017	218,123	279,312	61,189
<u>CULTURE AND RECREATION</u>					
Recreation and Parks	2,364,711	301	2,365,012	2,480,601	115,589
Culture and Nature Services	1,100,052	12,012	1,112,064	1,158,070	46,006
TOTAL CULTURE AND RECREATION	3,464,763	12,313	3,477,076	3,638,671	161,595
TOTAL EXPENDITURES	\$ 59,195,754	\$ 825,241	\$ 60,020,995	\$ 61,830,531	\$ 1,809,536

SPECIAL REVENUE FUNDS

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

The City maintains the following Special Revenue Funds:

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

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

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

Miscellaneous Gifts and Grants Fund - to account for several miscellaneous gifts and grants, most of which are of small dollar value in nature, or which are single purpose in nature and require minimal special accounting features.

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

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

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

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

Economic Development Fund - to account for revenue and expenditures made to promote economic development.

Transportation Concurrency Exception Area Fund - to account for revenue and expenditures made in connection with transportation improvements made in conjunction with new developments

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2001

	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND	CULTURAL AND NATURE PROJECTS FUND
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ -	\$ 513,648	\$ -	\$ 2,014,850	\$ 277,844
Receivables	389,558	1,671,353	598,062	454,438	7,763
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 389,558	\$ 2,185,001	\$ 598,062	\$ 2,469,288	\$ 285,607
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 131,912	\$ -	\$ 19,111	\$ 234,682	\$ 82,612
Due to Other Funds	22,888	-	223,141	132,214	-
Deferred Revenue	62,296	1,671,353	343,848	363,571	-
TOTAL LIABILITIES	217,096	1,671,353	586,100	730,467	82,612
<u>FUND BALANCES</u>					
Reserved for Encumbrances	418,649	-	281,796	722,512	15,496
Reserved for Legal Restrictions	17,832	-	486,556	-	1,000
Unreserved:					
Designated for Future Use	-	-	-	1,016,309	186,499
Undesignated	(264,019)	513,648	(756,390)	-	-
TOTAL FUND BALANCES	172,462	513,648	11,962	1,738,821	202,995
TOTAL LIABILITIES AND FUND BALANCES	\$ 389,558	\$ 2,185,001	\$ 598,062	\$ 2,469,288	\$ 285,607

STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOPMENT FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND	TOTALS
\$ 44,598	\$ 316,490	\$ 94,376	\$ 393,257	\$ 65,303	\$ 3,720,366
-	-	39,225	77,705	-	3,238,104
66,499	-	-	-	-	66,499
\$ 111,097	\$ 316,490	\$ 133,601	\$ 470,962	\$ 65,303	\$ 7,024,969
\$ -	\$ 17,963	\$ -	\$ 36,758	\$ -	\$ 523,038
-	-	9,391	-	-	387,634
66,499	-	39,119	-	-	2,546,686
66,499	17,963	48,510	36,758	-	3,457,358
-	73,735	-	5,587	3,796	1,521,571
-	-	-	-	-	505,388
44,598	224,792	-	-	61,507	1,533,705
-	-	85,091	428,617	-	6,947
44,598	298,527	85,091	434,204	65,303	3,567,611
\$ 111,097	\$ 316,490	\$ 133,601	\$ 470,962	\$ 65,303	\$ 7,024,969

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND	CULTURAL AND NATURE PROJECTS FUND	STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND
REVENUES						
Intergovernmental	\$ 1,763,494	\$ -	\$ 913,540	\$ 2,317,196	\$ -	\$ -
Charges for Services	4,480	-	41,385	404,250	238,152	-
Fines and Forfeitures	-	-	-	38,264	-	23,544
Miscellaneous	10,557	173,945	48,715	266,131	17,771	13,885
TOTAL REVENUES	1,778,531	173,945	1,003,640	3,025,841	255,923	37,429
EXPENDITURES						
Current:						
General Government	-	-	-	262,473	-	-
Public Safety	-	-	-	1,120,523	-	17,936
Physical Environment	-	-	-	94,375	-	-
Transportation	-	-	-	30,988	-	-
Economic Environment	1,778,092	-	1,003,640	919,305	-	-
Human Services	-	-	-	56,616	-	-
Culture and Recreation	-	-	-	407,896	260,787	-
TOTAL EXPENDITURES	1,778,092	-	1,003,640	2,892,176	260,787	17,936
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	439	173,945	-	133,665	(4,864)	19,493
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	12,484	-	-
Operating Transfers Out	(2,123)	(17,000)	-	(413,559)	-	-
Operating Transfers from Component Unit	-	-	-	-	-	-
Operating Transfers to Component Unit	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,123)	(17,000)	-	(401,075)	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,684)	156,945	-	(267,410)	(4,864)	19,493
FUND BALANCES, October 1	174,146	356,703	11,962	2,006,231	207,859	25,105
FUND BALANCES, September 30	\$ 172,462	\$ 513,648	\$ 11,962	\$ 1,738,821	\$ 202,995	\$ 44,598

FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOPMENT FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ 4,994,230
-	-	\$ 54,402	109,914	852,583
88,544	-	-	-	150,352
30,046	36,015	21,826	2,188	621,079
<u>118,590</u>	<u>36,015</u>	<u>76,228</u>	<u>112,102</u>	<u>6,618,244</u>
-	-	-	-	262,473
253,454	-	-	-	1,391,913
-	-	-	-	94,375
-	89,300	-	49,825	170,113
-	-	168,186	-	3,869,223
-	-	-	-	56,616
-	-	-	-	668,683
<u>253,454</u>	<u>89,300</u>	<u>168,186</u>	<u>49,825</u>	<u>6,513,396</u>
<u>(134,864)</u>	<u>(53,285)</u>	<u>(91,958)</u>	<u>62,277</u>	<u>104,848</u>
-	-	275,000	-	287,484
(12,484)	-	-	-	(445,166)
-	-	-	-	-
<u>(12,484)</u>	<u>-</u>	<u>275,000</u>	<u>-</u>	<u>(157,682)</u>
(147,348)	(53,285)	183,042	62,277	(52,834)
<u>445,875</u>	<u>138,376</u>	<u>251,162</u>	<u>3,026</u>	<u>3,620,445</u>
<u>\$ 298,527</u>	<u>\$ 85,091</u>	<u>\$ 434,204</u>	<u>\$ 65,303</u>	<u>\$ 3,567,611</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>					
Intergovernmental	\$ 1,763,494	\$ -	\$ 1,763,494	\$ 2,555,991	\$ (792,497)
Charges for Services	4,480	-	4,480	2,591	1,889
Miscellaneous	10,557	-	10,557	10,891	(334)
TOTAL REVENUES	1,778,531	-	1,778,531	2,569,473	(790,942)
<u>EXPENDITURES</u>					
Economic Environment	1,778,092	418,649	2,196,741	2,270,749	74,008
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	439	(418,649)	(418,210)	298,724	(716,934)
<u>OTHER FINANCING USES</u>					
Operating Transfers Out	(2,123)	-	(2,123)	(41,361)	39,238
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (1,684)	\$ (418,649)	\$ (420,333)	\$ 257,363	\$ (677,696)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Principal Payments	\$ 119,398	\$ -	\$ 119,398	\$ 114,742	\$ 4,656
Investment Income	54,547	-	54,547	59,203	(4,656)
TOTAL REVENUES	173,945	-	173,945	173,945	-
<u>EXPENDITURES</u>					
Transportation	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	173,945	-	173,945	173,945	-
<u>OTHER FINANCING USES</u>					
Operating Transfers Out	(17,000)	-	(17,000)	(17,000)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	\$ 156,945	\$ -	\$ 156,945	\$ 156,945	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
HOME GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Intergovernmental	\$ 913,540	\$ -	\$ 913,540	\$ 1,383,926	\$ (470,386)
Charges for Services	41,385	-	41,385	41,383	2
Miscellaneous	48,715	-	48,715	44,071	4,644
TOTAL REVENUES	1,003,640	-	1,003,640	1,469,380	(465,740)
EXPENDITURES					
Economic Environment	<u>1,003,640</u>	<u>281,796</u>	<u>1,285,436</u>	<u>1,399,622</u>	<u>114,186</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (281,796)	\$ (281,796)	\$ 69,758	\$ (351,554)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS GIFTS AND GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	BUDGET	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES					
Intergovernmental	\$ 2,317,196	\$ -	\$ 2,317,196	\$ 2,317,196	\$ -
Charges for Services	404,250	-	404,250	404,250	-
Fines and Forfeitures	38,264	-	38,264	38,264	-
Miscellaneous:					
Contributions and Donations	160,424	-	160,424	160,424	-
Investment Income	73,237	-	73,237	73,237	-
Other	32,470	-	32,470	32,470	-
Total Miscellaneous	<u>266,131</u>	<u>-</u>	<u>266,131</u>	<u>266,131</u>	<u>-</u>
TOTAL REVENUES	<u>3,025,841</u>	<u>-</u>	<u>3,025,841</u>	<u>3,025,841</u>	<u>-</u>
EXPENDITURES					
General Government:					
Other Projects	<u>262,473</u>	<u>-</u>	<u>262,473</u>	<u>262,473</u>	<u>-</u>
Public Safety:					
Law Enforcement Education	59,637	27	59,664	59,664	-
Other Projects	<u>1,060,886</u>	<u>156,855</u>	<u>1,217,741</u>	<u>1,217,741</u>	<u>-</u>
Total Public Safety	<u>1,120,523</u>	<u>156,882</u>	<u>1,277,405</u>	<u>1,277,405</u>	<u>-</u>
Physical Environment:					
Other Projects	<u>94,375</u>	<u>178,844</u>	<u>273,219</u>	<u>273,219</u>	<u>-</u>
Transportation:					
Streets Special Projects	4,186	-	4,186	4,186	-
Other Projects	<u>26,802</u>	<u>-</u>	<u>26,802</u>	<u>26,802</u>	<u>-</u>
Total Transportation	<u>30,988</u>	<u>-</u>	<u>30,988</u>	<u>30,988</u>	<u>-</u>
Economic Environment:					
Other Economic Environment	<u>919,305</u>	<u>289,125</u>	<u>1,208,430</u>	<u>1,208,430</u>	<u>-</u>
Human Services:					
Summer Nutrition	<u>56,616</u>	<u>-</u>	<u>56,616</u>	<u>56,616</u>	<u>-</u>
Culture and Recreation:					
Other Projects	<u>407,896</u>	<u>97,661</u>	<u>505,557</u>	<u>505,557</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,892,176</u>	<u>722,512</u>	<u>3,614,688</u>	<u>3,614,688</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>133,665</u>	<u>(722,512)</u>	<u>(588,847)</u>	<u>(588,847)</u>	<u>-</u>
OTHER FINANCING SOURCES(USES)					
Operating Transfers In	12,484	-	12,484	12,484	-
Operating Transfers Out	<u>(413,559)</u>	<u>-</u>	<u>(413,559)</u>	<u>(413,559)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES(USES)	<u>(401,075)</u>	<u>-</u>	<u>(401,075)</u>	<u>(401,075)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (267,410)</u>	<u>\$ (722,512)</u>	<u>\$ (989,922)</u>	<u>\$ (989,922)</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CULTURAL AND NATURE PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 238,152	\$ -	\$ 238,152	\$ 363,755	\$ (125,603)
Miscellaneous:					
Investment Income	<u>17,771</u>	<u>-</u>	<u>17,771</u>	<u>6,000</u>	<u>11,771</u>
TOTAL REVENUES	255,923	-	255,923	369,755	(113,832)
 <u>EXPENDITURES</u>					
Culture and Recreation:					
Other Projects	<u>260,787</u>	<u>15,496</u>	<u>276,283</u>	<u>375,950</u>	<u>99,667</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>\$ (4,864)</u>	 <u>\$ (15,496)</u>	 <u>\$ (20,360)</u>	 <u>\$ (6,195)</u>	 <u>\$ (14,165)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STATE LAW ENFORCEMENT CONTRABAND FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Fines and Forfeitures:					
Confiscated Property	\$ 23,544	\$ -	\$ 23,544	\$ 23,544	\$ -
Miscellaneous:					
Investment Income	2,103	-	2,103	1,961	142
Other Miscellaneous	11,782	-	11,782	11,781	1
Total Miscellaneous	13,885	-	13,885	13,742	143
TOTAL REVENUES	37,429	-	37,429	37,286	143
EXPENDITURES					
Public Safety:					
Support Services	17,936	-	17,936	17,936	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 19,493	\$ -	\$ 19,493	\$ 19,350	\$ 143

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>					
Fines and Forfeitures:					
Confiscated Property	\$ 88,544	\$ -	\$ 88,544	\$ 88,544	\$ -
Miscellaneous:					
Investment Income	30,046	-	30,046	31,028	(982)
Other Miscellaneous	-	-	-	-	-
Total Miscellaneous	<u>30,046</u>	<u>-</u>	<u>30,046</u>	<u>31,028</u>	<u>(982)</u>
TOTAL REVENUES	118,590	-	118,590	119,572	(982)
<u>EXPENDITURES</u>					
Public Safety:					
Support Services	<u>253,454</u>	<u>73,735</u>	<u>327,189</u>	<u>327,189</u>	<u>-</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(134,864)	(73,735)	(208,599)	(207,617)	(982)
<u>OTHER FINANCING USES</u>					
Operating Transfers Out	<u>(12,484)</u>	<u>-</u>	<u>(12,484)</u>	<u>(12,484)</u>	<u>-</u>
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER USES	\$ (147,348)	\$ (73,735)	\$ (221,083)	\$ (220,101)	\$ (982)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STREET, SIDEWALK AND DITCH IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE-FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Miscellaneous:					
Investment Income	\$ 6,100	\$ -	\$ 6,100	\$ 6,000	\$ 100
Other	29,915	-	29,915	-	29,915
TOTAL REVENUES	\$ 36,015	\$ -	\$ 36,015	\$ 6,000	\$ 30,015
EXPENDITURES					
Transportation:					
Other Projects	89,300	-	89,300	89,300	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (53,285)	\$ -	\$ (53,285)	\$ (83,300)	\$ 30,015

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>					
Charges For Services:					
Rents and Fees	54,402	-	54,402	4,270	50,132
Miscellaneous:					
Investment Income	21,826	-	21,826	11,500	10,326
TOTAL REVENUES	76,228	-	76,228	15,770	60,458
<u>EXPENDITURES</u>					
Economic Environment	168,186	5,587	173,773	280,019	106,246
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,958)	(5,587)	(97,545)	(264,249)	166,704
<u>OTHER FINANCING SOURCES</u>					
Operating Transfers In	275,000	-	275,000	252,519	22,481
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ 183,042	\$ (5,587)	\$ 177,455	\$ (11,730)	\$ 189,185

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 109,914	\$ -	\$ 109,914	\$ 94,046	\$ 15,868
Miscellaneous:					
Investment Income	2,188	-	2,188	-	2,188
TOTAL REVENUES	112,102	-	112,102	94,046	18,056
<u>EXPENDITURES</u>					
Transportation	49,825	3,796	53,621	94,046	40,425
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 62,277	\$ (3,796)	\$ 58,481	\$ -	\$ 58,481

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The City maintains the following Debt Service Funds:

First Florida Governmental Financing Commission (FFGFC) Fund - Series 1992 - to account for funds to maintain a reserve and accumulate the debt service requirements of the 1992 borrowing from the First Florida Governmental Financing Commission.

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

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

First Florida Governmental Financing Commission (FFGFC) Fund – Series 2001 – to account for funds to maintain a reserve and accumulate the debt service requirements of the 2001 borrowing from the First Florida Governmental Financing Commission.

Guaranteed Entitlement Revenue and Refunding Bonds 1994 Fund - to receive and account for funds (Guaranteed Entitlement Funds) to maintain a reserve and accumulate the debt service requirements of the Guaranteed Entitlement Refunding and Revenue Bonds of 1994.

CRA Promissory Notes – to account for funds to accumulate debt service requirements of the Community Redevelopment Agency promissory notes from the General Fund.

