

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
City of Gainesville, Florida
Year Ended September 30, 2002**

**Prepared By
The Finance Department**

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

<i>Thomas D. Bussing</i>	<i>Mayor</i>
<i>Warren Nielsen</i>	<i>Mayor-Commissioner Pro Tem</i>
<i>Charles Chestnut IV</i>	<i>Commissioner</i>
<i>Edward Braddy</i>	<i>Commissioner</i>
<i>Tony Domenech</i>	<i>Commissioner</i>

APPOINTED OFFICIALS

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

FINANCE PROGRAM STAFF

<i>Mark S. Benton</i>	<i>Finance Director</i>
<i>Nancy Pollard</i>	<i>Accounting Manager</i>
<i>Daniel Smierciak</i>	<i>Accounting Supervisor</i>
<i>Kathy Branam</i>	<i>Property Control Specialist</i>
<i>Maureen Rischitelli</i>	<i>Grants Fiscal Coordinator</i>
<i>Sandra Ogle</i>	<i>Accountant II</i>
<i>Richard Romans</i>	<i>Accountant II</i>
<i>Lynn Thigpen</i>	<i>Account Clerk, Sr.</i>
<i>Ronda Carney</i>	<i>Account Clerk II</i>
<i>Belinda Tenney</i>	<i>Account Clerk II</i>
<i>Karen Ward</i>	<i>Account Clerk I</i>

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CITY OF GAINESVILLE

Office of the City Manager

March 12, 2003

**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, 2002. The report fulfills the requirements set forth in the *City Code of Ordinances*, Section 2-433; *Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the City Code of Ordinances, and the Government Finance Officers Association.

This report consists of management's representations concerning the finances of the City of Gainesville. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed jointly by Davis, Monk and Company and Ernst & Young. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2002, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The **City of Gainesville** is the most populous city in and 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 53.8 square miles of land included within the corporate boundaries of the City. As of September 30, 2002, the most recent official population estimate was at 111,224.

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 five elected officials (the Mayor and four Commissioners) who are responsible for enacting the ordinances and resolutions which govern the City. In March of 1998, City voters elected a Mayor for the first time in over 70 years. The elected Mayor serves a three year term and presides over public meetings and ceremonial events. The Commission appoints the City Manager, General Manager for Utilities, City Auditor, City Attorney, 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, and Assistant General Managers for Utilities and department heads.

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**
- **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**
- **affirmative action**
- **billing & collections**
- **cash management**
- **City-wide management**
- **computer systems support**
- **debt management**
- **equal opportunity**
- **fleet maintenance**
- **facilities maintenance**
- **human resources**
- **information systems**

- investment management
- labor relations
- mail services
- 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 that are controlled by or are dependent on the **City Commission**.

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

The City also maintains budgetary controls, the objective of 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.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The economic landscape in Gainesville continues to be dominated by the government sector. Statistics compiled by the Bureau of Economic and 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 a low 2.30% and enrollment at the University of Florida, the engine for the area's economy, continues to grow.

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

- Development of the stormwater park on Depot Avenue
- Completion of the construction of a 5 million gallon per day expansion of the Kanapaha water reclamation facility
- Upgrading the water distribution system to improve flow capacity and water pressure
- Acquiring a site for a future power delivery system in the northwest quadrant of the utility service territory
- Construction of a new natural gas system gate station in northwest Gainesville
- Participation in a public-private partnership between the City, County and private citizens in the construction of a recreational facility in east Gainesville. When completed the facility, which includes a community center, athletic fields and playgrounds, will be owned and operated by the City. On-going operational expenses are included in the City's FY2004 recreation operating budget.
- Construction of a parking garage to serve the new County Courthouse and the downtown area
- Construction of a multi-modal transit center.

Cash management policies and practices. 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 a detailed administrative policy as explained in **Note 1(D)** of the *Notes to the Financial Statements*. Cash temporarily idle during the year was invested in certificates of deposit, instruments issued by agencies of the United States of America, corporate notes, and repurchase agreements. In keeping with City policy, approximately 91% 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 on investments was 4.37% percent for the City's operating portfolio, (6.27%) for the General Employees' Pension Plan, and (7.34%) for the Consolidated Police Officers' and Firefighters Pension Plan. The different rate of return for the pension funds as opposed to the City's operating portfolio is attributable to the fact that the pension funds asset mix allocation is 70% equities and 30% fixed income investments.

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, general and professional 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. The Stop-loss insurance maintained for an individual is at **\$150,000**.

Pension and other postemployment benefits. 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 *Employees' Plan* and the *Consolidated Plan* are contributory defined benefit plans whose assets are maintained in separate investment pools. Each plan has a separate Board of Trustees. Plan administration and investment management responsibility rests with these Boards. The Consolidated Board employs four investment managers, three of which invest in equity securities and the other in fixed income securities. At September 30, 2002, the fair value of *Consolidated Plan* assets was **\$64,385,391**.

The **Employees' Plan** has six investment managers, three of which invest in domestic equity securities, one of which invests in international equity securities, and two others which invest in fixed income securities. At September 30, 2002, the fair value of the *Employees' Plan* assets was approximately **\$135,750,680**.

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, 2002, the value of the assets approximated **\$9,074,952**.

The City also provides certain health care insurance benefits for retired employees, and permits retired employees to participate in the life insurance program as well. As of the end of the fiscal year 639 retirees participated in the health insurance program, which is funded on an actuarial basis.