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
SEPTEMBER 30, 2001

	FFGFC FUNDS				GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994	CRA PROMISSORY NOTES	TOTALS
	SERIES 1992	SERIES 1996	SERIES 1998	SERIES 2001			
ASSETS							
Cash and Cash Equivalents	\$ 31,144	\$ 14,716	\$ -	\$ -	\$ 15,343	\$ -	\$ 61,203
Equity in Pooled Cash and Investments	-	161,850	37,632	4,700	165,940	-	370,122
Investments	1,048,512	531,721	-	-	-	-	1,580,233
TOTAL ASSETS	\$ 1,079,656	\$ 708,287	\$ 37,632	\$ 4,700	\$ 181,283	\$ -	\$ 2,011,558

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable and Accrued Liabilities	1,261	-	-	-	-	-	1,261
Due to Other Funds	58,664	-	-	-	-	-	58,664
TOTAL LIABILITIES	59,925	-	-	-	-	-	59,925

FUND BALANCES

Reserved for Debt Service	663,125	499,000	-	-	-	-	1,162,125
Unreserved: Designated For Future Use	356,606	209,287	37,632	4,700	181,283	-	789,508
TOTAL FUND BALANCES	1,019,731	708,287	37,632	4,700	181,283	-	1,951,633

TOTAL LIABILITIES AND FUND BALANCES	\$ 1,079,656	\$ 708,287	\$ 37,632	\$ 4,700	\$ 181,283	\$ -	\$ 2,011,558
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CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	FFGFC FUNDS				GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994	CRA PROMISSORY NOTES	TOTALS
	SERIES 1992	SERIES 1996	SERIES 1998	SERIES 2001			
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,095,679	\$ -	\$ 1,095,679
Miscellaneous	169,063	92,637	9,609	4,995	31,059	-	307,363
TOTAL REVENUES	169,063	92,637	9,609	4,995	1,126,738	-	1,403,042
EXPENDITURES							
Debt Service:							
Principal	590,000	310,000	250,000	-	450,000	47,489	1,647,489
Interest and Fiscal Charges	80,647	203,553	472,819	68,643	645,579	6,619	1,477,860
TOTAL EXPENDITURES	670,647	513,553	722,819	68,643	1,095,579	54,108	3,125,349
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(501,584)	(420,916)	(713,210)	(63,648)	31,159	(54,108)	(1,722,307)
OTHER FINANCING SOURCES (USES)							
Debt Proceeds	-	-	-	2,794,848	-	-	2,794,848
Operating Transfers In	341,305	500,305	711,118	18,500	-	54,108	1,625,336
Operating Transfers Out	-	-	-	(2,745,000)	-	-	(2,745,000)
TOTAL OTHER FINANCING SOURCES (USES)	341,305	500,305	711,118	68,348	-	54,108	1,675,184
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(160,279)	79,389	(2,092)	4,700	31,159	-	(47,123)
FUND BALANCES, October 1	1,180,010	628,898	39,724	-	150,124	-	1,998,756
FUND BALANCES, September 30	\$ 1,019,731	\$ 708,287	\$ 37,632	\$ 4,700	\$ 181,283	\$ -	\$ 1,951,633

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1992
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 169,063</u>	<u>\$ 159,960</u>	<u>\$ 9,103</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	590,000	590,000	-
Interest and Fiscal Charges	<u>80,647</u>	<u>81,525</u>	<u>878</u>
TOTAL EXPENDITURES	<u>670,647</u>	<u>671,525</u>	<u>878</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(501,584)	(511,565)	9,981
<u>OTHER FINANCING SOURCES</u>			
Operating Transfers In	<u>341,305</u>	<u>341,305</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>\$ (160,279)</u>	<u>\$ (170,260)</u>	<u>\$ 9,981</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1996
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 92,637</u>	<u>\$ 15,000</u>	<u>\$ 77,637</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	310,000	310,000	-
Interest and Fiscal Charges	<u>203,553</u>	<u>205,305</u>	<u>1,752</u>
TOTAL EXPENDITURES	<u>513,553</u>	<u>515,305</u>	<u>1,752</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(420,916)	(500,305)	79,389
<u>OTHER FINANCING SOURCES</u>			
Operating Transfers In	<u>500,305</u>	<u>500,305</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>\$ 79,389</u>	<u>\$ -</u>	<u>\$ 79,389</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1998
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 9,609	\$ 15,000	\$ (5,391)
<u>EXPENDITURES</u>			
Debt Service:			
Principal	250,000	250,000	-
Interest and Fiscal Charges	<u>472,819</u>	<u>476,118</u>	<u>3,299</u>
TOTAL EXPENDITURES	<u>722,819</u>	<u>726,118</u>	<u>3,299</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(713,210)	(711,118)	(2,092)
<u>OTHER FINANCING SOURCES</u>			
Operating Transfers In	<u>711,118</u>	<u>711,118</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ (2,092)	\$ -	\$ (2,092)

CITY OF GAINESVILLE
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2001
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 4,995	\$ 10,191	\$ (5,196)
<u>EXPENDITURES</u>			
Debt Service:			
Interest and Fiscal Charges	<u>68,643</u>	<u>73,297</u>	<u>4,654</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(63,648)</u>	<u>(63,106)</u>	<u>(542)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from Bonds	2,794,848	2,789,606	5,242
Operating Transfers In	18,500	18,500	-
Operating Transfers Out	<u>(2,745,000)</u>	<u>(2,745,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>68,348</u>	<u>63,106</u>	<u>5,242</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 4,700</u>	<u>\$ -</u>	<u>\$ 4,700</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Intergovernmental:			
State Revenue Sharing	\$ 1,095,679	\$ 1,095,679	\$ -
Miscellaneous:			
Investment Income	<u>31,059</u>	<u>10,000</u>	<u>21,059</u>
TOTAL REVENUES	<u>1,126,738</u>	<u>1,105,679</u>	<u>21,059</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	450,000	450,000	-
Interest and Fiscal Charges	<u>645,579</u>	<u>646,579</u>	<u>1,000</u>
TOTAL EXPENDITURES	<u>1,095,579</u>	<u>1,096,579</u>	<u>1,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 31,159</u>	<u>\$ 9,100</u>	<u>\$ 22,059</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CRA PROMISSORY NOTES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>			
Debt Service:			
Principal	47,489	47,489	-
Interest and Fiscal Charges	6,619	6,619	-
TOTAL EXPENDITURES	54,108	54,108	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,108)	(54,108)	-
<u>OTHER FINANCING SOURCES</u>			
Operating Transfers In	54,108	54,108	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

The City maintains the following Capital Projects Funds:

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

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

Greenspace/Recreation Acquisition Fund - to account for the costs of acquiring greenspace and a golf course financed through First Florida Governmental Financing Commission borrowings (1992) and interest earnings.

Public Improvement Construction Fund - to account for the costs of various capital projects to be funded with the nonrefunding portion of the Guaranteed Entitlement Revenue and Refunding Bonds - 1994 and interest earnings.

Information Systems Capital Projects Fund - to account for the costs of information systems capital projects to be financed with First Florida Governmental Financing Commission borrowings (1994), operating transfers from other funds of the City and interest earnings.

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

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

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

Courthouse Parking Garage - to account for the costs of the construction of the parking facilities for the new Alachua County Criminal Courthouse.

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

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2001

	GENERAL CAPITAL PROJECTS FUND	GREENSPACE ACQUISITION FUND	GREENSPACE/ RECREATION ACQUISITION FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 959,512
Equity in Pooled Cash and Investments	609,045	86,898	-	47,207
Receivables	213,773	-	-	-
TOTAL ASSETS	\$ 822,818	\$ 86,898	\$ -	\$ 1,006,719
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 66,390	\$ -	\$ -	\$ -
Due to Other Funds	1,130	-	-	-
TOTAL LIABILITIES	67,520	-	-	-
FUND BALANCES				
Reserved for Encumbrances	763,051	-	-	22,948
Reserved for Legal Restrictions	-	64,800	-	-
Unreserved:				
Designated for Future Use		22,098		983,771
Undesignated	(7,753)	-	-	-
TOTAL FUND BALANCES	755,298	86,898	-	1,006,719
TOTAL LIABILITIES AND FUND BALANCES	\$ 822,818	\$ 86,898	\$ -	\$ 1,006,719

INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96	COMMUNICATIONS EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	TOTALS
\$ -	\$ -	\$ -	\$ -			\$ 959,512
28,882	3,903,884	189,224	441,752	38,283	1,282,925	6,628,100
-	-	-	-	-	-	213,773
\$ 28,882	\$ 3,903,884	\$ 189,224	\$ 441,752	\$ 38,283	\$ 1,282,925	\$ 7,801,385

\$ 111	\$ 32,734	\$ 4,805	\$ -	\$ 38,171	\$ -	\$ 142,211
-	-	-	-	-	-	1,130
111	32,734	4,805	-	38,171	-	143,341
111	104,453	-	12,250	813,204	-	1,716,017
-	71,889	-	-	-	-	136,689
28,660	3,694,808	184,419	429,502	(813,092)	1,282,925	5,813,091
-	-	-	-	-	-	(7,753)
28,771	3,871,150	184,419	441,752	112	1,282,925	7,658,044
\$ 28,882	\$ 3,903,884	\$ 189,224	\$ 441,752	\$ 38,283	\$ 1,282,925	\$ 7,801,385

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	GENERAL CAPITAL PROJECTS FUND	GREENSPACE ACQUISITION FUND	GREENSPACE/ RECREATION ACQUISITION FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND
REVENUES					
Intergovernmental	\$ 1,275,521	\$ -	\$ -	\$ -	\$ -
Miscellaneous:					
Other	(196)	-	-	240	-
Investment Income	25,916	6,112	(178)	54,237	2,021
TOTAL REVENUES	1,301,241	6,112	(178)	54,477	2,021
EXPENDITURES					
Capital Outlay:					
General Government	137,415	-	-	-	74,926
Public Safety	-	-	-	-	-
Physical Environment	340,517	-	-	-	-
Transportation	1,787,462	-	-	31,261	-
Economic Development	1,493,952	-	-	-	-
Culture and Recreation	351,399	-	13,050	-	-
Total Capital Outlay	4,110,745	-	13,050	31,261	74,926
Debt Service:					
Principal	-	16,200	-	-	-
TOTAL EXPENDITURES	4,110,745	16,200	13,050	31,261	74,926
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,809,504)	(10,088)	(13,228)	23,216	(72,905)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	2,513,808	-	13,328	-	63,398
Operating Transfers Out	(1,032)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,512,776	-	13,328	-	63,398
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(296,728)	(10,088)	100	23,216	(9,507)
FUND BALANCES, October 1	1,052,026	96,986	(100)	983,503	38,278
FUND BALANCES, September 30	\$ 755,298	\$ 86,898	\$ -	\$ 1,006,719	\$ 28,771

<u>ROADWAY CONSTRUCTION FUND 96</u>	<u>COMMUNICATIONS EQUIPMENT PROJECT FUND 98</u>	<u>CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98</u>	<u>COURTHOUSE PARKING GARAGE</u>	<u>FLEET ACQUISITION FUND 01</u>	<u>TOTALS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,521
45,650	-	-	-	-	45,694
<u>287,513</u>	<u>24,981</u>	<u>24,813</u>	<u>112</u>	<u>32,659</u>	<u>458,186</u>
<u>333,163</u>	<u>24,981</u>	<u>24,813</u>	<u>112</u>	<u>32,659</u>	<u>1,779,401</u>
-	67,921	-	-	-	280,262
-	-	-	-	1,070,885	1,070,885
-	-	-	-	-	340,517
794,496	-	-	74,967	-	2,688,186
-	-	-	-	-	1,493,952
-	-	27,229	-	-	391,678
<u>794,496</u>	<u>67,921</u>	<u>27,229</u>	<u>74,967</u>	<u>1,070,885</u>	<u>6,265,480</u>
-	-	-	-	-	16,200
<u>794,496</u>	<u>67,921</u>	<u>27,229</u>	<u>74,967</u>	<u>1,070,885</u>	<u>6,281,680</u>
<u>(461,333)</u>	<u>(42,940)</u>	<u>(2,416)</u>	<u>(74,855)</u>	<u>(1,038,226)</u>	<u>(4,502,279)</u>
-	-	221,083	74,967	2,745,000	5,631,584
-	-	-	-	(423,849)	(424,881)
-	-	<u>221,083</u>	<u>74,967</u>	<u>2,321,151</u>	<u>5,206,703</u>
(461,333)	(42,940)	218,667	112	1,282,925	704,424
<u>4,332,483</u>	<u>227,359</u>	<u>223,085</u>	<u>-</u>	<u>-</u>	<u>6,953,620</u>
<u>\$ 3,871,150</u>	<u>\$ 184,419</u>	<u>\$ 441,752</u>	<u>\$ 112</u>	<u>\$ 1,282,925</u>	<u>\$ 7,658,044</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City maintains the following Enterprise Funds:

Electric Fund - to account for the operations of the City's electric utility system.

Gas Fund - to account for the operations of the City's natural gas distribution system.

Water Fund - to account for the operations of the City's water utility system.

Wastewater Fund - to account for the operations of the City's wastewater and sewerage systems.

GRUCom Fund - to account for the operations of the City's telecommunications utility system.

Regional Transit System Fund - to account for the operations of the City's mass transit system.

Stormwater Management Utility Fund - to account for the operations of a program designed to maintain, replace and expand the City's stormwater-related infrastructure.

Ironwood Golf Course Fund - to account for the operations of the City owned golf course.

Solid Waste Fund - to account for the City's refuse collection program. The actual collections are performed by private contractors (Waste Management, Inc. and Boone Waste Industries).

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
SEPTEMBER 30, 2001

	<u>ELECTRIC FUND</u>	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>WASTEWATER FUND</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 12,730,527	\$ 3,355,002	\$ -	\$ 383,593
Receivables	27,281,465	1,220,704	1,435,919	1,946,947
Due from Other Funds	1,502,195	-	-	-
Prepaid Expenses	10,686,909	-	-	-
Inventories	8,928,944	261,505	561,282	-
Restricted Assets:				
Cash and Investments	107,240,743	9,765,418	20,738,948	35,240,933
Fixed Assets	401,374,562	21,249,563	87,971,424	112,346,277
Deferred Charges	181,350,495	6,388,251	575,349	728,807
TOTAL ASSETS	<u>\$ 751,095,840</u>	<u>\$ 42,240,443</u>	<u>\$ 111,282,922</u>	<u>\$ 150,646,557</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 21,720,169	\$ 766,708	\$ 774,546	\$ 953,906
Due to Other Funds	-	951,109	3,287,532	1,567,548
Payable from Restricted Assets:				
Utility Deposits	3,693,091	-	-	-
Revenue Bonds Payable	7,711,609	323,386	1,227,084	1,722,921
Accounts Payable and Accrued Liabilities	6,001,225	779,419	1,393,352	1,886,043
Long-Term Debt	220,634,143	27,768,973	51,727,831	70,826,276
Deferred Credits	214,974,187	8,108,694	884,639	1,391,926
TOTAL LIABILITIES	<u>474,734,424</u>	<u>38,698,289</u>	<u>59,294,984</u>	<u>78,348,620</u>
 <u>FUND EQUITY</u>				
Contributed Capital	-	-	38,496,194	59,184,850
Retained Earnings:				
Reserved for Debt Service and Other	27,752,499	2,252,977	3,686,811	4,823,844
Unreserved	248,608,917	1,289,177	9,804,933	8,289,243
TOTAL FUND EQUITY	<u>276,361,416</u>	<u>3,542,154</u>	<u>51,987,938</u>	<u>72,297,937</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 751,095,840</u>	<u>\$ 42,240,443</u>	<u>\$ 111,282,922</u>	<u>\$ 150,646,557</u>

<u>GRUCOM FUND</u>	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTALS</u>
\$ -	\$ 3,016,499	\$ 5,012,336	\$ 93,064	\$ 2,206,988	\$ 26,798,009
652,911	1,261,172	350,705	1,400	607,630	34,758,853
-	-	-	-	-	1,502,195
-	-	-	-	-	10,686,909
964,659	278,988	-	47,153	-	11,042,531
2,188,870	-	-	-	-	175,174,912
19,414,982	10,253,418	5,446,246	1,705,351	111,474	659,873,297
318,247	-	-	-	-	189,361,149
<u>\$ 23,539,669</u>	<u>\$ 14,810,077</u>	<u>\$ 10,809,287</u>	<u>\$ 1,846,968</u>	<u>\$ 2,926,092</u>	<u>\$ 1,109,197,855</u>

\$ 167,219	\$ 1,170,575	\$ 149,049	\$ 44,224	\$ 734,301	\$ 26,480,697
401,947	23,691	68,006	-	39,955	6,339,788
-	-	-	-	-	3,693,091
-	-	-	-	-	10,985,000
69,804	-	-	-	-	10,129,843
23,441,000	4,000,000	110,952	-	-	398,509,175
9,920	-	-	-	-	225,369,366
<u>24,089,890</u>	<u>5,194,266</u>	<u>328,007</u>	<u>44,224</u>	<u>774,256</u>	<u>681,506,960</u>
638,627	7,044,245	14,789,771	2,876,217	436,400	123,466,304
482,205	-	84,128	-	-	39,082,464
(1,671,053)	2,571,566	(4,392,619)	(1,073,473)	1,715,436	265,142,127
<u>(550,221)</u>	<u>9,615,811</u>	<u>10,481,280</u>	<u>1,802,744</u>	<u>2,151,836</u>	<u>427,690,895</u>
<u>\$ 23,539,669</u>	<u>\$ 14,810,077</u>	<u>\$ 10,809,287</u>	<u>\$ 1,846,968</u>	<u>\$ 2,926,092</u>	<u>\$ 1,109,197,855</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ELECTRIC FUND</u>	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>WASTEWATER FUND</u>
OPERATING REVENUES				
Sales and Service Charges	\$ 159,398,909	\$ 21,638,160	\$ 12,879,286	\$ 15,696,527
Other Operating Revenues	4,505,350	(11,333)	9,128	246,993
TOTAL OPERATING REVENUES	<u>163,904,259</u>	<u>21,626,827</u>	<u>12,888,414</u>	<u>15,943,520</u>
OPERATING EXPENSES				
Operations and Maintenance	90,707,317	14,141,348	4,693,510	5,441,506
Administrative and General	10,480,360	2,829,406	2,407,525	2,827,428
Depreciation and Amortization	19,674,756	1,200,111	1,344,590	1,202,613
TOTAL OPERATING EXPENSES	<u>120,862,433</u>	<u>18,170,865</u>	<u>8,445,625</u>	<u>9,471,547</u>
OPERATING INCOME (LOSS)	<u>43,041,826</u>	<u>3,455,962</u>	<u>4,442,789</u>	<u>6,471,973</u>
NON OPERATING REVENUES (EXPENSES)				
Investment Income	5,936,249	434,708	1,215,743	1,630,374
Interest Expense	(13,390,407)	(1,708,520)	(3,180,104)	(4,198,249)
Gain(Loss) on Disposal of Fixed Assets	-	-	-	-
Operating Grants	-	-	-	-
Capital Grants	-	-	-	-
Capital Contributions	-	-	4,054,977	4,569,044
Local Option Gas Tax	-	-	-	-
Other Revenue	-	-	-	-
TOTAL NON OPERATING REVENUES (EXPENSES)	<u>(7,454,158)</u>	<u>(1,273,812)</u>	<u>2,090,616</u>	<u>2,001,169</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>35,587,668</u>	<u>2,182,150</u>	<u>6,533,405</u>	<u>8,473,142</u>
OPERATING TRANSFERS				
From Other Funds	-	-	-	-
To Other Funds	(15,916,180)	(1,064,000)	(3,044,758)	(4,059,325)
TOTAL OPERATING TRANSFERS	<u>(15,916,180)</u>	<u>(1,064,000)</u>	<u>(3,044,758)</u>	<u>(4,059,325)</u>
NET INCOME (LOSS)	19,671,488	1,118,150	3,488,647	4,413,817
DEPRECIATION OF FIXED ASSETS ACQUIRED BY CAPITAL CONTRIBUTIONS				
	-	-	-	-
RETAINED EARNINGS, October 1	<u>256,689,928</u>	<u>2,424,004</u>	<u>10,003,097</u>	<u>8,699,270</u>
RETAINED EARNINGS, September 30	<u>\$ 276,361,416</u>	<u>\$ 3,542,154</u>	<u>\$ 13,491,744</u>	<u>\$ 13,113,087</u>

<u>GRUCOM FUND</u>	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTALS</u>
\$ 4,167,542	\$ 3,630,829	\$ 4,010,825	\$ 1,154,891	\$ 5,030,725	\$ 227,607,694
983,291	43,758	-	-	-	5,777,187
<u>5,150,833</u>	<u>3,674,587</u>	<u>4,010,825</u>	<u>1,154,891</u>	<u>5,030,725</u>	<u>233,384,881</u>
2,033,442	6,999,758	2,852,918	918,926	4,573,804	132,362,529
742,638	1,881,009	306,350	394,287	-	21,869,003
1,546,392	909,681	175,844	164,285	2,194	26,220,466
<u>4,322,472</u>	<u>9,790,448</u>	<u>3,335,112</u>	<u>1,477,498</u>	<u>4,575,998</u>	<u>180,451,998</u>
<u>828,361</u>	<u>(6,115,861)</u>	<u>675,713</u>	<u>(322,607)</u>	<u>454,727</u>	<u>52,932,883</u>
259,020	203,267	309,549	5,260	145,470	10,139,640
(970,033)	-	-	-	-	(23,447,313)
-	(33,853)	25,557	(13,296)	1,689	(19,903)
-	2,346,737	-	-	37,751	2,384,488
-	1,889,100	-	-	-	1,889,100
-	-	465,197	79,919	-	9,169,137
-	2,043,521	-	-	-	2,043,521
-	-	614	-	-	614
<u>(711,013)</u>	<u>6,448,772</u>	<u>800,917</u>	<u>71,883</u>	<u>184,910</u>	<u>2,159,284</u>
<u>117,348</u>	<u>332,911</u>	<u>1,476,630</u>	<u>(250,724)</u>	<u>639,637</u>	<u>55,092,167</u>
-	1,013	-	252,208	-	253,221
(272,000)	-	(132,822)	(146,986)	(600,000)	(25,236,071)
<u>(272,000)</u>	<u>1,013</u>	<u>(132,822)</u>	<u>105,222</u>	<u>(600,000)</u>	<u>(24,982,850)</u>
(154,652)	333,924	1,343,808	(145,502)	39,637	30,109,317
-	742,563	-	-	-	742,563
<u>(1,034,196)</u>	<u>1,495,079</u>	<u>(5,652,299)</u>	<u>(927,971)</u>	<u>1,675,799</u>	<u>273,372,711</u>
<u>\$ (1,188,848)</u>	<u>\$ 2,571,566</u>	<u>\$ (4,308,491)</u>	<u>\$ (1,073,473)</u>	<u>\$ 1,715,436</u>	<u>\$ 304,224,591</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ELECTRIC FUND</u>	<u>GAS FUND</u>	<u>WATER FUND</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 165,509,734	\$ 21,770,388	\$ 12,105,356
Cash Paid to Suppliers	(89,867,915)	(12,404,540)	(557,752)
Cash Paid to Employees	(17,102,861)	(1,819,069)	(3,007,863)
Quasi-external Activities	(2,107,501)	(352,573)	(579,334)
Other Operating Receipts/Payments	2,731,147	(11,333)	9,129
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>59,162,604</u>	<u>7,182,873</u>	<u>7,969,536</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	-	-	-
Operating Grants	-	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(15,916,180)	(1,064,000)	(3,044,758)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>(15,916,180)</u>	<u>(1,064,000)</u>	<u>(3,044,758)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Repayments on Long-Term Debt	(11,160,573)	(345,661)	(1,186,025)
Proceeds from Sale of Fixed Assets	53,096	-	3,500
Interest Paid on Revenue Bonds	(13,312,444)	(1,709,203)	(3,132,866)
Intergovernmental Capital Grants	-	-	-
Acquisition and Construction of Fixed Assets	(31,791,528)	(1,934,831)	(9,672,835)
Loan Proceeds	-	-	-
Proceeds from Debt issued	11,000,000	2,500,000	1,000,000
Capitalized Connection Fees	-	-	1,754,281
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(45,211,449)</u>	<u>(1,489,695)</u>	<u>(11,233,945)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	4,814,912	218,223	945,280
Purchase of Investments	(336,117,288)	(29,449,129)	(56,453,197)
Proceeds from Investment Maturities	339,471,356	24,560,536	61,817,084
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>8,168,980</u>	<u>(4,670,370)</u>	<u>6,309,167</u>
NET INCREASE (DECREASE) IN CASH	6,203,955	(41,192)	-
CASH - OCTOBER 1, 2000	-	2,140,574	-
CASH - SEPTEMBER 30, 2001	<u>\$ 6,203,955</u>	<u>\$ 2,099,382</u>	<u>\$ -</u>

(CONTINUED)

<u>WASTEWATER FUND</u>	<u>GRUCOM FUND</u>	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTALS</u>
\$ 14,648,866	\$ 4,143,348	\$ 3,236,333	\$ 4,083,265	\$ 1,154,891	\$ 5,077,539	\$ 231,729,720
945,231	(3,756,992)	(3,335,515)	(1,473,874)	(1,020,431)	(3,977,622)	(115,449,410)
(4,042,736)	(991,119)	(4,717,363)	(1,654,642)	(303,602)	(497,425)	(34,136,680)
(908,032)	(117,927)	-	-	-	-	(4,065,367)
246,993	983,291	(52,817)	-	-	-	3,906,410
<u>10,890,322</u>	<u>260,601</u>	<u>(4,869,362)</u>	<u>954,749</u>	<u>(169,142)</u>	<u>602,492</u>	<u>81,984,673</u>
-	-	2,043,520	-	-	-	2,043,520
-	-	2,346,737	-	-	37,751	2,384,488
-	-	1,013	-	252,208	-	253,221
<u>(4,059,325)</u>	<u>(272,000)</u>	<u>-</u>	<u>(132,822)</u>	<u>(146,986)</u>	<u>(600,000)</u>	<u>(25,236,071)</u>
<u>(4,059,325)</u>	<u>(272,000)</u>	<u>4,391,270</u>	<u>(132,822)</u>	<u>105,222</u>	<u>(562,249)</u>	<u>(20,554,842)</u>
(1,633,745)	(452,001)	-	-	-	-	(14,778,005)
-	-	4,943	26,964	2,726	1,689	92,918
(4,186,427)	(1,021,906)	-	-	-	-	(23,362,846)
19,980	-	1,895,952	-	-	-	1,915,932
(9,259,171)	(3,833,850)	(6,132,799)	(280,234)	-	(12,335)	(62,917,583)
-	-	4,000,000	110,952	-	-	4,110,952
5,500,000	5,012,000	-	-	-	-	25,012,000
2,166,505	-	-	-	-	-	3,920,786
<u>(7,392,858)</u>	<u>(295,757)</u>	<u>(231,904)</u>	<u>(142,318)</u>	<u>2,726</u>	<u>(10,646)</u>	<u>(66,005,846)</u>
1,183,764	170,663	203,267	309,549	5,260	145,470	7,996,388
(75,943,801)	(15,392,156)	(2,015,021)	(3,348,240)	(62,167)	(1,474,268)	(520,255,268)
<u>73,416,873</u>	<u>15,226,393</u>	<u>2,460,622</u>	<u>2,809,788</u>	<u>104,060</u>	<u>1,419,094</u>	<u>521,285,806</u>
<u>(1,343,164)</u>	<u>4,900</u>	<u>648,868</u>	<u>(228,903)</u>	<u>47,153</u>	<u>90,296</u>	<u>9,026,926</u>
<u>(1,905,025)</u>	<u>(302,256)</u>	<u>(61,128)</u>	<u>450,706</u>	<u>(14,041)</u>	<u>119,893</u>	<u>4,450,911</u>
<u>1,905,025</u>	<u>302,256</u>	<u>1,062,606</u>	<u>1,213,390</u>	<u>44,938</u>	<u>612,827</u>	<u>7,281,616</u>
\$ -	\$ -	\$ 1,001,478	\$ 1,664,096	\$ 30,897	\$ 732,720	\$ 11,732,527

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>ELECTRIC FUND</u>	<u>GAS FUND</u>	<u>WATER FUND</u>
OPERATING INCOME (LOSS)	\$ 43,041,826	\$ 3,455,962	\$ 4,442,789
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	17,900,553	1,200,111	1,344,590
(Increase)/Decrease in Receivables	6,349,603	132,228	(773,930)
(Increase)/Decrease in Inventories	(1,249,888)	(16,540)	(21,943)
(Increase)/Decrease in Due from Other Funds	(2,976,065)	25,597	974,602
(Increase)/Decrease in Prepaid Expenses	(1,753,315)	-	-
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(7,948,706)	(11,665)	531,698
Increase/(Decrease) in Due to Other Funds	-	-	-
Increase/(Decrease) in Deferred Credits	(5,895,379)	3,153,617	1,198,809
(Increase)/Decrease in Deferred Debits	11,932,753	(756,437)	272,921
Increase/(Decrease) in Utility Deposits	(238,778)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 59,162,604	\$ 7,182,873	\$ 7,969,536

**RECONCILIATION OF CASH TO
BALANCE SHEET**

Cash	\$ 6,203,955	\$ 2,099,382	\$ -
Unamortized Discount	5,144,026	(28,251)	310,618
Accrued Interest	976,941	220,403	258,457
Investments	107,646,348	10,828,886	20,169,873
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER BALANCE SHEET	\$ 119,971,270	\$ 13,120,420	\$ 20,738,948

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Contribution of Utility Plant	\$ -	\$ -	\$ 2,300,696
Change in Fair Value of Investments	\$ 3,164,948	\$ 168,774	\$ 615,285

<u>WASTEWATER FUND</u>	<u>GRUCOM FUND</u>	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTALS</u>
\$ 6,471,973	\$ 828,361	\$ (6,115,861)	\$ 675,713	\$ (322,607)	\$ 454,727	\$ 52,932,883
1,202,613	1,546,392	909,681	175,844	164,285	2,194	24,446,263
(1,047,660)	(24,194)	(438,254)	(248,404)	-	(326,759)	3,622,630
9	(581,429)	14,723	-	(15,604)	-	(1,870,672)
2,190,435	(1,532,034)	-	320,844	-	373,572	(623,049)
		-	-	-	-	(1,753,315)
(97,980)	195,067	736,827	18,138	4,784	96,926	(6,474,911)
-	-	23,522	12,614	-	1,832	37,968
1,846,750	(15,707)	-	-	-	-	288,090
324,182	(155,855)	-	-	-	-	11,617,564
-	-	-	-	-	-	(238,778)
\$ 10,890,322	\$ 260,601	\$ (4,869,362)	\$ 954,749	\$ (169,142)	\$ 602,492	\$ 81,984,673

\$ -	\$ -	\$ 1,001,478	\$ 1,664,096	\$ 30,897	\$ 732,720	\$ 11,732,527
306,774	(3,333)	-	-	-	-	5,729,834
432,877	221	-	-	-	-	1,888,899
<u>34,884,875</u>	<u>2,191,982</u>	<u>2,015,021</u>	<u>3,348,240</u>	<u>62,167</u>	<u>1,474,268</u>	<u>182,621,661</u>
\$ 35,624,526	\$ 2,188,870	\$ 3,016,499	\$ 5,012,336	\$ 93,064	\$ 2,206,988	\$ 201,972,921

\$ 2,402,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,703,234
\$ 947,243	\$ 485	\$ 19,869	\$ 98,996	\$ 2,947	\$ 47,706	\$ 5,066,253

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

The City maintains the following Internal Service Funds:

General Insurance Fund - to account for costs associated with administering a self-insurance plan for worker's compensation, automobile, and general liability benefits. The plan is externally administered.

Employees Health and Accident Benefits Fund - to account for costs associated with administering a self-insurance plan for employees' health and accident claims. The plan is externally administered for an annually contracted amount which is based upon volume of claims.

Retired Employees Health and Accident Benefits Fund - to account for costs associated with administering a self-insurance plan for retired employees' health and accident claims. The plan is externally administered for an annually contracted amount which is based upon volume of claims.

Fleet Management Fund - to account for the costs of operating a maintenance facility for vehicles used by various City departments.

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2001

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
ASSETS					
Cash and Cash Equivalents	\$ 96,224	\$ 284,221	\$ -	\$ 85	\$ 380,530
Equity in Pooled Cash and Investments	3,017,019	891,187	5,682,382	3,713,804	13,304,392
Receivables	422,437	13,377	-	29,792	465,606
Due from Other Funds	267,150	-	-	133,959	401,109
Prepaid Expenses	46,912	-	-	-	46,912
Inventories	-	-	-	119,409	119,409
Fixed Assets	39,672	19,766	-	6,983,515	7,042,953
TOTAL ASSETS	\$ 3,889,414	\$ 1,208,551	\$ 5,682,382	\$ 10,980,564	\$ 21,760,911
 LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable and Accrued Liabilities	4,023,942	885,870	250,210	288,389	5,448,411
Due to Other Funds	-	5,000	-	-	5,000
TOTAL LIABILITIES	4,023,942	890,870	250,210	288,389	5,453,411
 FUND EQUITY					
Contributed Capital	19,049	319,791	-	4,212,615	4,551,455
Retained Earnings:					
Reserved	-	-	-	2,271,758	2,271,758
Unreserved	(153,577)	(2,110)	5,432,172	4,207,802	9,484,287
TOTAL FUND EQUITY	(134,528)	317,681	5,432,172	10,692,175	16,307,500
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,889,414	\$ 1,208,551	\$ 5,682,382	\$ 10,980,564	\$ 21,760,911

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
OPERATING REVENUES					
Sales and Service Charges	\$ 3,831,696	\$ -	\$ -	\$ 3,450,238	\$ 7,281,934
Employer Contributions	-	3,816,415	2,370,021	-	6,186,436
Employee Contributions	-	1,765,828	-	-	1,765,828
Retiree Contributions	-	-	797,848	-	797,848
Other Operating Revenues	1,381	2,004	-	59,365	62,750
TOTAL OPERATING REVENUES	3,833,077	5,584,247	3,167,869	3,509,603	16,094,796
OPERATING EXPENSES					
Operations and Maintenance	4,300,999	1,268,916	38,191	2,574,114	8,182,220
Administrative and General	804,184	153,740	304,209	688,908	1,951,041
Depreciation and Amortization	11,995	6,850	-	1,367,900	1,386,745
Benefits Paid and Other Expenses	-	5,968,277	2,217,992	-	8,186,269
TOTAL OPERATING EXPENSES	5,117,178	7,397,783	2,560,392	4,630,922	19,706,275
OPERATING INCOME (LOSS)	(1,284,101)	(1,813,536)	607,477	(1,121,319)	(3,611,479)
NON OPERATING REVENUES (EXPENSES)					
Interest Revenue	211,868	123,355	409,414	183,309	927,946
Gain (Loss) on Disposal of Fixed Assets	-	-	-	30,440	30,440
Capital Contributions	-	-	-	1,195,885	1,195,885
TOTAL NON OPERATING REVENUES (EXPENSES)	211,868	123,355	409,414	1,409,634	2,154,271
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(1,072,233)	(1,690,181)	1,016,891	288,315	(1,457,208)
OPERATING TRANSFERS					
From Other Funds	-	69,700	-	1,738,349	1,808,049
To Other Funds	-	-	(69,700)	-	(69,700)
TOTAL OPERATING TRANSFERS	-	69,700	(69,700)	1,738,349	1,738,349
NET INCOME (LOSS)	(1,072,233)	(1,620,481)	947,191	2,026,664	281,141
RETAINED EARNINGS, October 1	918,656	1,428,626	4,674,726	4,452,896	11,474,904
Prior Period adjustment	-	189,745	(189,745)	-	-
RETAINED EARNINGS, September 30	\$ (153,577)	\$ (2,110)	\$ 5,432,172	\$ 6,479,560	\$ 11,756,045