Additional information on the City's pension arrangements and postemployment benefits can be found in Note 2 and Note 11 to the financial statements.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2001. 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, 2001. 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.

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, 2001

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.



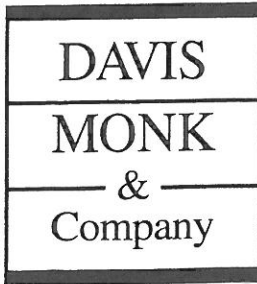
William Patrick Harte
President

Jeffrey L. Essler
Executive Director

City of Gainesville Organizational Chart



INDEPENDENT AUDITORS' REPORT



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

Mailing address:

P.O. Box 13494
Gainesville, Florida 32604

Location:

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Gainesville, Florida 32606

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Honorable Mayor and City Commissioners
City of Gainesville, Florida:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Gainesville, Florida (the "City"), as of and for the year ended September 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Utility Fund, a major fund, which represent 97 percent and 90 percent, respectively, of the assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Utility Fund, 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 opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City as of September 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2002 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 financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of October 1, 2001.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents as "supplemental information" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



December 11, 2002
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gainesville (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2002. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi - xviii of this report, and the City's financial statements which begin on page 1.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$540,041,904 (*net assets*). Of this amount, \$22,131,857 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$12,134,646. Just under 80% of this net asset increase was generated within the City's business-type activities, with the primary contributor being the electric operations of the Utility Fund.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$42,097,482, an increase of \$8,245,799 in comparison with the prior year. Of this total amount, \$18,691,222 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, there was no unreserved fund balance in the General Fund.
- The City's total debt increased by \$17,236,025 (3.91%) during the current fiscal year. The prominent components of this change were the issuance of the Series 2002A and Series 2002B Utilities System Subordinated Utilities System Revenue Bonds in the amount of \$77,300,000, the issuance of the First Florida Governmental Finance Commission Loan of 2002 in the amount of \$9,870,000, and the partial refunding of the Series 1992B Utilities System Revenue Bonds.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decrease in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include not only the City itself, but also as legally separate enterprise zone development agency, and a legally separate redevelopment agency for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-2 of this report.

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

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

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

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

The basic governmental fund financial statements can be found on pages 3-6 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains five enterprise funds to account for the following operations: electric power generation, transmission and distribution, natural gas distribution, water and wastewater treatment, telecommunications, refuse collection, golf course, stormwater management, and mass transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains four internal service funds to account for fleet management operations, general insurance, employee, and retiree health insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund,

which is considered to be a major fund of the City. Data from the other four proprietary funds are combined into a single, aggregated presentation. The four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds as well as for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 7-12 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 13-14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-41 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with its General Fund budget and the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 42-46 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and capital asset schedules can be found on pages 47-103 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$540,041,904 at the close of the most recent fiscal year.

Approximately 62 % of the City's net assets reflect its investment in capital assets (e.g., land, utility plant and equipment, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Gainesville's Net Assets - FY2002

	Governmental activities	Business-type activities	Total
Current and other assets	\$ 65,481,927	\$ 436,136,938	\$ 501,618,865
Capital assets	93,549,869	674,893,496	768,443,365
Total assets	159,031,796	1,111,030,434	1,270,062,230
Long-term liabilities outstanding	41,696,789	421,413,332	463,110,121
Other liabilities	14,664,418	252,049,880	266,714,298
Total liabilities	56,361,207	673,463,212	729,824,419
Net assets:			
Invested in capital assets, net of related debt	65,937,740	267,998,636	333,936,376
Restricted	19,881,956	164,091,715	183,973,671
Unrestricted	16,850,893	5,280,964	22,131,857
Total net assets	<u>\$ 102,670,589</u>	<u>\$ 437,371,315</u>	<u>\$ 540,041,904</u>

An additional portion of the City's net assets (\$183,973,671 or 34 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$22,131,857) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

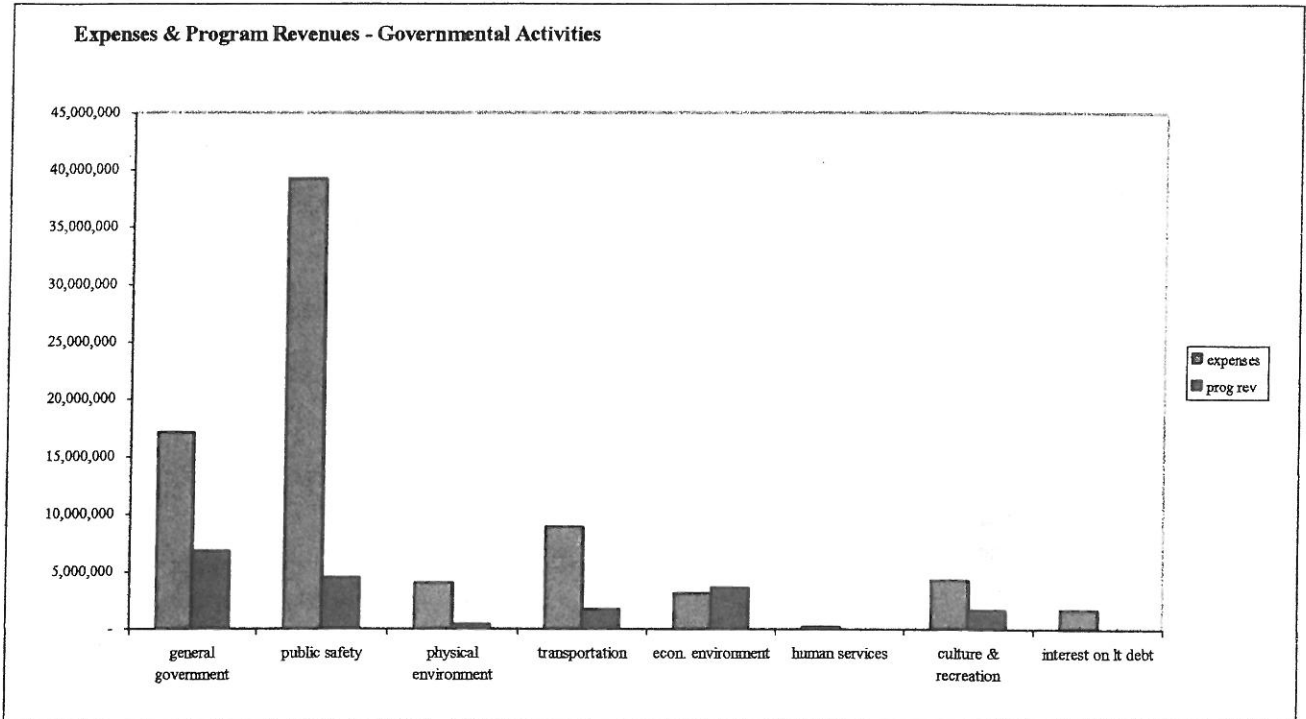
The City's net assets increased by \$12,134,646 during the current fiscal year. The majority of the balance of the increase is due to the degree to which ongoing revenues exceeded increases in ongoing expenses, primarily related to the electric power generation, transmission and distribution operation.

City of Gainesville Changes in Net Assets - FY2002

	Governmental activities	Business-type activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 10,267,204	\$ 214,225,840	\$ 224,493,044
Operating grants and contributions	5,301,805	4,710,372	10,012,177
Capital grants and contributions	3,193,076	9,350,464	12,543,540
General Revenues:			
Property taxes	13,713,591	-	13,713,591
Other taxes	16,189,171	-	16,189,171
State revenue sharing	2,809,984	-	2,809,984
Interest	1,640,420	7,507,294	9,147,714
Other revenues	1,764,678	5,503,668	7,268,346
Total revenues	54,879,929	241,297,638	296,177,567
Expenses:			
General Government	17,122,419	-	17,122,419
Public Safety	39,240,517	-	39,240,517
Physical environment	4,036,034	-	4,036,034
Transportation	8,846,755	-	8,846,755
Economic environment	3,127,631	-	3,127,631
Human services	256,864	-	256,864
Culture & recreation	4,247,853	-	4,247,853
Interest on long-term debt	1,668,424	-	1,668,424
Electric	-	131,212,687	131,212,687
Gas	-	14,287,385	14,287,385
Water	-	13,874,410	13,874,410
Wastewater	-	17,157,698	17,157,698
GRUCom	-	6,549,990	6,549,990
Regional Transit System	-	11,636,440	11,636,440
Stormwater	-	4,031,510	4,031,510
Ironwood	-	1,542,185	1,542,185
Solid waste	-	5,204,119	5,204,119
Total expenses	78,546,497	205,496,424	284,042,921
Increase in net assets before transfers	(23,666,568)	35,801,214	12,134,646
Transfers	26,120,794	(26,120,794)	-
Increase in net assets	2,454,226	9,680,420	12,134,646
Net assets - 10/1/01	100,216,363	427,690,895	527,907,258
Net assets - 9/30/02	\$ 102,670,589	\$ 437,371,315	\$ 540,041,904

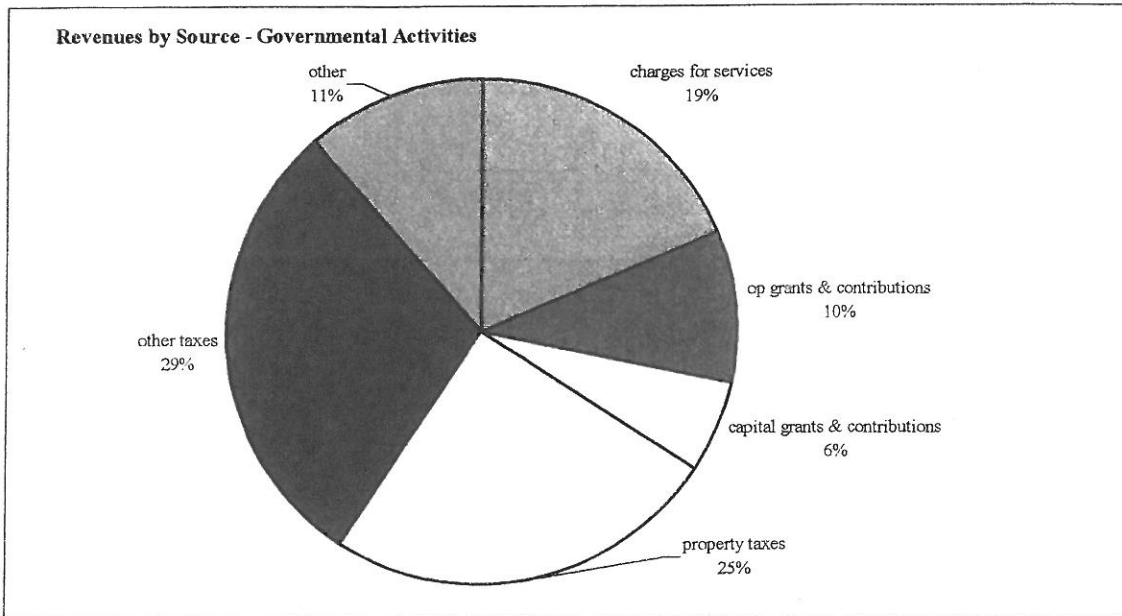
Governmental activities. Governmental activities increased the City's net assets by \$2,454,226, thereby accounting for 20.2% of the total growth in the net assets of the City. Key elements of this increase from the revenue side are as follows:

- Property taxes increased by \$1,025,720 (8.54%) from last year.
- Transfers from the City owned utility increased by \$1,364,564 (5.6%) over last year's totals



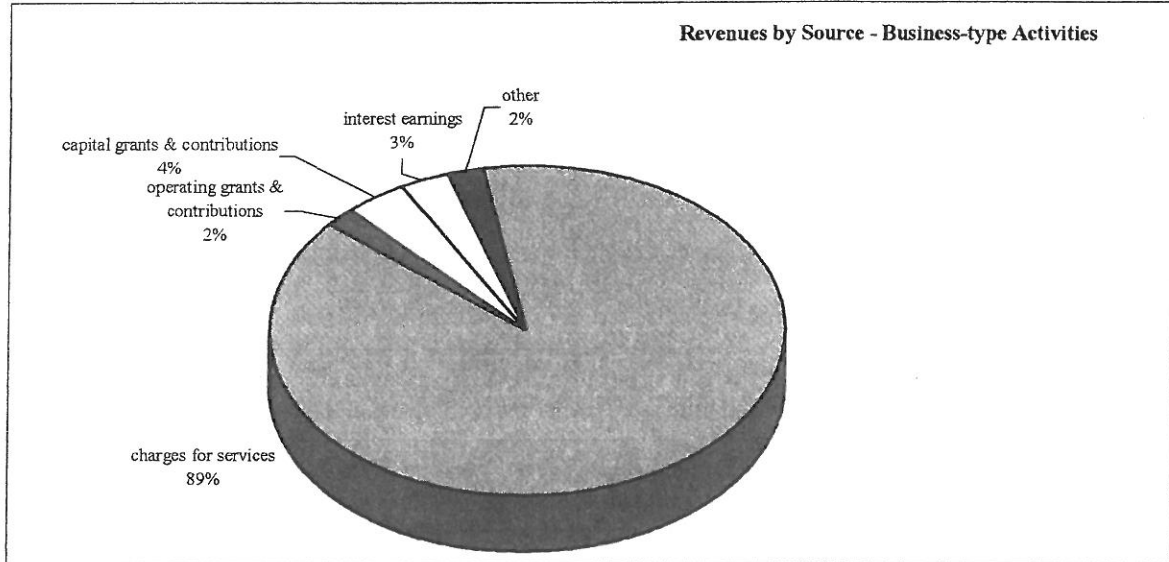
Expenses for the most part increased moderately in FY2002, and were well under budgeted levels. Exceptions to this trend were:

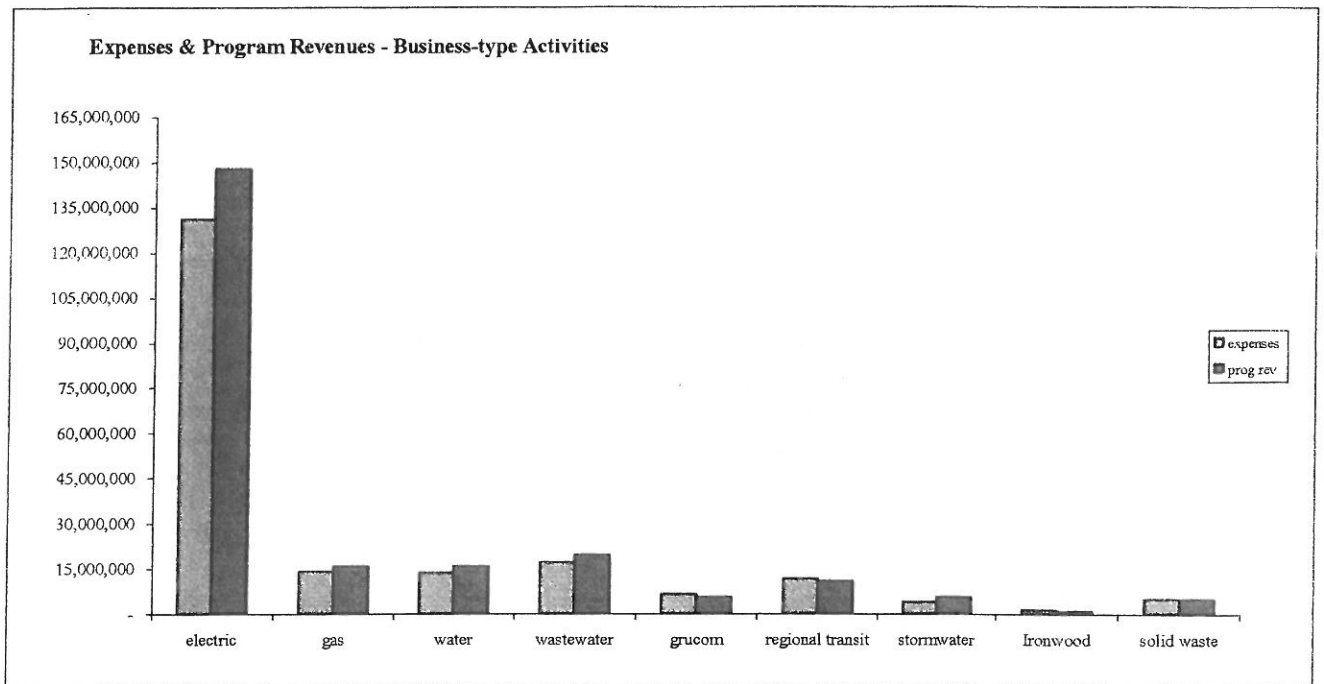
- Operating expenses in the Fire Department increased by almost 11%, primarily driven by personal services increases related to new labor contracts and increased overtime costs.
- Operating expenses in the Police Department increased by just under 10% largely due to staffing increases associated with the City's southwest area annexation.
- Employer contributions to the General Insurance Fund increased by \$479,000 due to increases in insurance premiums.