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash Received from Customers	\$ 3,662,776	\$ 5,572,361	\$ 3,167,869	\$ 3,614,170	\$ 16,017,176
Cash Paid to Suppliers	(3,739,520)	(6,996,124)	(2,476,987)	(1,966,391)	(15,179,022)
Cash Paid to Employees	(462,098)	(72,494)	(1,195)	(1,247,677)	(1,783,464)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(538,842)	(1,496,257)	689,687	400,102	(945,310)
<u>CASH FLOWS FROM NONCAPITAL</u>					
<u>FINANCING ACTIVITIES</u>					
Transfers from Other Funds	-	69,700	-	1,738,346	1,808,046
Transfers to Other Funds	-	-	(69,700)	-	(69,700)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	69,700	(69,700)	1,738,346	1,738,346
<u>CASH FLOWS FROM CAPITAL AND RELATED</u>					
<u>FINANCING ACTIVITIES</u>					
Proceeds from Sale of Fixed Assets	-	-	-	30,440	30,440
Acquisition and Construction of Fixed Assets	(20,616)	(8,473)	-	(1,384,405)	(1,413,494)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(20,616)	(8,473)	-	(1,353,965)	(1,383,054)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest Received	211,868	123,355	409,414	183,309	927,946
Purchase of Investments	(2,079,646)	(785,173)	(3,795,831)	(2,480,878)	(9,141,528)
Proceeds from Investment Maturities	2,914,367	2,124,333	3,888,315	2,312,488	11,239,503
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,046,589	1,462,515	501,898	14,919	3,025,921
NET INCREASE IN CASH	487,131	27,485	1,121,885	799,402	2,435,903
CASH - OCTOBER 1	546,466	362,750	764,666	433,609	2,107,491
CASH - SEPTEMBER 30	\$ 1,033,597	\$ 390,235	\$ 1,886,551	\$ 1,233,011	\$ 4,543,394

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>GENERAL INSURANCE FUND</u>	<u>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u>	<u>RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u>	<u>FLEET MANAGEMENT FUND</u>	<u>TOTALS</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
OPERATING INCOME (LOSS)	\$ (1,284,101)	\$ (1,813,536)	\$ 607,477	\$ (1,121,319)	\$ (3,611,479)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation and Amortization	11,995	6,850	-	1,367,900	1,386,745
(Increase)/Decrease in Receivables	23,395	(11,886)	-	(3,063)	8,446
(Increase)/Decrease in Inventories	-	-	-	16,631	16,631
(Increase)/Decrease in Due from Other Funds	(193,696)	-	-	107,627	(86,069)
(Increase)/Decrease in Prepaid Expenses	(7,528)	-	-	-	(7,528)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	911,093	317,315	82,210	32,326	1,342,944
Increase/(Decrease) in Due to Other Funds	-	5,000	-	-	5,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (538,842)	\$ (1,496,257)	\$ 689,687	\$ 400,102	\$ (945,310)

**RECONCILIATION OF CASH TO
BALANCE SHEET**

Cash	\$ 1,033,597	\$ 390,235	\$ 1,886,551	\$ 1,233,011	\$ 4,543,394
Investments	2,079,646	785,173	3,795,831	2,480,878	9,141,528
TOTAL CASH AND EQUITY IN POOL PER BALANCE SHEET	\$ 3,113,243	\$ 1,175,408	\$ 5,682,382	\$ 3,713,889	\$ 13,684,922

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Change in Fair Value of Investments	\$ 74,954	\$ 39,438	\$ 117,309	\$ 66,768	\$ 298,469
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FIDUCIARY FUNDS

Pension Trust Funds

Pension Trust Funds are used to account for public employee retirement systems.

The City maintains the following Pension Trust Funds:

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

Police Officers and Firefighters Consolidated Retirement Fund - to account for the accumulation of resources to be used for pension payments to participants of the City's Consolidated Police Officers and Firefighters Retirement Plan.

Expendable Trust Funds

Expendable Trust Funds are those whose principal and income may be expended in the course of their designated operations.

The City maintains the following Expendable Trust Funds:

Evergreen Cemetery Trust Fund - to account for revenues which will be used to finance perpetual care for certain City cemetery grave sites. Interest income and income from lot sales and perpetual care contracts provide the financing sources.

Thomas Center Fund - to account for donated funds, and interest earned on such funds, which are to be used for certain specific projects involving the Thomas Center.

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

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

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

Art in Public Places Trust Fund - to account for the use of funds to purchase art for the newly renovated City building, and to accumulate funds to provide art that is accessible to the public.

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

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
SEPTEMBER 30, 2001

PENSION TRUST FUNDS

	<u>EMPLOYEES PENSION FUND</u>	<u>POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,725,781	\$ 1,846,328
Equity in Pooled Cash and Investments	3,147,472	-
Investments	140,954,798	64,872,391
Receivables	-	-
TOTAL ASSETS	<u>\$ 146,828,051</u>	<u>\$ 66,718,719</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 24,416	\$ 23,145
Due to Other Funds	-	848,787
Deferred Revenue	-	-
TOTAL LIABILITIES	<u>24,416</u>	<u>871,932</u>

FUND BALANCES

Reserved for Employee Pension Benefits	146,803,635	65,846,787
Reserved for Encumbrances	-	-
Reserved for Noncurrent Receivables	-	-
Unreserved:		
Designated for Future Use	-	-
TOTAL FUND BALANCES	<u>146,803,635</u>	<u>65,846,787</u>

TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 146,828,051</u>	<u>\$ 66,718,719</u>
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EXPENDABLE TRUST FUNDS

<u>EVERGREEN CEMETERY TRUST FUND</u>	<u>THOMAS CENTER FUND</u>	<u>FIFTH AVENUE TAX INCREMENT FUND</u>	<u>DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND</u>	<u>COLLEGE PARK TAX INCREMENT FUND</u>	<u>ART IN PUBLIC PLACES TRUST FUND</u>	<u>SCHOOL CROSSING GUARD TRUST FUND</u>	<u>TOTALS</u>
\$ 121,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,693,533
-	33,198	349,804	551,907	888,310	20,394	147,609	5,138,694
963,097	-	-	-	-	-	-	206,790,286
2,060	-	39,859	117,577	-	-	-	159,496
<u>\$ 1,086,581</u>	<u>\$ 33,198</u>	<u>\$ 389,663</u>	<u>\$ 669,484</u>	<u>\$ 888,310</u>	<u>\$ 20,394</u>	<u>\$ 147,609</u>	<u>\$ 216,782,009</u>
\$ -	\$ -	\$ -	\$ 50,228	\$ 3,000	\$ 1,083	\$ -	\$ 101,872
49,183	-	-	-	-	-	-	897,970
2,385	-	39,859	-	-	-	-	42,244
<u>51,568</u>	<u>-</u>	<u>39,859</u>	<u>50,228</u>	<u>3,000</u>	<u>1,083</u>	<u>-</u>	<u>1,042,086</u>
-	-	-	-	-	-	-	212,650,422
-	-	19,694	156,302	38,140	10,000	-	224,136
-	-	-	117,577	-	-	-	117,577
<u>1,035,013</u>	<u>33,198</u>	<u>330,110</u>	<u>345,377</u>	<u>847,170</u>	<u>9,311</u>	<u>147,609</u>	<u>2,747,788</u>
<u>1,035,013</u>	<u>33,198</u>	<u>349,804</u>	<u>619,256</u>	<u>885,310</u>	<u>19,311</u>	<u>147,609</u>	<u>215,739,923</u>
<u>\$ 1,086,581</u>	<u>\$ 33,198</u>	<u>\$ 389,663</u>	<u>\$ 669,484</u>	<u>\$ 888,310</u>	<u>\$ 20,394</u>	<u>\$ 147,609</u>	<u>\$ 216,782,009</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2001

	EMPLOYEES PENSION FUND	POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND	TOTALS
ASSETS			
Cash and Cash Equivalents	\$ 2,725,781	\$ 1,846,328	\$ 4,572,109
Equity in Pooled Cash and Investments	3,147,472	-	3,147,472
Investments, at fair value	<u>140,954,798</u>	<u>64,872,391</u>	<u>205,827,189</u>
TOTAL ASSETS	146,828,051	66,718,719	213,546,770
LIABILITIES			
Accounts Payable and Accrued Liabilities	24,416	23,145	47,561
Due to Other Funds	-	848,787	848,787
TOTAL LIABILITIES	<u>24,416</u>	<u>871,932</u>	<u>896,348</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 146,803,635</u>	<u>\$ 65,846,787</u>	<u>\$ 212,650,422</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER FUND	FIFTH AVENUE TAX INCREMENT FUND	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND
REVENUES				
Taxes	\$ -	\$ -	\$ 62,822	\$ 226,025
Charges for Services:				
Cemetery Fees	19,775	-	-	-
Parking Fines	-	-	-	-
Total Charges for Services	<u>19,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous:				
Investment Income	(240,607)	2,176	21,714	41,324
Other	-	-	17,226	6,680
Total Miscellaneous	<u>(240,607)</u>	<u>2,176</u>	<u>38,940</u>	<u>48,004</u>
TOTAL REVENUES	<u>(220,832)</u>	<u>2,176</u>	<u>101,762</u>	<u>274,029</u>
EXPENDITURES				
Economic Environment	-	-	20,339	263,927
Culture and Recreation	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>20,339</u>	<u>263,927</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(220,832)</u>	<u>2,176</u>	<u>81,423</u>	<u>10,102</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	35,479	127,649
Debt Proceeds	-	-	-	158,933
Operating Transfers Out	(40,857)	-	-	(54,108)
Operating Transfers to Component Unit	-	-	(24,823)	(105,877)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,857)</u>	<u>-</u>	<u>10,656</u>	<u>126,597</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(261,689)	2,176	92,079	136,699
FUND BALANCES, October 1	<u>1,296,702</u>	<u>31,022</u>	<u>257,725</u>	<u>482,557</u>
FUND BALANCES, September 30	<u>\$ 1,035,013</u>	<u>\$ 33,198</u>	<u>\$ 349,804</u>	<u>\$ 619,256</u>

<u>COLLEGE PARK TAX INCREMENT FUND</u>	<u>ART IN PUBLIC PLACES TRUST FUND</u>	<u>SCHOOL CROSSING GUARD TRUST FUND</u>	<u>TOTALS</u>
\$ 250,709	\$ -	\$ -	\$ 539,556
-	-	-	19,775
-	-	59,823	59,823
-	-	59,823	79,598
52,383	1,187	9,047	(112,776)
6,000	23,500	-	53,406
58,383	24,687	9,047	(59,370)
<u>309,092</u>	<u>24,687</u>	<u>68,870</u>	<u>559,784</u>
22,300	-	-	306,566
-	30,000	-	30,000
<u>22,300</u>	<u>30,000</u>	<u>-</u>	<u>336,566</u>
<u>286,792</u>	<u>(5,313)</u>	<u>68,870</u>	<u>223,218</u>
141,589	2,055	-	306,772
221,083	-	-	380,016
(221,083)	-	(40,000)	(356,048)
(106,478)	-	-	(237,178)
<u>35,111</u>	<u>2,055</u>	<u>(40,000)</u>	<u>93,562</u>
321,903	(3,258)	28,870	316,780
<u>563,407</u>	<u>22,569</u>	<u>118,739</u>	<u>2,772,721</u>
<u>\$ 885,310</u>	<u>\$ 19,311</u>	<u>\$ 147,609</u>	<u>\$ 3,089,501</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations or accounted for in Trust Funds.

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
GENERAL FIXED ASSETS ACCOUNT GROUP
SEPTEMBER 30, 2001

GENERAL FIXED ASSETS

Land	\$ 12,801,771
Buildings	28,306,445
Improvements	5,678,809
Equipment	13,364,416
Construction in Progress	<u>548,148</u>
	60,699,589
Accumulated Depreciation	<u>(27,008,260)</u>

GENERAL FIXED ASSETS, NET **\$ 33,691,329**

INVESTMENT IN GENERAL FIXED ASSETS

General Obligation Bonds	\$ 3,399,577
Revenue Certificates/Notes	9,416,537
General Fund	15,994,702
Gifts and Miscellaneous	4,479,007
County Grants	467,781
State Grants	1,361,578
Federal Grants	7,779,769
Federal Revenue Sharing Funds	2,851,401
Promissory Notes	14,921,479
Lease/Purchases	24,482
Stormwater Fees	<u>3,276</u>
	60,699,589
Accumulated Depreciation	<u>(27,008,260)</u>

INVESTMENT IN GENERAL FIXED ASSETS **\$ 33,691,329**

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
GENERAL FIXED ASSETS ACCOUNT GROUP
SEPTEMBER 30, 2001

<u>FUNCTION/ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS</u>	<u>EQUIPMENT</u>
<u>GENERAL GOVERNMENT</u>					
City Commission	\$ 3,938	\$ -	\$ -	\$ -	\$ 3,938
Clerk of the Commission	268,876	-	-	-	268,876
City Manager	7,599	-	-	-	7,599
City Attorney	84,705	-	-	-	84,705
Computer Services	2,875,485	-	-	-	2,875,485
Finance	1,541,601	-	-	-	1,541,601
Equal Opportunity	4,425	-	-	-	4,425
Community Development	3,398,842	2,815,897	423,138	20,910	138,897
Building Inspections	60,254	-	-	-	60,254
Human Resources	59,927	-	-	-	59,927
Facilities Management	13,574,967	793,305	11,892,173	140,470	749,019
Management and Budget	16,554	-	-	-	16,554
Surplus Items	70,679	-	-	-	70,679
TOTAL GENERAL GOVERNMENT	<u>21,967,852</u>	<u>3,609,202</u>	<u>12,315,311</u>	<u>161,380</u>	<u>5,881,959</u>
<u>PUBLIC SAFETY</u>					
Police Department	8,688,647	352,366	4,083,479	318,382	3,934,420
Fire Department	3,710,792	215,993	1,470,268	37,819	1,986,712
TOTAL PUBLIC SAFETY	<u>12,399,439</u>	<u>568,359</u>	<u>5,553,747</u>	<u>356,201</u>	<u>5,921,132</u>
<u>TRANSPORTATION</u>					
Public Works	3,991,798	1,829,588	929,779	238,183	994,248
Fleet Management	310,037	-	81,301	204,656	24,080
TOTAL TRANSPORTATION	<u>4,301,835</u>	<u>1,829,588</u>	<u>1,011,080</u>	<u>442,839</u>	<u>1,018,328</u>
<u>ECONOMIC DEVELOPMENT</u>					
Economic Development	<u>2,858,364</u>	<u>199,777</u>	<u>2,654,588</u>	-	<u>3,999</u>
<u>CULTURE AND RECREATION</u>					
Cultural Affairs	4,141,662	677,537	2,618,001	750,412	95,712
Recreation	14,482,289	5,917,308	4,153,718	3,967,977	443,286
TOTAL CULTURE AND RECREATION	<u>18,623,951</u>	<u>6,594,845</u>	<u>6,771,719</u>	<u>4,718,389</u>	<u>538,998</u>
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 60,151,441</u>	<u>\$ 12,801,771</u>	<u>\$ 28,306,445</u>	<u>\$ 5,678,809</u>	<u>\$ 13,364,416</u>
CONSTRUCTION IN PROGRESS	<u>548,148</u>				
	<u>60,699,589</u>				
ACCUMULATED DEPRECIATION	<u>(27,008,260)</u>				
GENERAL FIXED ASSETS, NET	<u>\$ 33,691,329</u>				

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
GENERAL FIXED ASSETS ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	GENERAL FIXED ASSETS OCTOBER 1, <u>2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	GENERAL FIXED ASSETS SEPTEMBER 30, <u>2001</u>
<u>GENERAL GOVERNMENT</u>				
City Commission	\$ 3,938	\$ -	\$ -	\$ 3,938
Clerk of the Commission	274,721	-	5,845	268,876
City Manager	6,183	4,805	3,389	7,599
City Auditor	3,652	-	3,652	-
City Attorney	89,208	2,132	6,635	84,705
Computer Services	2,798,186	77,299	-	2,875,485
Finance	1,546,713	-	5,112	1,541,601
Equal Opportunity	2,030	2,395	-	4,425
Community Development	3,366,732	48,555	16,445	3,398,842
Building Inspections	60,254	-	-	60,254
Human Resources	81,072	10,799	31,944	59,927
Facilities Management	13,563,711	11,256	-	13,574,967
Management and Budget	26,257	-	9,703	16,554
Surplus Items	214,324	483,829	627,474	70,679
TOTAL GENERAL GOVERNMENT	<u>22,036,981</u>	<u>641,070</u>	<u>710,199</u>	<u>21,967,852</u>
<u>PUBLIC SAFETY</u>				
Police Department	8,628,185	346,081	285,619	8,688,647
Fire Department	4,041,103	340,384	670,695	3,710,792
TOTAL PUBLIC SAFETY	<u>12,669,288</u>	<u>686,465</u>	<u>956,314</u>	<u>12,399,439</u>
<u>TRANSPORTATION</u>				
Public Works	4,095,968	77,909	182,079	3,991,798
Fleet Management	310,037	-	-	310,037
TOTAL TRANSPORTATION	<u>4,406,005</u>	<u>77,909</u>	<u>182,079</u>	<u>4,301,835</u>
<u>ECONOMIC ENVIRONMENT</u>				
Economic Development	199,777	2,658,587	-	2,858,364
<u>CULTURE AND RECREATION</u>				
Cultural Affairs	3,902,975	240,742	2,055	4,141,662
Recreation	13,380,462	1,125,278	23,451	14,482,289
TOTAL CULTURE AND RECREATION	<u>17,283,437</u>	<u>1,366,020</u>	<u>25,506</u>	<u>18,623,951</u>
<u>CONSTRUCTION IN PROGRESS</u>				
	2,007,968	493,147	1,952,967	548,148
	58,603,456	5,923,198	3,827,065	60,699,589
ACCUMULATED DEPRECIATION	<u>(25,749,947)</u>	<u>(2,413,061)</u>	<u>(1,154,748)</u>	<u>(27,008,260)</u>
GENERAL FIXED ASSETS, NET	<u>\$ 32,853,509</u>	<u>\$ 3,510,137</u>	<u>\$ 2,672,317</u>	<u>\$ 33,691,329</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for long-term liabilities expected to be financed from governmental funds.

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF GENERAL LONG-TERM DEBT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
SEPTEMBER 30, 2001

AMOUNT AVAILABLE IN DEBT SERVICE FUNDS

Public Improvement Revenue Bonds	\$ 1,951,633
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AMOUNT TO BE PROVIDED

Public Improvement Revenue Bonds	\$ 28,285,586
Promissory Notes	1,294,630
Accrued Compensated Absences	2,496,763
Total	<u>32,076,979</u>

TOTAL	\$ 34,028,612
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GENERAL LONG - TERM DEBT PAYABLE

Public Improvement Revenue Bonds	\$ 30,237,219
Promissory Notes	1,294,630
Accrued Compensated Absences	2,496,763

TOTAL	\$ 34,028,612
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CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF GENERAL FUND SOURCES USES OF FUNDS
(in dollars)

Sources (Revenues & Transfers)

FY	REAL	OTHER	LICENSES	FEDERAL	STATE	COUNTY	UTILITY	FINES	CHARGES	OTHER	TOTAL
	PROPERTY	TAXES	& PERMITS				CONTRIBUTIONS		FOR SYCS	REVENUES & TRANSFERS	
	TAX	(1)	(3)	(4)	(5)		(6)		(2)		
92	\$ 7,225,786	\$ 534,986	\$ 1,080,912	\$ 224,787	\$ 5,237,271	\$ 32,059	\$ 18,147,629	\$ 852,104	\$ 10,015,642	\$ 6,894,983	\$ 50,246,159
93	8,500,943	7,288,104	1,411,160	124,571	5,408,540	29,326	18,427,264	921,381	3,795,112	2,047,204	47,953,605
94	8,598,987	7,936,911	1,440,638	144,213	5,496,820	40,286	18,829,265	1,051,622	4,330,577	1,608,705	49,478,024
95	8,482,949	9,305,593	1,409,738	31,272	5,879,041	35,106	19,248,327	1,171,824	4,725,347	1,912,974	52,202,171
96	9,335,018	10,038,049	880,755	-	6,381,350	97,000	19,243,942	1,296,521	4,231,738	1,280,889	52,785,262
97	9,758,851	9,944,548	665,974	1,047,167	6,482,615	-	20,158,023	1,163,218	4,660,394	1,775,875	55,656,665
98	10,262,973	10,526,737	1,516,597	45,666	6,448,122	-	21,406,886	1,454,335	5,086,950	1,251,998	58,000,264
99	10,674,658	10,293,832	1,470,963	12,567	12,506,491	165,000	27,495,624	1,170,052	5,540,870	1,259,729	70,589,786
00	11,400,748	10,944,137	1,545,920	12,099	7,012,365	165,000	23,351,288	1,281,314	5,580,040	1,584,473	62,877,384
01	12,016,711	11,430,383	1,859,727	-	6,989,825	1,415,000	24,330,224	1,208,980	5,627,373	2,354,948	67,233,171

Note:

- (1) Prior to FY93, Utility Taxes were reported under Other Revenues & Transfers
- (2) Refuse Collections beginning in FY93 are reported under the Solid Waste Enterprise Fund.
- (3) Occupational Licenses were recorded in the Economic Development Fund in 96 and 97.
- (4) Federal Aviation Grant received in 97 for Gainesville Airport.
- (5) Contribution from State for Campus Development, University of Florida-\$5,750,000 in 99.
- (6) Transfer from Utility for Leaseback - \$5,138,813 in 99.

Uses (Expenditures & Transfers)

FY	GENERAL	PUBLIC	PHYSICAL	TRANSPOR-	ECONOMIC	HUMAN	CULTURE &	MISC. &	TOTAL
	GOVERNMENT	SAFETY	ENVIRONMENT	TATION	ENVIRONMENT	SERVICES	RECREATION	TRANSFERS	
			(1)						
92	\$ 10,778,951	\$ 22,881,948	\$ 7,079,995	\$ 5,136,212	\$ 82,225	\$ -	\$ 1,872,135	\$ 1,772,676	\$ 49,604,142
93	11,772,939	24,966,501	1,269,514	4,859,158	114,395	-	1,930,719	2,294,297	47,207,523
94	11,906,761	25,265,471	1,271,665	5,201,337	80,802	-	2,074,450	3,987,570	49,788,056
95	12,446,076	25,916,996	1,348,855	5,517,433	143,328	-	2,112,094	4,293,999	51,778,781
96	11,853,453	27,232,997	1,867,361	2,841,481	45,606	-	3,485,909	4,715,346	52,042,153
97	12,893,927	27,946,409	1,526,149	5,393,646	16,030	2,638	2,487,619	4,465,868	54,732,286
98	13,551,817	28,690,343	1,680,616	5,632,289	163,483	-	2,651,807	4,293,153	56,663,508
99	13,958,661	29,550,295	1,728,876	5,704,676	199,893	-	3,160,576	9,968,639	64,271,616
00	14,877,772	31,747,993	1,804,708	6,114,608	235,498	-	3,262,815	4,634,621	62,678,015
01	15,641,299	31,829,470	1,902,396	6,156,720	201,106	-	3,464,763	5,771,487	64,967,241

Note:

- (1) Beginning in FY93, expenditures for refuse collection are reported in the Solid Waste Enterprise Fund.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
PER CAPITA GENERAL FUND REVENUES AND EXPENDITURES
HISTORICAL AND CONSTANT DOLLAR AMOUNTS

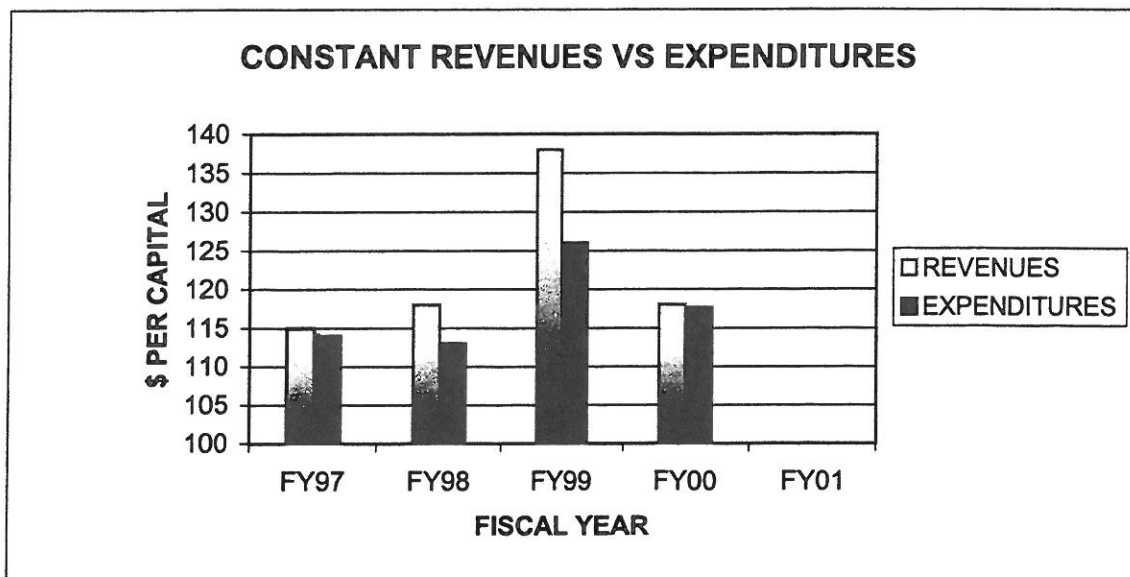
PER CAPITA REVENUES

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Historical Dollars	\$ 557.98	\$ 578.18	\$ 696.12	\$ 615.40	\$ 697.11
% Change Over Previous Year	3.16%	3.49%	20.40%	-13.12%	11.72%
Constant Dollars*	\$ 115.50	\$ 117.95	\$ 138.11	\$ 118.03	\$ 131.20
% Change Over Previous Year	1.03%	3.09%	17.09%	-17.01%	10.04%

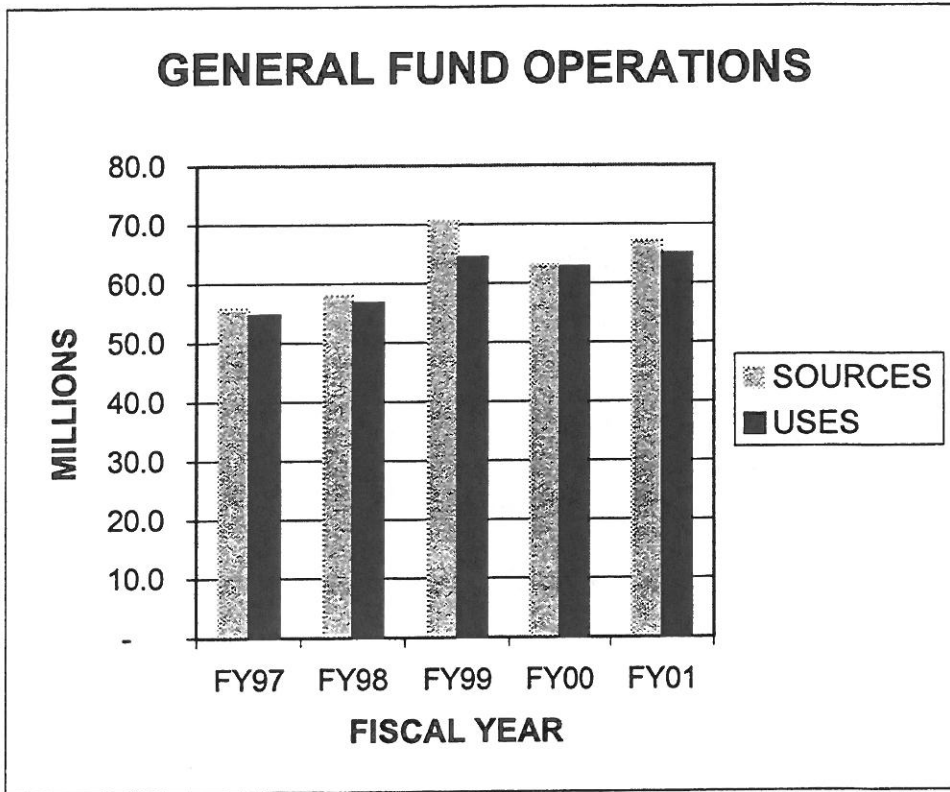
PER CAPITA EXPENDITURES

Historical Dollars	\$ 548.72	\$ 564.86	\$ 633.81	\$ 613.44	\$ 673.61
% Change Over Previous Year	2.92%	2.86%	12.21%	-3.32%	8.93%
Constant Dollars*	\$ 114.31	\$ 112.70	\$ 125.75	\$ 117.66	\$ 126.77
% Change Over Previous Year	0.77%	2.20%	11.58%	-6.88%	7.19%

* Constant Dollars were derived by using the Consumer Price Index base year 1967 = 100.



**CITY OF GAINESVILLE, FLORIDA
 FY 01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 STATISTICAL SECTION
 RATIO OF GENERAL FUND SURPLUS (DEFICIT) TO TOTAL REVENUES**



Ratio of Revenues Less Expenditures to Total Revenues

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
0.018	0.022	0.089	0.003	0.033

A positive ratio indicates a surplus for the year while a negative ratio indicates a deficit for the year. This ratio is one of the primary indicators of the underlying causes of the City's financial position as it directly affects the expendable fund balances.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF LOCAL AD VALOREM TAX RATES AND TAX LEVIES

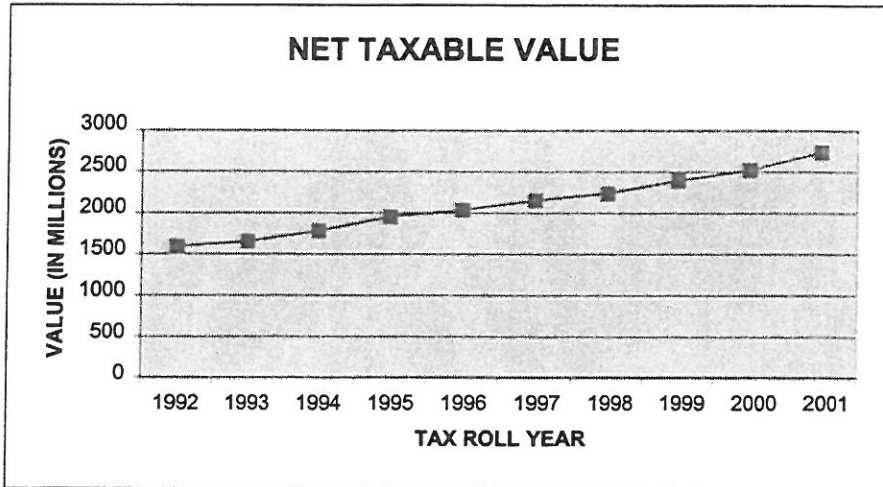
TAX ROLL YEAR	CITY FISCAL YEAR	NET TAXABLE VALUE FOR LOCAL LEVIES	TAX RATES (MILLS)		LOCAL PROPERTY TAX LEVIES		TOTAL TAXES LEVIED
			BONDS AND INTEREST	GENERAL GOVERNMENT	BONDS AND INTEREST	GENERAL GOVERNMENT	
(1)	(2)	(3)	(4 & 6)	(4)			(5)
1992	1992-93	\$ 1,591,052,836	0.1064	5.5700	\$ 169,581	\$ 8,877,517	\$ 9,047,098
1993	1993-94	1,650,314,370	0.0764	5.3995	126,343	8,928,623	9,054,966
1994	1994-95	1,778,820,898	0.0332	4.9659	59,191	8,853,191	8,912,382
1995	1995-96	1,947,684,276	-	4.9659	-	9,672,006	9,672,006
1996	1996-97	2,031,119,313	-	4.9416	-	10,036,976	10,036,976
1997	1997-98	2,150,234,789	-	4.9416	-	10,625,320	10,625,320
1998	1998-99	2,235,759,820	-	4.9416	-	11,047,935	11,047,935
1999	1999-00	2,390,448,252	-	4.9416	-	11,821,291	11,821,291
2000	2000-01	2,521,712,589	-	4.9416	-	12,460,972	12,460,972
2001	2001-02	2,735,232,295	-	4.9416	-	13,516,120	13,516,120

Notes:

- (1) Tax roll year as of January 1st.
- (2) Fiscal year October 1st through September 30th.
- (3) Sum of real and personal property value.
- (4) (a) Tax rates are set by the City Commission effective October 1st.
 (b) Chapter 200.181, Florida Statutes, allows unrestricted ad valorem tax rate levies for debt service for general obligation bonds approved by citizen referendum and imposes a 10 mill limitation on ad valorem tax rates levied for general government operations.
- (5) See page 96 for history of collections.
- (6) The City's General Obligation Bonds Series 1974 were paid in full in Fiscal Year 1995.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY VALUES AND PROPERTY ASSESSMENTS

TAX ROLL YEAR	JUST VALUE OF ALL PROPERTY	TOTAL EXEMPT PROPERTY	NET TAXABLE VALUE
1992	\$ 4,315,089,461	\$ 2,724,036,625	\$ 1,591,052,836
1993	4,442,627,905	2,792,313,535	1,650,314,370
1994	4,658,565,413	2,879,744,515	1,778,820,898
1995	4,987,069,832	3,039,385,556	1,947,684,276
1996	5,407,243,370	3,376,124,057	2,031,119,313
1997	5,813,160,554	3,662,925,765	2,150,234,789
1998	5,906,564,485	3,670,804,665	2,235,759,820
1999	6,117,881,236	3,727,432,984	2,390,448,252
2000	6,221,260,827	3,699,548,238	2,521,712,589
2001	6,633,284,013	3,898,051,718	2,735,232,295



CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF LOCAL AD VALOREM TAX COLLECTIONS

CITY FISCAL YEAR	TOTAL PROPERTY TAXES LEVIED (1)	ADJUSTMENTS & PENALTIES AFTER LEVY (2)	TAXES CERTIFIED FOR COLLECTION (3)	CURRENT TAXES COLLECTED (4)	COLLECTIONS AS A PERCENT OF CERTIFIED (2)	DELINQUENT TAXES COLLECTED (7)	TOTAL PROPERTY TAXES COLLECTED (5)
1991-92	\$ 7,711,119	\$ (9,023)	\$ 7,702,096	\$ 7,577,174	98.4%	\$ 43,913	\$ 7,621,087
1992-93	9,047,098	(19,807)	9,027,291	8,888,653	98.5%	63,338	8,951,991
1993-94	9,054,962	(11,908)	9,043,054	8,954,380	99.0%	58,509	9,012,889
1994-95	8,912,382	(17,427)	8,894,955	8,774,325	98.6%	54,725	8,829,050
1995-96	9,672,006	(932)	9,671,074	9,558,085	98.8%	79,630	9,637,715
1996-97	10,036,976	11,022	10,047,998	9,930,982	98.8%	118,289	10,049,271
1997-98	10,625,320	17,255	10,642,575	10,201,814	96.0%	61,160	10,262,974
1998-99	11,047,935	24,053	11,071,988	10,626,794	96.0%	47,864	10,674,658
1999-00	11,821,291	17,021	11,838,312	11,271,501	95.2%	129,246	11,400,747
2000-01	12,460,972	19,814	12,480,786	12,000,434	96.2%	16,277	12,016,711
2001-02	13,516,120	22,071	13,538,191	for information only; collections begin November 1, 2000			

Notes:

- (1) See page 94 or basis of Taxes levied for Operations and Debt retirement.
- (2) Additions, deletions and adjustments to the net taxable value (page 95) may be made by the Board of County Commissioners and by the Board of Review after the City Commission sets the tax levy. Penalties may be imposed by the County Property Appraiser for late filing of information by owners of personal property, and the County Commission may cancel taxes under certain conditions. This column is the net of such actions.
- (3) The County Tax Collector certifies the amount for collection after all adjustments. Tax bills paid in November receive a 4% discount; bills paid in December through March receive 3%, 2%, 1%, or 0%, respectively, and those paid after March 31st are subject to a 3% penalty. The County Tax Collector distributes tax collections at least twice each month in November and December and at least monthly thereafter.
- (4) Collected taxes include the legally credited discounts referred to in Note (3) above; also see page 24. Real property taxes and penalties not paid become subject to sale (by June 1st) as interest-bearing tax sale certificates at public auction. Tax sale certificates not sold at auction are retained in the name of the County; those not redeemed within two years are "foreclosed" and the property is sold at public auction, with any sales proceeds distributed on a pro-rata basis to interested taxing authorities.
- (5) Unpaid personal property taxes become a lien on the personal property assessed, and through Court action the property can be attached and sold at public auction.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY TAX LEVIES COMPARED WITH COLLECTIONS

TAX ROLL YEAR	TOTAL TAX LEVIED	CURRENT TAX COLLECTION	OUTSTANDING PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTED AS A % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	DELINQUENT TAXES AS A % OF CURRENT LEVY
1992	\$ 9,047,098	\$ 8,888,653	98.2%	\$ 63,338	\$ 8,951,991	98.9%	\$ 65,658	0.73%
1993	9,054,962	8,954,380	98.9%	58,509	9,012,889	99.5%	67,884	0.75%
1994	8,912,382	8,774,325	98.5%	54,725	8,829,050	99.1%	88,817	1.00%
1995	9,672,006	9,558,085	98.8%	79,630	9,637,715	99.6%	83,776	0.87%
1996	10,036,976	9,930,982	98.9%	118,289	10,049,271	100.1%	96,391	0.96%
1997	10,625,320	10,201,814	96.0%	61,160	10,262,974	96.6%	66,726	0.63%
1998	11,047,935	10,626,794	96.2%	47,864	10,674,658	96.6%	71,624	0.65%
1999	11,821,291	11,271,501	95.3%	129,246	11,400,747	96.4%	77,502	0.66%
2000	12,460,972	12,000,434	96.3%	16,277	12,016,711	96.4%	106,067	0.85%
2001	13,516,120	for information only; collections begin November 1, 2000						

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY TAX RATES AND TAX LEVIES
ALL DIRECT OVERLAPPING GOVERNMENTS APPLICABLE TO THE CITY OF GAINESVILLE

TAX ROLL YEAR	CITY OF GAINESVILLE	COUNTY OF ALACHUA	ALACHUA COUNTY SCHOOL DISTRICT	ST. JOHNS WATER MGMT DISTRICT	ALACHUA COUNTY LIBRARY DISTRICT	TOTAL ALL DIRECT & OVERLAPPING GOVERNMENTS
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(1)

Tax Rate (mills) (Including Debt Service)

1992	5.6764	9.2800	11.6520	0.3580	1.7898	28.7562
1993	5.4759	9.2820	11.6080	0.4700	1.8408	28.6767
1994	4.9991	9.2810	12.1770	0.4820	1.8408	28.7799
1995	4.9659	9.2810	12.1770	0.4820	1.8408	28.7467
1996	4.9416	9.2810	12.1770	0.4820	1.8408	28.7224
1997	4.9416	9.0290	12.1770	0.4820	1.8107	28.4403
1998	4.9416	8.7700	11.8240	0.4820	1.8107	27.8283
1999	4.9416	8.7700	10.9560	0.4820	1.9000	27.0496
2000	4.9416	8.7650	10.8030	0.4720	1.9000	26.8816
2001	4.9416	9.0009	10.4360	0.4620	1.6789	26.5194

Tax Levies (Including Debt Service)

1992	\$ 9,031,184	\$ 14,764,585	\$ 18,538,396	\$ 569,531	\$ 2,847,598	\$ 45,751,294
1993	9,036,672	15,318,295	19,156,865	612,263	3,037,908	47,162,003
1994	8,892,506	16,477,799	21,619,375	670,375	3,268,218	50,928,273
1995	9,672,006	18,076,558	23,717,037	733,166	3,585,304	55,784,071
1996	10,036,976	18,853,632	24,736,549	759,916	3,739,260	58,126,333
1997	10,625,320	19,351,516	26,182,628	794,857	3,893,321	60,847,642
1998	11,047,935	20,186,675	27,224,847	1,077,636	4,048,290	63,585,383
1999	11,821,291	20,964,231	28,264,660	1,152,196	4,328,385	66,530,763
2000	12,460,972	22,102,810	27,242,061	1,190,248	4,791,253	67,787,344
2001	13,516,120	22,697,683	26,316,593	1,165,031	4,233,703	67,929,130

Note:

(1) Alachua County millage rate includes only operating and debt service; MSTU is not included in these rates.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SPECIAL ASSESSMENTS FUND
(Street, Sidewalk and Ditch Improvement Fund)

FISCAL YEAR	OUTSTANDING ASSESSMENTS AT BEGINNING OF YEAR	CURRENT ASSESSMENTS LEVIED	TOTAL ASSESSMENTS	ASSESSMENTS COLLECTED	PERCENTAGE OF COLLECTIONS TO TOTAL DUE
1990-91	\$ 8,253	\$ 74,684	\$ 82,937	\$ 22,778 (1)	27.5%
1992-93	60,159	-	60,159	14,603 (2)	24.3%
1993-94	45,556	-	45,556	9,096 (3)	20.0%
1994-95	36,460	-	36,460	3,135 (4)	8.6%
1995-96	33,325	-	33,325	7,249 (5)	21.8%
1996-97	26,077	-	26,077	2,692 (6)	10.3%
1997-98	23,385	-	23,385	2,500	10.7%
1998-99	20,885	-	20,885	1,159	5.5%
1999-00	19,726	-	19,726	3,919	19.9%
2000-01	15,807	27,286	43,093	29,915	69.4%

Notes:

- (1) Assessments collected include \$18,749 which was remitted to the Utilities Funds in FY1991-92.
- (2) Assessments collected include \$12,178 which was remitted to the Utilities Funds in FY1992-93.
- (3) Assessments collected include \$8,102 which was remitted to the Utilities Funds in FY1993-94.
- (4) Assessments collected include \$2,329 which was remitted to the Utilities Funds in FY1994-95.
- (5) Assessments collected include \$7,184 which was remitted to the Utilities Funds in FY1995-96.
- (6) Assessments collected include \$2,628 which was remitted to the Utilities Funds in FY1996-97.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
LEGAL DEBT MARGIN AND
RATIO OF CITY'S GROSS BONDED DEBT TO TAXABLE VALUE
AND BONDED DEBT PER CAPITA

Legal Debt Margin

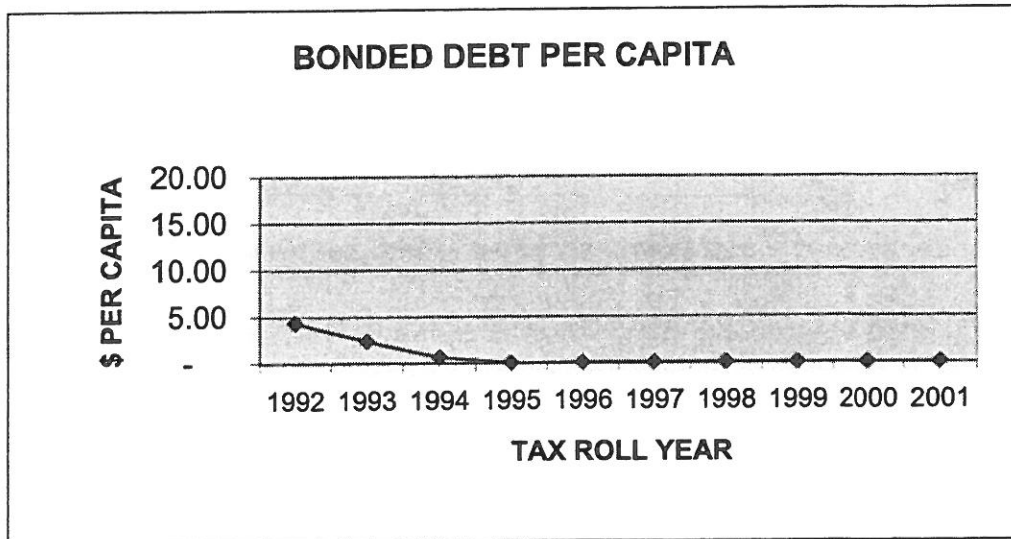
Taxable Value = \$2,390,448,252

Legal Debt Limit = None (1)

TAX ROLL YEAR	TAXABLE VALUE (JANUARY 1)	BONDED DEBT (SEPTEMBER 30)	BONDED DEBT RATIO	CITY POPULATION (APRIL 1)	BONDED DEBT PER CAPITA
1992	\$ 1,591,052,836	\$ 370,000	0.02%	85,587	4.32
1993	1,650,314,370	220,000	0.01%	93,091	2.36
1994	1,778,820,898	60,000	0.003%	93,969	0.64
1995	1,947,684,276	- (2)	-	96,051	-
1996	2,031,119,313	-	-	97,693	-
1997	2,150,234,789	-	-	99,870	-
1998	2,235,759,820	-	-	100,315	-
1999	2,390,448,252	-	-	101,405	-
2000	2,521,712,589	-	-	95,447	-
2001	2,735,232,295	-	-	96,446	-

Notes:

- (1) Chapter 200.181, Florida Statutes, allows unrestricted ad valorem tax rate levies for debt service requirements for general obligation approved by voter referendum.
- (2) The City's General Obligation Bonds Series 1974 were paid in full in fiscal year 1995.



CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT (5)

TAXING AUTHORITY	TAXABLE PROPERTY VALUE (2)	GENERAL OBLIGATION BONDED DEBT (3)	PERCENT OF DEBT APPLICABLE TO CITY	CITY'S SHARE OF DEBT (4)
City of Gainesville	\$ 2,735,232,295	\$ -	100.00%	\$ -
Alachua County	6,655,961,286	115,000	41.09%	47,254
Alachua County Schools	6,656,767,656	<u>87,320,000</u>	<u>41.09%</u>	<u>35,879,788</u>
		<u>\$ 87,435,000</u>	41.09%	<u>\$ 35,927,042</u>

Notes:

- (1) The above information on bonded debt does not include self supporting and non-self supporting revenue bonds, certificates, and notes as follows (reserves and/or sinking fund balances have not been deducted).
- (2) As of January 1, 1983 homestead property of certain qualified residents is eligible for up to \$25,000 value exemption.
- (3) Reserves and sinking fund balances have not been deducted.
- (4) Chapter 200.181, Florida Statutes, allows unrestricted ad valorem tax rate levies for debt service for general obligation bonds approved by voter referendum.

TAXING AUTHORITY	SELF SUPPORTING	NON-SELF SUPPORTING	TOTALS
Alachua County	\$ -	\$ 52,530,000	\$ 52,530,000
Alachua County Schools	-	-	-
City of Gainesville:			
Utilities	430,038,952	-	430,038,952
Other than Utilities	<u>-</u>	<u>31,531,849</u>	<u>31,531,849</u>
	<u>\$ 430,038,952</u>	<u>\$ 84,061,849</u>	<u>\$ 514,100,801</u>

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
RATIO OF ANNUAL GENERAL OBLIGATION BONDS DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND SOURCES AND USES (1)

FISCAL YEAR	GENERAL OBLIGATION DEBT SERVICE EXPENDITURES			RATIO OF DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND	
	PRINCIPAL	INTEREST	TOTAL	SOURCES	USES
1991-92	\$ 140,000	\$ 32,860	\$ 172,860	0.34	0.35
1992-93	150,000	23,900	173,900	0.36	0.37
1993-94	160,000	14,300	174,300	0.35	0.35
1994-95	60,000	3,900	63,900	0.12	0.12
1995-96	-	-	-	-	-
1996-97	-	-	-	-	-
1997-98	-	-	-	-	-
1998-99	-	-	-	-	-
1999-00	-	-	-	-	-
2000-01	-	-	-	-	-

These ratios measure the amount of principal and interest the City pays each year compared to its total sources and uses of funds. These debt service payments are usually fixed and actually represent a legal claim on the City's resources. As debt service increases, the City's expenditure flexibility is reduced; thus resulting in increased fiscal strain. A ratio below 10% for total debt service is considered good.

Note:

- (1) The historical total sources and uses of General Funds are summarized on page 91. Debt service expenditures are included within those total uses under "General Government".

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SCHEDULE OF STATE GUARANTEED ENTITLEMENT REVENUE
DEBT SERVICE BOND COVERAGE RATIO

FISCAL YEAR	DEBT SERVICE EXPENDITURES (Excluding Reserve Requirements)			STATE "GUARANTEED ENTITLEMENT" REVENUE	DEBT SERVICE COVERAGE RATIO
	PRINCIPAL	INTEREST	TOTAL		
1991-92	\$ 580,000	\$ 304,533	\$ 884,533	\$ 1,100,340	1.24
1992-93	635,000	275,614	910,614	1,100,340	1.21
1993-94 (1)	520,455	121,486	641,941	1,100,340	1.71
1994-95	350,000	745,973	1,095,973	1,100,340	1.00
1995-96	365,000	733,721	1,098,721	1,100,340	1.00
1996-97	380,000	719,121	1,099,121	1,100,340	1.00
1997-98	395,000	702,973	1,097,973	1,100,340	1.00
1998-99	415,000	685,198	1,100,198	1,100,340	1.00
1999-00	430,000	666,004	1,096,004	1,100,340	1.00
2000-01	450,000	645,579	1,095,579	1,100,340	1.00

Note:

(1) Figures for FY1993-94 exclude \$8,304,545 paid to defease the Public Improvement Revenue Certificates of 1987. These certificates were defeased by a portion of the proceeds of the Guaranteed Entitlement Revenue and Refunding Bonds of 1994. Total debt service requirements for FY1993-94 reflect principal payments on the Series 1987 debt prior to defeasance and the principal payment of August 1, 1994, for the Series 1994.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
RATIO OF ANNUAL TOTAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND SOURCES AND USES (1)

FISCAL YEAR	TOTAL DEBT SERVICE EXPENDITURES (Excluding Utilities)			RATIO OF DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND	
	PRINCIPAL	INTEREST	TOTAL	SOURCES	USES
1991-92	\$ 1,472,917	\$ 744,669	\$ 2,217,586	4.41	4.47
1992-93	1,470,000	1,264,322	2,734,322	5.70	5.79
1993-94 (2)	1,420,818	1,123,465	2,544,283	5.14	5.11
1994-95	1,827,968	1,790,801	3,618,769	6.93	6.99
1995-96	1,799,792	1,730,744	3,530,536	6.69	6.78
1996-97	2,122,484	1,933,682	4,056,166	7.25	7.41
1997-98 (3)	2,042,770	1,789,423	3,832,193	6.61	6.76
1998-99	2,601,200	1,742,472	4,343,672	6.15	6.76
1999-00	1,833,297	1,501,676	3,334,973	5.30	5.32
2000-01	1,663,689	1,477,860	3,141,549	4.67	4.84

These ratios measure the amount of principal and interest the City pays each year compared to its total sources and uses of funds. These debt service payments are usually fixed and actually represent a legal claim on the City's resources. As debt service increases, the City's expenditure flexibility is reduced; thus resulting in increased fiscal strain.