Business-type activities. Business-type activities increased the City's net assets by \$9,680,420, accounting for 79.8% of the total growth of the City's net assets. Key elements of this increase are as follows:

- The City's electric utility operation provided \$8,961,434 , or 92.5% of this net asset increase.
- Operating revenues and income for the City's utility decreased somewhat from the prior year as a result of lower sales due to milder weather.
- Investment earnings fell by almost \$2,632,346 over the previous year due to declining interest rates.





Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,097,482, an increase of \$8,245,799 in comparison with the prior year. Approximately 44.4% (\$18,691,222) of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$5,096,993), 2) to pay debt service (\$499,000), 3) noncurrent receivables (\$2,135,747) 4) certain capital projects (\$120,489) 5) City policy mandated reserves (\$3,261,655) and 6) for a variety of other restricted purposes (\$12,292,376).

The general fund is the chief operating fund of the City. At the end of the current fiscal year there was no unreserved fund balance of the general fund, while total fund balance was \$17,897,583. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. There was no unreserved fund balance, while total fund balance represents 27.9 percent of that same amount.

The fund balance of the City's general fund increased by \$312,689 during the current fiscal year. Key factors in this growth are as follows:

- An increase in property tax revenues of \$1,025,720. The millage rate remained the same as the previous year, so this growth was generated by an increase in the property tax base.
- Transfers from the utility increased by just under \$1,364,564, driven in large part by a change to the electric system transfer initiated this fiscal year.

The special revenue funds have a total fund balance of \$6,370,394, which represents a decrease of \$286,718 from last year's balance of \$6,657,112. The debt service funds have a total fund balance of \$1,066,840, \$499,000 of which is reserved for the payment of debt service. The net decrease in fund balance for the current year for these funds was \$884,793.

Fund balance in the capital projects funds increased by \$9,104,621 from \$7,658,044 to \$16,762,665. This is driven by the fact that the bond proceeds of \$9,870,000 from the FFGFC 2002 issue, deposited into a capital projects fund, have not been fully expended at the end of the year.

Proprietary funds. The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original and final revenue budget were minimal. Amendments to the expenditure budget were also relatively minor, and included:

- \$2,575,370 in increases to the transfers budget related to property acquisition and development of the Depot Avenue Stormwater Park.
- \$925,000 associated with the construction of the Courthouse Parking Garage
- \$381,592 to cover labor costs associated with the new Fire contract
- \$310,512 to cover costs associated with the southwest area annexation
- \$295,000 for grant matches and
- \$250,000 for the Combined Communications Center

Capital Asset and Debt Administration

Capital assets. The City's investments in capital assets for its governmental and business type activities as of September 30, 2002 amounts to \$768,443,365 (this is net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, utility infrastructure, roads, bikepaths and sidewalks. Major capital asset events during the fiscal year include:

- The re-powering of John R. Kelly Power Plant Unit 8 to a combined-cycle unit. It began commercial operation in May of 2002
- The purchase of 1,153 acres of land adjacent to Deerhaven Power Plant
- Acquisition of property for the Depot Avenue Stormwater Park
- Purchase of 75 electric golf carts for Ironwood Golf Course
- Purchase of two hybrid electric buses for the Regional Transit System

City of Gainesville's Capital Assets
(net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 14,421,621	\$ 1,928,591	\$ 16,350,212
Utility plant & equipment	-	593,999,860	593,999,860
Buildings	15,934,021	2,139,571	18,073,592
Improvements	1,071,678	423,529	1,495,207
Machinery & equipment	10,397,198	8,294,636	18,691,834
Infrastructure	48,826,960	4,808,945	53,635,905
Construction in progress	2,898,391	63,298,364	66,196,755
Total	\$ 93,549,869	\$ 674,893,496	\$ 768,443,365

Additional information on the City's capital assets can be found in note 5 on pages 35-36 of this report.

Bonded debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$483,778,220. All of this amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds and notes).

City of Gainesville's Outstanding Debt
General Obligation, Revenue Bonds & Utility Notes

	Governmental activities	Business-type activities	Total
General obligation bonds	\$ -	\$ -	\$ -
Revenue bonds & Utility notes	37,917,220	445,861,000	483,778,220
Total	\$ 37,917,220	\$ 445,861,000	\$ 483,778,220

The City's debt increased by \$17,236,025 (3.9%) during the current fiscal year. The key factors in this were the issuance of the Series 2002A and 2002B Utilities System Subordinated Utilities System Revenue Bonds in the amount of \$77,300,000, the issuance of the First Florida Governmental Financing Commission Loan of 2002 in the amount of \$9,870,000, and the partial refunding of the Series 1992B Utility System Revenue Bonds.

The City's utility system debt is rated AA by both Standard & Poor's and Moody's, and the Moody's underlying rating on the General Government First Florida Governmental Financing Commission Loan of 2002 is A2.

Additional information on the City's long-term debt can be found in Note 4 on pages 29-34 of this report.

Economic Factors and Next Year's Budgets and Rates

Some of the significant factors considered in preparing the City's FY2003 and FY2004 budgets were:

- The unemployment rate for the Gainesville Metropolitan Statistical Area is currently 2.30%, which is an increase from a rate of 1.9% a year ago. This compares favorably to the state's average unemployment rate of 5% and the national average of 5.6%.
- Inflationary trends in the region compare favorably to national indices. The preponderance of educational and government jobs in the area tends to mitigate the City's exposure to large fluctuations in the economy.
- The successful annexation of 1,600 acres in the southwest area which added approximately 15,000 residents to the City's population

Utility rate highlights for the 2003 year are as follows:

- A 1.25% decrease in residential and a 4.4% decrease in general demand electric rates
- No change in water rates
- A 3% increase in wastewater base rates
- No change in natural gas base rates, but the initiation of a cost recovery factor to fund the cleanup of the Town Gas Manufactured Gas Plant site near Depot Avenue.

Requests for Information

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2002

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	GEZDA	CRA
	ACTIVITIES	ACTIVITIES			
ASSETS					
Cash and cash equivalents	\$ 1,060,850	\$ -	\$ 1,060,850	\$ -	\$ -
Equity in pooled cash and investments	49,849,930	14,306,472	64,156,402	5,737	100,825
Investments	1,389,134	-	1,389,134	-	-
Receivables	9,499,196	26,736,137	36,235,333	-	-
Internal balances	3,255,906	(3,255,906)	-	-	-
Inventories	214,116	18,652,002	18,866,118	-	-
Prepays	38,135	10,686,909	10,725,044	-	-
Assets held for evidence	57,224	-	57,224	-	-
Deferred charges and other assets	117,436	183,163,370	183,280,806	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	185,652,047	185,652,047	-	-
Capital assets (net of accumulated depreciation):					
Utility plant & equipment	-	593,999,860	593,999,860	-	-
Buildings	15,934,021	2,139,571	18,073,592	-	-
Improvements other than buildings	1,071,678	423,529	1,495,207	-	-
Machinery and equipment	10,397,198	8,294,636	18,691,834	-	-
Infrastructure	48,826,960	4,808,945	53,635,905	-	-
Capital assets (not depreciated):					
Land	14,421,621	1,928,591	16,350,212	-	-
Construction in progress	2,898,391	63,298,364	66,196,755	-	-
Total assets	<u>159,031,796</u>	<u>1,110,834,527</u>	<u>1,269,866,323</u>	<u>5,737</u>	<u>100,825</u>
LIABILITIES					
Accounts payable	10,833,711	20,722,101	31,555,812	-	5,415
Accounts payable - payroll	2,086,851	2,106,908	4,193,759	-	4,702
Accrued interest payable	390,835	8,118,211	8,509,046	-	-
Deferred revenue	1,353,021	216,464,088	217,817,109	-	-
Liabilities payable from restricted assets	-	4,638,572	4,638,572	-	-
Long term debt due within one year	2,871,198	12,610,796	15,481,994	-	-
Long-term debt due in more than one year	38,825,591	408,802,536	447,628,127	-	-
Total liabilities	<u>56,361,207</u>	<u>673,463,212</u>	<u>729,824,419</u>	<u>-</u>	<u>10,117</u>
NET ASSETS					
Invested in capital assets, net of related debt	65,937,740	267,998,636	333,936,376	-	-
Restricted for:					
Debt service	1,066,840	50,868,914	51,935,754	-	-
Other purposes	18,815,116	113,222,801	132,037,917	4,950	1,000
Unrestricted	16,850,893	5,280,964	22,131,857	787	89,708
Total net assets	<u>\$ 102,670,589</u>	<u>\$ 437,371,315</u>	<u>\$ 540,041,904</u>	<u>\$ 5,737</u>	<u>\$ 90,708</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	PROGRAM REVENUES				NET(EXPENSE)REVENUE AND CHANGES IN NET ASSETS			
	Operating		Capital		Primary Government		Component Units	
	Charges for Services	Grants and Contributions	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	GEZDA	CRA
FUNCTIONS/PROGRAMS								
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 17,122,419	\$ 4,035,767	\$ -	\$ 2,750,000	\$ (10,336,652)	\$ -	\$ -	\$ -
Public safety	39,240,517	3,617,700	666,436	198,142	(34,758,239)	-	-	-
Physical environment	4,036,034	-	258,806	176,864	(3,600,364)	-	-	-
Transportation	8,846,755	1,158,582	555,799	-	(7,132,374)	-	-	-
Economic environment	3,127,631	149,224	3,487,652	16,000	525,245	-	-	-
Human services	256,864	-	-	-	(256,864)	-	-	-
Culture & recreation	4,247,853	1,305,931	333,112	52,070	(2,556,740)	-	-	-
Interest on long-term debt	1,668,424	-	-	-	(1,668,424)	-	-	-
Total governmental activities	78,546,497	10,267,204	5,301,805	3,193,076	(59,784,412)	-	-	-
Business-type activities								
Electric	131,212,687	147,794,295	-	-	-	16,581,608	-	-
Gas	14,287,385	15,913,737	-	-	-	1,626,352	-	-
Water	13,874,410	13,349,982	-	2,616,484	-	2,092,056	-	-
Wastewater	17,157,698	16,038,915	-	3,700,450	-	2,581,667	-	-
GRUCom	6,549,990	5,833,892	-	-	-	(716,098)	-	-
Regional Transit System	11,636,440	4,785,047	4,402,872	1,903,754	-	(544,767)	-	-
Stormwater Management	4,031,510	4,236,633	307,500	1,129,776	-	1,642,399	-	-
Ironwood Golf Course	1,542,185	1,069,156	-	-	-	(473,029)	-	-
Solid Waste	5,204,119	5,204,183	-	-	-	64	-	-
Total business-type activities	205,496,424	214,225,840	4,710,372	9,350,464	-	22,790,252	-	-
Total primary government	\$ 284,042,921	\$ 224,493,044	\$ 10,012,177	\$ 12,543,540	(59,784,412)	22,790,252	-	-
COMPONENT UNITS								
Gainesville Enterprise Zone Development Agency	\$ 6,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,339)	\$ -
Community Redevelopment Authority	195,776	-	-	-	-	-	-	(195,776)
Total component units	\$ 202,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,339)	\$ (195,776)
General revenues:								
Property taxes					13,713,591	-	-	-
Franchise & utility taxes					5,633,281	-	-	-
Communications services tax					5,257,926	-	-	-
Half cent sales tax					5,297,964	-	-	-
State revenue sharing					2,809,984	-	-	-
Gain on sale of capital assets					55,506	42,341	-	97,847
Other general revenues					1,709,172	5,461,327	7,170,499	1,130
Interest					1,640,420	7,507,294	9,147,714	335
Transfers					26,120,794	(26,120,794)	-	-
Total general revenues and transfers					62,238,638	(13,109,832)	49,128,806	1,485
Change in net assets					2,454,226	9,680,420	12,134,646	(4,874)
Net assets - beginning					100,216,363	427,680,895	527,907,258	10,611
Net assets - ending					\$ 102,670,589	\$ 437,371,315	\$ 540,041,904	\$ 5,737