A ratio below 10% for total debt service is considered good. As indicated above, the City's ratio remains well below this level.

Notes:

- (1) The historical total sources and uses of General Funds used in the computation of these ratios are summarized on page 99. Debt service expenditures are included within those total uses under "General Government".
- (2) Figures for FY1993-94 exclude \$8,304,545 paid to defease the Public Improvement Revenue Certificates of 1987.
- (3) Figures for FY97-98 exclude \$8,910,000 paid to defease the FFGFC series 1982 Bonds.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SCHEDULE OF UTILITY REVENUE DEBT SERVICE COVERAGE RATIO

FISCAL YEAR	DEBT REQUIREMENTS (1)	NET UTILITY REVENUES (2)	DEBT SERVICE COVERAGE RATIO
1991-92	\$ 33,865,283	\$ 64,460,046	1.90
1992-93	33,679,868	66,026,882	1.96
1993-94	42,622,279	61,727,973	1.45
1994-95	47,234,795	67,188,372	1.42
1995-96	51,396,381	72,107,935	1.40
1996-97	44,196,126	77,547,009	1.75
1997-98	39,470,246	80,273,040	2.03
1998-99	33,891,908	331,155,218 (3)	9.77
1999-00	34,904,989	84,465,494	2.42
2000-01	37,677,047	90,284,791	2.40

Notes:

- (1) Excludes capitalized interest.
- (2) Utility net revenues include electric, gas, water and sewer charges to customers. According to Bond Ordinances; i.e. before depreciation and debt service charges, but including certain connection charges and excluding interest earnings on investments from the construction trust fund.
- (3) Revenues include revenue of \$249,220,553 from leaseback. The coverage ratio excluding the revenue from the leaseback would be 2.42.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

CITY GOVERNMENT

Establishment of Town	1854
Date of Incorporation	1869
Adoption of Present Charter	1927
Form of Government	Commission-Manager
Fiscal Year Begins	October 1st
Terms of Office	
- Mayor	Three Years (two term limit)
- Commissioners	Three Years (two term limit)
Number of Registered Voters	54,352
Number of Voter Turnout in Last City General Election (Includes split City/County Precincts)	13,203 (24%)

LOCATION (1)

Area	53.41 square miles
Latitude	82.20' West
Longitude	29.39' North
Elevation	185 feet

<u>Distance & Direction to Major Cities:</u>	<u>Highway Miles</u>		<u>Average Air Minutes</u>
Jacksonville	70	NE	20
Tallahassee	144	NW	25-30
Tampa/St. Petersburg	128	SW	30
Orlando	109	SE	30
Miami	332	South	60
Atlanta	324	North	60

CLIMATE (1)

Average Annual Temperature	Maximum 82.1 Minimum 56.5
Average Hours of Sunshine	2,803
Average Annual Precipitation	35.25
Growing Season	255 days

PUBLIC SAFETY

Gainesville Police Department	237 Sworn Personnel 90 Civilian Personnel
Gainesville Fire-Rescue	141 Sworn Personnel 7.5 Civilian Personnel

Sources: (1) Gainesville Area Chamber of Commerce

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EDUCATION

Public Schools: (1)

Elementary Schools	25 schools, enrollment 12,741
Middle Schools	8 schools, enrollment 6,569
High Schools	7 schools, enrollment 9,686
Special Schools	7 schools, enrollment 478
Charter Schools	9 schools, enrollment 702
Teacher Certification	State requirement
Public School Teachers	1,968
Student Membership	30,176

University of Florida:

Enrollment	1992	35,108
	1993	35,978
	1994	37,678
	1995	38,730
	1996	39,137
	1997	41,040
	1998	42,336
	1999	43,943
	2000	45,573
	2001	46,798
Faculty	3,698 full-time, 223 part-time	
Degrees Offered	95 Undergraduate	
	197 Graduate	
	5 Professional (Law, Veterinary Medicine, Medicine, Pharmacy, Dentistry)	
	12 Specialist	
	14 Engineer	

Santa Fe Community College:

Enrollment	1992	11,813
	1993	12,173
	1994	12,435
	1995	12,525
	1996	12,600
	1997	12,086
	1998	12,519
	1999	12,795
	2000	12,726
	2001	13,516

Faculty	320 full-time, 519 part-time	
Degrees Offered	Associate of Arts	
	Associate of Science	
	Associate of Applied Science	
	Certificate of Training	
	Technical Certificate	

(1) Source: School Board of Alachua County

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

TRANSPORTATION

FY 2000-01 AIR TRAFFIC VOLUME
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT (1)

	Enplanements	Deplanements
October	12,672	12,585
November	12,206	12,084
December	11,045	11,319
January	9,642	9,991
February	9,207	9,713
March	12,501	12,827
April	11,450	11,673
May	11,049	10,734
June	11,091	10,843
July	10,310	10,812
August	10,424	11,327
September	<u>6,912</u>	<u>6,531</u>
TOTAL	128,509	130,439

MAIN BUS RIDERSHIP (2)
REGIONAL TRANSIT SYSTEM
FY1999 - FY2001

	FY99	FY00	FY01
October	496,235	558,248	708,973
November	368,468	473,821	576,412
December	258,194	269,268	279,650
January	438,616	442,155	594,639
February	463,478	562,753	671,754
March	410,398	469,525	536,325
April	384,815	449,763	551,094
May	218,466	264,765	322,747
June	226,372	264,005	306,840
July	251,095	275,911	350,192
August	337,106	440,038	586,880
September	<u>556,793</u>	<u>705,838</u>	<u>817,786</u>
TOTAL	4,410,036	5,176,090	6,303,292

MOTOR FREIGHT SERVICE (3) 30 common carriers, 4 with terminals
HIGHWAY ROUTES (3) Interstate 75, U.S. Highways 441, 301, 27, and 41 and Florida 20, 24, 26
RAIL SERVICE (3) Freight Service by CSX Transportation, passenger service by Amtrak
BUS SERVICE (3) Transcontinental & Intercity by Greyhound/Trailways; Intracity by
Regional Transit System, including minibus service for the handicapped

Sources: (1) Gainesville-Alachua County Regional Airport
(2) Regional Transit System
(3) Gainesville Area Chamber of Commerce

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

GENERAL DEMOGRAPHICS

YEAR	POPULATION	BUILDING PERMITS	VALUE OF CONSTRUCTION	BANK DEPOSITS	TELEPHONE SERVICES
	(1)	(2)	(2)	(3)	(4 & 5)
1992	85,587	1,586	60,276,294	1,308,215,000	98,854
1993	93,091	2,029	56,749,240	1,321,601,000	103,016
1994	93,969	1,199	52,269,076	1,350,500,000	116,907
1995	96,051	1,296	44,415,674	1,380,800,000	123,336
1996	97,693	2,352	61,360,847	1,457,800,000	-
1997	99,870	2,141	73,271,432	1,480,144,000	-
1998	100,315	6,732	71,237,896	1,523,035,000	-
1999	101,405	5,928	80,419,905	1,536,350,000	-
2000	95,447	5,654	80,405,644	1,689,808,000	-
2001	96,446	7,727	88,964,534	1,792,141,000	-

- Sources: (1) 1992-2001 University of Florida Bureau of Economic and Business Research.
(2) City of Gainesville Building Inspection Department.
(3) 1992-96 Florida Bankers Association, Branch Deposit Report;
1997-01 Suntrust Banks of Florida Marketing Department
(4) Southern Bell
(5) Information is no longer available from local exchange.

MEDICAL FACILITIES

Hospitals - Acute Care	6: Total Beds 1,811
Nursing Home Care	3
Doctors	2,000 Physicians & Surgeons
Dentists	135

Source: Gainesville Area Chamber of Commerce and Gainesville Council for Economic Outreach

COMMUNICATIONS

Major Newspaper	Gainesville Sun Circulation: Avg. Daily 55,000
Radio Stations	4AM, 12FM
Television Stations	4

Source: Gainesville Area Chamber of Commerce

CITY OWNED PARKING FACILITIES

On street metered spaces	240
Off street metered spaces	59
Permit parking spaces	146
Non-metered spaces, central City district	376
Handicapped, off street not metered	17
Handicapped, central City district	11
Reserved, central City district	344
Loading, central City district	12

Source: City of Gainesville Traffic Engineering Division

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>
1992	4.90%
1993	4.00%
1994	3.80%
1995	3.60%
1996	2.90%
1997	2.80%
1998	2.40%
1999	2.70%
2000	1.90%
2001	2.40%

Source: Florida Department of Labor and Employment Security

Gainesville MSA Total Non-agricultural Employment:

Manufacturing	4.20%
Trade	19.85%
Services	32.37%
Government	33.44%
Transportation & Public Utilities	2.06%
Construction	3.30%
Finance, Insurance & Real Estate	4.78%

Source: Florida Department of Labor and Employment Security

Ten Largest Employers:

<u>Firm</u>	<u>Product/Business</u>	<u>Employees</u>
University of Florida	Education	11,870
Shands Hospital at the University of Florida	Health Care	7,550
School Board of Alachua County	Education	4,135
Florida Department of Children and Families	State Family Services	2,429
Publix Supermarkets	Grocer	1,896
City of Gainesville	Municipal Government	1,843
Veterans Affairs Medical Center	Health Care	1,550
North Florida Regional Medical Center	Health Care	1,500
Santa Fe Community College	Education	1,350
Winn Dixie Supermarkets	Grocer	1,049

Source: Council for Economic Outreach

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

EMPLOYMENT

(continued)

Other Significant Area Employers:

<u>Firm</u>	<u>Product/Business</u>	<u>Employees</u>
Nationwide Insurance Co.	Insurance	950
Alachua County	Government	747
U.S. Postal Service	Government	652
Moltech Power Systems	Manufacturer	617
Tower Hill Insurance Group	Insurance	467
Gator Dining Services	Food Service	450
Bellsouth Telecommunications, Inc.	Telecommunication	430
Dollar General Distribution Center	Retail Sales	400
AvMed Health Plan	Health Care	385
Meridien Health Care	Health Care	350
CH2M Hill Southeast, Inc	Engineering Consultants	350
Regeneration Technologies, Inc.	Biotechnical R&D & Manufacturing	343
The Gainesville Sun	Newspaper	287
Florida Farm Bureau	Insurance	280
UF Athletic Association	Inter-Collegiate Athletics	263
Medical Manager	Computer Software	250
J.C. Penney Company	Retail Sales	250
Kash-n-Karry	Grocer	240
Clariant LMS	Manufacturer	240
Driltech	Manufacturer	215

Source: Gainesville Area Chamber of Commerce and Gainesville Council for Economic Outreach

PRINCIPAL TAXPAYERS

(Real Estate & Tangible Taxpayers)

<u>Owner/Taxpayer</u>	<u>Business Category</u>	<u>Taxable Value</u>	<u>% of Total</u>
Bellsouth Telecommunications, Inc.	Communications	\$ 69,925,280	2.77%
Oaks Mall Gainesville Ltd Partnership	Retail Sales	43,450,400	1.72%
Florida Power Corporation	Utility	35,130,280	1.39%
Cox Cable University City, Inc.	Telecommunications	29,012,690	1.15%
HCA Health Services of Florida	Health Care	27,406,900	1.09%
Metal Container Corporation	Manufacturing	20,732,070	0.82%
Clariant Life Science, Molecules	Manufacturing	18,668,720	0.74%
North Florida Regional Hospital	Health Care	14,422,560	0.57%
Congregate Care Asset III. Ltd.	Congregate Care	12,509,400	0.50%
Industrial Plants Corp.	Manufacturing	9,730,200	0.39%
All Others	-	2,522,338,420	88.86%
TOTAL ALL TAXPAYERS		\$ 2,803,326,920	100.00%

Source: Alachua County Property Appraiser

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

TREND IN SALES OF UTILITY SERVICES (1)

Sales by Type of Service	2000-01		1999-00		1998-99	
	NUMBER OF SERVICES	TOTAL REVENUE	NUMBER OF SERVICES	TOTAL REVENUE	NUMBER OF SERVICES	TOTAL REVENUE
Electricity:						
Residential	71,975	\$ 45,603,957	70,796	\$ 44,288,788	68,096	\$ 43,258,790
General Service	8,556	33,282,098	8,408	32,562,768	8,134	31,845,327
Large Power	17	5,309,904	17	5,357,960	17	5,209,606
Traffic & Street Lights	9	1,651,751	9	1,622,632	9	1,545,680
Rental Lights	2,798	1,340,698	2,767	1,265,571	2,691	1,203,790
Bulk & Economy Sales	3	17,446,472	7	15,391,591	20	16,597,974
Fuel Adjustment (Revenue)	-	45,036,029	-	38,975,261	-	29,918,347
	<u>83,358</u>	<u>\$ 149,670,909</u>	<u>82,004</u>	<u>\$ 139,464,571</u>	<u>78,967</u>	<u>\$ 129,579,514</u>
Gas:						
Residential	27,243	\$ 11,697,095	26,555	\$ 7,956,943	25,680	\$ 5,997,204
Interruptible/Commercial	1,602	9,300,554	1,611	6,686,254	1,593	4,897,209
Liquid Propane	95	62,227	146	71,147	106	58,447
	<u>28,940</u>	<u>\$ 21,059,876</u>	<u>28,312</u>	<u>\$ 14,714,344</u>	<u>27,379</u>	<u>\$ 10,952,860</u>
Water:						
General Customers	58,791	\$ 10,139,709	57,998	\$ 9,700,240	55,568	\$ 9,593,105
University of Florida	51	617,090	49	622,596	49	601,453
Fire Hydrants	7	995,232	7	989,702	7	970,460
Electric Plants	4	27,560	3	42,504	3	58,194
	<u>58,853</u>	<u>\$ 11,779,591</u>	<u>58,057</u>	<u>\$ 11,355,042</u>	<u>55,627</u>	<u>\$ 11,223,212</u>
Wastewater Service Fees:						
Customer Billings	<u>52,260</u>	<u>\$ 14,362,202</u>	<u>51,526</u>	<u>\$ 14,100,390</u>	<u>49,423</u>	<u>\$ 13,906,750</u>

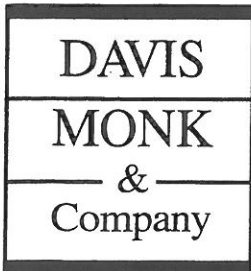
Notes:

(1) Sales figures do not include year end adjustments for unbilled receivables.

CITY OF GAINESVILLE, FLORIDA
FY01 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

CULTURAL AND RECREATION

- Art Galleries:** University Gallery, Thomas Center Main and Mezzanine Galleries, Hippodrome Galleries, Hogtown Collector, Grinter Galleries, Focus Gallery, Santa Fe Gallery, Gainesville Artisans' Guild Gallery, Hippodrome Galleries
- Dance/Music:** Gainesville Ballet Theatre, Dance Alive!, Dansecompany of Gainesville, Inc., Floridance Company, University Symphony Orchestra, Gainesville Chamber Orchestra, Gainesville Community Band, Gainesville Friends of Jazz and Blues
- Museums:** Florida Museum of Natural History, Fred Bear Museum, Samuel P. Harn Museum of Art, Matheson Historical Center
- Theatre:** Hippodrome State Theatre, Gainesville Community Playhouse, Acrosstown Repertory Theatre, The Fable Factory, Inc., Theatre Santa Fe, University of Florida Center for the Performing Arts, the University of Florida Players, the All Children's Theatre, the Children's Theatre for the Deaf
- Libraries:** Alachua County Library District Public Library, University of Florida Library, Santa Fe Community College Library
- Art Shows/Festivals** Spring Arts Festival, Spring Garden Festival, Florida Arts Celebration, Downtown Festival and Art Show, Blizzard Bash, Fifth Avenue Arts Festival, Hoggetowne Medieval Faire
- Parks:** 27 Parks and playgrounds
- Other Area Attractions:** Santa Fe Community College Zoo, Kanapaha Botanical Gardens, Bivens Arm Nature Park, Devil's Millhopper State Geological Site, Morningside Nature Center, Paynes Prairie State Preserve, Alfred A. Ring Park, Boulware Springs Park, Gainesville to Hawthorne Rail Trail, Gum Root Park, San Felasco Hammock State Preserve, Loblolly Environmental Facility, UF Teaching Observatory, and the Hogtown Creek Greenway.
- Sources:** Gainesville Area Chamber of Commerce, City of Gainesville Department of Cultural Affairs, City of Gainesville Recreation and Parks Department



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International

MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Gainesville, Florida:

We have audited the general purpose financial statements of the City of Gainesville, Florida (the City), as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated December 14, 2001. Our report on the general purpose financial statements included a reference to the report of other auditors and included a paragraph explaining that the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33. The other auditors issued a separate management letter dated November 21, 2001. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

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

- As required by the Rules of the Auditor General, we determined that the annual financial report for the City for the fiscal year ended September 30, 2001, was filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit report. It should be noted that the annual financial report includes the accounts of the Gainesville Housing Authority, which the State of Florida has characterized as a dependent special district. Pursuant to the provisions of GASB Statement No. 14, the City's general purpose financial statements do not include the Gainesville Housing Authority in the financial reporting entity.
- The scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, *Determination of Financial Emergency*. Our review did not reveal any conditions indicative of a state of financial emergency as described in that section.