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

CITY OF GAINESVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 714,406	\$ 714,406
Equity in pooled cash and investments	11,804,093	23,025,707	34,829,800
Investments	-	1,389,134	1,389,134
Receivables	5,866,152	3,241,850	9,108,002
Advance to other funds	195,907	-	195,907
Due from other funds	3,707,575	866	3,708,441
Inventories	123,713	-	123,713
Assets held for evidence	-	57,224	57,224
Total assets	<u>\$ 21,697,440</u>	<u>\$ 28,429,187</u>	<u>\$ 50,126,627</u>
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	\$ 3,317,229	\$ 873,814	\$ 4,191,043
Due to other funds	-	508,609	508,609
Deferred revenue	482,628	2,846,865	3,329,493
Total liabilities	<u>3,799,857</u>	<u>4,229,288</u>	<u>8,029,145</u>
Fund balances:			
Reserved	17,897,583	5,508,677	23,406,260
Unreserved, reported in:			
General Fund	-	-	-
Special Revenue Funds			
Designated for Future Use	-	4,498,847	4,498,847
Undesignated	-	(304,664)	(304,664)
Debt Service Funds			
Designated for Future Use	-	567,960	567,960
Undesignated	-	(120)	(120)
Capital Projects Funds			
Designated for Future Use	-	14,124,735	14,124,735
Undesignated	-	(195,536)	(195,536)
Total fund balances	<u>17,897,583</u>	<u>24,199,899</u>	<u>42,097,482</u>
Total liabilities and fund balances	<u>\$ 21,697,440</u>	<u>\$ 28,429,187</u>	<u>\$ 50,126,627</u>