- As required by the Rules of the Auditor General, we applied financial condition assessment procedures pursuant to Rule 10.556(8). The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.
- As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.
- The Rules of the Auditor General stipulate that auditors should review the status of prior-audit findings. There were two findings reported in the City's audit report for the year ended September 30, 2000, neither of which is repeated in the accompanying Schedule of Findings and Questioned Costs.

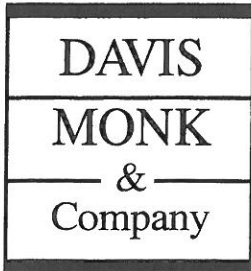
Following this letter are our reports on compliance and on internal control relative to financial reporting and financial assistance programs. Also, other auditors have issued a separate management letter relative to Gainesville Regional Utilities. The comments in those documents should be considered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

This management letter is intended solely for the information and use of the Audit and Finance Committee, management and appropriate audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Thank you for the cooperation and courtesies extended to us during the course of our audit. We have sincerely enjoyed our association with the City and look forward to a continuing relationship. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



December 14, 2001
Gainesville, Florida



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Commissioners
City of Gainesville, Florida:

We have audited the general purpose financial statements of the City of Gainesville, Florida (the City), as of and for the year ended September 30, 2001, and have issued our report thereon dated December 14, 2001. Our report on the general purpose financial statements included a reference to the report of other auditors and included a paragraph explaining that the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 01-1.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. Other auditors, who audited the financial statements of Gainesville Regional Utilities, noted other matters involving the internal control over financial reporting, which they reported to management in a separate letter dated November 21, 2001.

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

A handwritten signature in cursive script that reads "Davis, Mark S. Company". The signature is written in dark ink and is positioned above the typed name and date.

December 14, 2001
Gainesville, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001
CITY OF GAINESVILLE, FLORIDA**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Housing Counseling	14.169	\$ 502	
Block Grant – Entitlement	14.218	1,763,494	
Supportive Housing	14.235	83,537	
Supportive Housing – VETSPACE	14.235	81,571	\$165,108
Home Investment Partnership Grant	14.239	913,541	
Depot Avenue Project	14.246	74,265	
Cedar Grove Housing Project	FL29SPG503	8,815	
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Federal Transit Administration - Operating and Capital Assistance	20.507	3,238,983	
Field Test of Automated Data MUCC	20.600	229	
Computerized Sign Program	20.600	26,802	
Regional Crash Data Center	20.600	42,978	
Gainesville Youth Alcohol	20.600	6,566	\$76,575
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Florida Department of Education: Summer Nutrition Program	10.559	56,701	
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Gainesville Regional Juvenile Assessment Center	16.541	51,367	
Comprehensive Juvenile Justice Crime Prevention	16.541	26,415	\$77,782
Byrne Anti-terrorism Grant	16.579	3,108	
Byrne Youth Alcohol/Party Patrol Program	16.579	37,451	\$40,559
Local Law Enforcement Block Grant 5	16.592	146,952	
Weed & Seed 3	16.595	919	
Weed & Seed 4	16.595	116,684	
Weed & Seed 5	16.595	10,932	
DEA Cost Reimbursement Year 3	16.595	5,137	
DEA Cost Reimbursement Year 4	16.595	26,964	
DEA Cost Reimbursement Year 5	16.595	10,196	\$170,832
Cops Universal Hiring Year 2	16.710	39,231	
Cops Technology	16.710	233,012	
Cops in School	16.710	108,268	\$380,511
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Wetlands Protection State Development	66.461	25,668	
Water Quality Program Special Project	66.606	243	
Brownfield Pilot Cooperative Agreements	66.811	51,409	
<u>U.S. DEPARTMENT OF COMMERCE</u>			
EDA/Incubator Project	11.303	886,624	
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$8,078,564</u>	

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001
CITY OF GAINESVILLE, FLORIDA**

<u>State Grantor/ Program Title</u>	<u>State CSFA Number</u>	<u>Expenditures</u>	<u>Project Total</u>
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>			
Interlocal Recycling Grant	37.011	\$ 37,751	
FRDAP Sweetwater Park	37.017	67,138	
FRDAP T.B. McPherson Park	37.017	3,785	\$ 70,923
<u>DEPARTMENT OF STATE</u>			
Local Arts Agency Grant 2000	45.005	21,646	
Local Arts Agency Grant 2001	45.005	5,940	\$27,586
Historic Preservation Design Guidelines	F0002	7,750	
Historic Preservation Grant for Hippodrome	S0068	22,748	
<u>DEPARTMENT OF TRANSPORTATION</u>			
Highway Beautification	55.003	3,063	
Regional Transit System Improvement Program:			
Commuter Assistance Funding FY 00/01	55.007	70,000	
Service Development Agreement (Maintenance Safety)	55.007	3,045	
Service Development Funding for Campus Circulation	55.007	68,858	\$141,903
Bus Parts, Equipment and Vehicles	55.010	1,386	
Computer Scheduling Equipment	55.010	63	
Admin/Terminal Construction/Renovation	55.010	59	
Design Renovation/Expand Admin Offices/Shop Equipment	55.010	4,591	
Real Estate Acquisition	55.010	754	
Forty Foot Bus Acquisition	55.010	5,800	
Block Grant Operating Assistance FY 00/01	55.010	711,591	\$724,244
Service Development Agreement (Increase Ridership)	55.012	6,198	
Service Development Agreement (Impr. Customer Svc. Safety)	55.012	20,697	
Commuter Assistance Funds for Employee Pass	55.012	33,525	
SDG for Route 35	55.012	178,226	\$238,646
Corridor Development Assistance – Night Services	55.013	82,868	
Intermodal Development Program	55.014	3,848,217	
<u>DEPARTMENT OF HEALTH</u>			
EMS '00 Pass-Through From County	C9801	862	
EMS '01 Pass-Through From County	C9901	30,193	
SHIP 1998/1999	52.901	99,853	
SHIP 1999/2000	52.901	314,176	
SHIP 2000/2001	52.901	246,298	
SHIP 2001/2002	52.901	13,245	\$673,572
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE		<u>\$5,910,326</u>	

See Accompanying Notes.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF GAINESVILLE, FLORIDA**

Note 1. Basis of Presentation

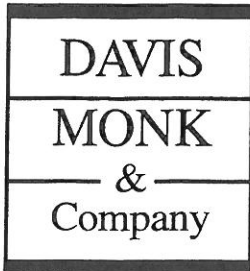
The accompanying schedule of expenditures of federal awards and State Financial Assistance includes the federal and state grant activity of the City of Gainesville, Florida and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Florida Single Audit Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2. Subrecipients

The City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$500,405
Home Investment Partnership Grant	14.239	\$193,941

The City did not provide state awards to subrecipients.



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American Institute of
Certified Public Accountants

Horwath
International

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT

Honorable Mayor and City Commissioners
City of Gainesville, Florida:

Compliance

We have audited the compliance of the City of Gainesville, Florida (the City), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2001.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the general purpose financial statements of the City as of and for the year ended September 30, 2001, and have issued our report thereon dated December 14, 2001. Our report on the general purpose financial statements included a reference to the report of other auditors and included a paragraph explaining that the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Davis, Mark J Company

December 14, 2001
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001
CITY OF GAINESVILLE, FLORIDA**

Part I - Summary of Auditors' Results

1. The auditors' report on the general purpose financial statements was unqualified.
2. A reportable condition in internal control over financial reporting was disclosed by the audit. The reportable condition was not a material weakness.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. No reportable conditions in internal control over major federal programs and state projects were disclosed by the audit.
5. The auditors' report on compliance for the major federal programs and state projects was unqualified.
6. The audit disclosed no findings relative to the major federal programs and state projects.
7. The City's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA No.</u>
Economic Development – Technical Assistance (Incubator)	11.303
Community Development Block Grant-Entitlement	14.218
Home Investment Partnership Grant	14.239
Public Safety Partnership and Community Policing Grants	16.710
Federal Transit Administration – Operating and Capital Assistance	20.507
 <u>State Projects</u>	 <u>CSFA No.</u>
SHIP	52.901
Public Transit Block Grant Program	55.010
Intermodal Development Program	55.014

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

(Continued)

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001
CITY OF GAINESVILLE, FLORIDA**

Part II - Financial Statement Findings

- 01-1 Because of employee turnover, General Government's accounting department was not fully staffed and some employees assumed new responsibilities during the audit period. Consequently, internal controls over financial reporting were weakened and financial data became more susceptible to errors. Some misstatements occurred, which were identified and corrected during the course of the audit process.

Part III - Findings and Questioned Costs – Federal Programs

No matters were reported.

Part IV - Findings and Questioned Costs – State Projects

No matters were reported.

Management Letter

City Commission, City of Gainesville, Florida
and Gainesville Regional Utilities

In planning and performing our audit of the financial statements of Gainesville Regional Utilities (GRU) for the year ended September 30, 2001, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. The following suggestions, which resulted from our consideration of internal control, are submitted to assist in improving procedures and controls.

Control Activities

Bank Reconciliations

It was noted in the prior year management letter that reconciliations between the general ledger and the cash book were not completed in a timely manner throughout the prior fiscal year, and that at September 30, 2000, the general ledger cash balance was understated by approximately \$360,000. This difference actually represented an unidentified reconciling item that was discovered after GRU's conversion to a new financial management system. For at least the first several months of the 2001 fiscal year, this condition remained unchanged; however, beginning in January 2001 management was able to reinstate its standard procedure for reconciling cash accounts on a monthly basis, and as of year-end, cash reconciliations were being prepared and reviewed on a timely basis. With regard to the aforementioned unidentified reconciling item, management made efforts to and did identify a portion of that amount; however, ultimately the entire balance could not be identified, and the remaining difference was corrected through a general ledger adjustment that increased the general ledger cash balance. We recommend that management continue to prepare and review cash reconciliations on a monthly basis, as this is one of the most effective detect control practices available and is a basic procedure in ensuring the adequate safeguarding of GRU's cash assets. We also recommend that any future unidentified reconciling items be immediately brought to the attention of appropriate management personnel for further investigation.

Management's Response

Management agrees with the recommendation. We are now reconciling cash on a current monthly basis. These reconciliations will be reviewed at the appropriate supervisory level.

General Ledger Reconciliations

During the interim period, we noted that there was an unidentified difference of approximately \$290,000 between the accounts receivable detail and the general ledger. Upon further research, the error was determined to have been caused by the incorrect posting of a prior month's journal entry. We also confirmed that management was not reviewing the reconciliations, as this

difference remained unidentified for several months. It is our recommendation that management perform a review of the reconciliation to ensure that significant errors and unidentified differences are detected and corrected in a timely manner.

We noted that management did not prepare reconciliations between the accounts payable detail and general ledger during most of the year. This was due to the current limitation of the computer system to generate an accurate payables listing. We recommend that management resolve this problem as soon as possible and begin to reconcile the balance on a monthly basis. The reconciliation process is an effective detect control that will help to ensure the completeness and accuracy of the account balance.

Management's Response

Management agrees with the recommendation and will review all general ledger control account reconciliations for any significant, unexplained differences and their timely correction.

As for the comment's specific recognition concerning accounts payable, a reconciliation process has been developed that will enable us to reconcile this account on a monthly basis.

It must be emphasized that these reconciliation processes were delayed due to the installation of the new financial software and significant staffing changes that had taken place over the course of the past two fiscal years.

Financial Reporting

Plant Asset Depreciation Rates

During our review of the depreciation process, we noted that the plant assets' useful lives used in computing depreciation are based on studies performed in 1966 and 1976. We also noted that the overall composite depreciation rate is somewhat lower than industry average based on comparisons to other utility providers. The Federal Energy Regulatory Commission recommends that the useful lives be studied and updated every five years. However, while we agree that such studies should be performed periodically to ensure the reasonableness of the depreciation rates, we believe that a review and update to the composite rates at least every 10 years would be sufficient for GRU. Accordingly, we recommend that a formal depreciation study be performed and that asset useful lives be adjusted as necessary based on the results of that study.

Management's Response

Management agrees with the recommendation. As time permits, we will perform a study of depreciation rates and use the results to update our rates to their appropriate levels.

New Accounting Pronouncements

Certain recently issued accounting pronouncements will have an impact on GRU's financial reporting in the year ending September 30, 2002. Most notable is GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local*

Governments, which will require changes in the presentation of GRU's financial position and activities. Other changes will include the presentation of Management's Discussion and Analysis as required supplementary information and disclosure of certain net asset categories. In addition, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, will necessitate other reporting changes as well. GRU management is aware of these pronouncements and has begun to review the pertinent provisions. We recommend that as management continues to review these pronouncements they begin evaluating and documenting their impacts in the near term, with the objective of proactively addressing the reporting changes well in advance of the year-end closing process. As part of this process, we also recommend that pro forma financial statements and note disclosures be developed as soon as practicable. We are available to assist in this process and will be pleased to provide feedback as requested.

Management's Response

Although we believe that these pronouncements will not have a significant impact on GRU's business processes, management understands the importance of reviewing them and is in the process of preparing for their implementation in advance of the year-end closing process for fiscal 2002.

Information Systems

Disaster Recovery/Business Continuity Planning

GRU has procedures in place to address disaster recovery, however, the organization does not have a formal, documented plan in place. Management must understand the importance of maintaining a living document designed to address all aspects of disaster recovery planning. We recommend that GRU dedicate the resources necessary to create a comprehensive business continuity/disaster recovery plan.

Planning for business continuity and disaster recovery is a critical aspect of conducting business in the age of information technology. Precautions need to be taken to ensure that processing can continue should any unforeseen event occur. A business continuity plan is the main precaution that can be taken. Once the plan has been developed, it is used to guide the recovery process and/or to control the transfer of processing to an alternate location. The business continuity plan helps to ensure that all critical tasks are performed. An effective business continuity plan should address the following items:

- Business Impact Analysis
- Assumptions used when developing the plan; including all potential disasters to be covered by the plan
- Roles and responsibilities of data processing staff and users (include contact information such as home phone numbers, cellular phone numbers, beeper or pager numbers, etc.)
- Priorities for critical processing
- Procedures for testing, reviewing results, and updating the plan

- Back-up or alternate location for hardware; backup of systems software, application programs, data files, data base, and documentation
- Instructions for contacting the alternate processing site
- Instructions for restoring the system at the alternate processing site
- List of hardware and software vendors, phone numbers and contact personnel
- Off-site storage of all back-up, including a copy of the plan
- Power and air conditioning requirements
- Telecommunications requirements
- Emergency supplies of computer media
- Phones and Fax machines
- List of critical documents required to run the business
- Customer management procedures

The goals of business continuity planning are to preserve and protect the essential elements of an organization and maintain an acceptable level of operations throughout a crisis and during recovery. Comprehensive, living disaster recovery/business continuity plans may increase the GRU's ability to recover critical information services and business processes. The risk of data loss and time delays during recovery can be significantly reduced. In addition, GRU may be able to obtain insurance premium discounts by demonstrating that a well-designed continuity plan and documented risk mitigation procedures exist.

Management's Response

The lack of a backup site and plan for disaster recovery is a recognized deficiency. It is anticipated that a task force will be formed with a specific charter approved by management to solve the problem. The task force will be charged with developing the plan to recover mission and business-critical technology and applications at an alternate site. This includes GRU's major systems: CBIS, EMS, GIS (AM/FM), MIMS, OMS, and others that may be identified. The plan will include a detailed implementation schedule with a recommended strategy, locations, space requirements, equipment requirements, and ongoing support requirements. The scope of the task force will be limited to solving the problem of system availability for disaster recovery, i.e., to recover mission-critical technology and applications at an alternate site.

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

Ernst + Young LLP

November 21, 2001



CITY OF GAINESVILLE

Finance Department

In connection with our September 30, 2000 financial statement audit and single audit, our external auditors listed no findings or reportable conditions for the year.

In connection with our September 30, 2001 financial statement audit and single audit, our external auditors listed findings as set forth below. We have developed plans for corrective action on these findings as follows. These plans will be implemented by the applicable departments within the City and overseen by the City Manager, Wayne Bowers. He can be contacted at (352) 334-5010.

CURRENT AUDIT FINDING NO. 1

Because of employee turnover, General Government's accounting department was not fully staffed and some employees assumed new responsibilities during the audit period. Consequently, internal controls over financial reporting were weakened and financial data became more susceptible to errors. Some misstatements occurred, which were identified and corrected during the course of the audit.

CORRECTIVE ACTION PLAN:

During the course of the past fiscal year, a combination of promotions and separations from service within the Accounting Division resulted in unprecedented vacancy rates in this area. For a significant part of the year, the Accounting Manager, Accountant II and RTS Accountant positions were unfilled. These positions constitute one-half of the division's six managerial and professional positions. The Accountant II position was filled in late fiscal 2001, and the Accounting Manager position was filled from within in October of 2001. This leaves the Grants Fiscal Coordinator and RTS Accountant positions as the remaining vacant slots in the division. Management is working diligently to recruit qualified individuals for these positions. Filling these posts will allow management to address the issues cited in the external auditor's finding.