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2002

Total fund balances: governmental funds balance sheet		\$ 42,097,482
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$185,950,772 and the accumulated depreciation is \$99,900,078		86,050,694
Long term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:		(41,680,464)
Bonds payable	39,078,071	
Compensated absences	2,602,393	
Governmental funds record debt issuance costs as expenditures when these costs are first incurred. Unamortized debt issuance costs must be included as a deferred charge in the government-wide financial statements.		117,436
Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide financial statements.		(390,835)
In fund financial statements, governmental fund types recognize discounts during the current period as other financing uses. In the government-wide statements, discounts are applied against bonds payable.		69,753
Liabilities for earned but unavailable revenues are reported in the funds, but not in the statement of net assets.		1,976,472
Internal service funds are used by management to charge the costs of fleet management, general insurance, employees health insurance, and retirees health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets		<u>14,430,051</u>
Net assets of governmental activities		<u>\$ 102,670,589</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Taxes	\$ 24,643,456	\$ 3,421,160	\$ 28,064,616
Licenses and permits	1,787,686	-	1,787,686
Intergovernmental	7,190,094	6,632,171	13,822,265
Charges for services	6,202,562	1,005,419	7,207,981
Fines and forfeitures	1,148,623	126,512	1,275,135
Miscellaneous	1,293,284	1,608,965	2,902,249
Total revenues	<u>42,265,705</u>	<u>12,794,227</u>	<u>55,059,932</u>
EXPENDITURES			
Current:			
General government	17,014,680	440,180	17,454,860
Public safety	35,079,142	1,075,746	36,154,888
Physical environment	1,922,139	1,135,629	3,057,768
Transportation	6,460,423	449,231	6,909,654
Economic environment	66,928	3,257,212	3,324,140
Human services	-	163,952	163,952
Culture and recreation	3,654,723	1,366,840	5,021,563
Debt service:			
Principal	-	2,323,778	2,323,778
Interest	-	1,575,315	1,575,315
Bond issuance costs	-	193,773	193,773
Capital outlay	-	6,325,236	6,325,236
Total expenditures	<u>64,198,035</u>	<u>18,306,892</u>	<u>82,504,927</u>
Excess of revenues over(under) expenditures	<u>(21,932,330)</u>	<u>(5,512,665)</u>	<u>(27,444,995)</u>
OTHER FINANCING SOURCES(USES)			
Debt issuance	-	9,870,000	9,870,000
Transfers in	26,869,372	15,204,378	42,073,750
Transfers out	(4,624,353)	(11,628,603)	(16,252,956)
Total other financing sources(uses)	<u>22,245,019</u>	<u>13,445,775</u>	<u>35,690,794</u>
Net change in fund balances	312,689	7,933,110	8,245,799
Fund balances - beginning	17,584,894	16,266,789	33,851,683
Fund balances - ending	<u>\$ 17,897,583</u>	<u>\$ 24,199,899</u>	<u>\$ 42,097,482</u>

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Net changes in fund balances - total governmental funds \$ 8,245,799

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay recorded as expenditures in the current period. 8,794,503

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense associated with capital outlays recorded as expenditures in the current period. (4,977,433)

In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon it is earned regardless of its availability. (180,003)

The issuance of long-term debt provides current financial resources to governmental funds. These transactions, however, have no effect on net assets. This is the amount of long-term debt issued in the current period. (9,870,000)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net assets. This is the amount of repayment of principal of long-term debt recorded in the current period. 2,323,778

Governmental funds report the effect of issuance discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the effect of the difference in treatment of unamortized bond discounts. 69,753

Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the effect of the difference in treatment of unamortized debt issuance costs. 117,436

Governmental funds do not recognize expenditures for the long-term accrued liability associated with compensated absences. This is the amount of compensated absences recorded in the current period. (105,630)

Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt. This is the amount of accrued interest payable recorded in the current period. (86,525)

Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds:

The net revenue of certain activities of internal service funds is reported with governmental activities. (1,877,452)

Change in net assets of governmental activities \$ 2,454,226

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2002

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	Utility	Other Enterprise Funds	Total Enterprise Funds	ACTIVITIES- Internal Service Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 346,444
Equity in pooled cash and investments	5,737,832	8,568,640	14,306,472	15,020,130
Receivables	25,118,769	1,617,368	26,736,137	386,043
Due from other funds	-	591,815	591,815	212,503
Inventories	18,256,809	395,193	18,652,002	90,402
Prepaid expenses	10,686,909	-	10,686,909	38,135
Deferred charges	3,514,523	-	3,514,523	-
Total current assets	63,314,842	11,173,016	74,487,858	16,093,657
Noncurrent assets:				
Restricted assets - cash and investments	185,652,047	-	185,652,047	-
Prepaid rent - lease/leaseback	162,084,786	-	162,084,786	-
Other noncurrent assets	17,564,061	-	17,564,061	-
Capital assets (net of accumulated depreciation)				
Utility plant & equipment	593,999,860	-	593,999,860	-
Buildings	-	2,139,571	2,139,571	130,244
Improvements other than buildings	-	423,529	423,529	-
Machinery and equipment	-	8,294,636	8,294,636	7,368,931
Infrastructure	-	4,808,945	4,808,945	-
Capital assets (not depreciated)				
Land	-	1,928,591	1,928,591	-
Construction in progress	62,058,407	1,239,957	63,298,364	-
Total capital assets	656,058,267	18,835,229	674,893,496	7,499,175
Total noncurrent assets	1,021,359,161	18,835,229	1,040,194,390	7,499,175
Total assets	1,084,674,003	30,008,245	1,114,682,248	23,592,832
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	20,146,196	575,905	20,722,101	8,734,933
Accounts payable - payroll	1,730,261	376,647	2,106,908	75,514
Due to other funds	3,242,918	217,481	3,460,399	543,751
Current portion of long-term debt	79,930	1,010,866	1,090,796	-
Deferred credits	2,480,066	-	2,480,066	-
Total current liabilities	27,679,371	2,180,899	29,860,270	9,354,198
Current liabilities payable from restricted assets:				
Accrued interest payable	8,118,211	-	8,118,211	-
Current portion of long-term debt	11,520,000	-	11,520,000	-
Other liabilities payable from restricted assets	4,638,572	-	4,638,572	-
Total current liabilities payable from restricted assets	24,276,783	-	24,276,783	-
Noncurrent liabilities:				
Advance payable to other funds	-	195,907	195,907	-
Long-term debt	406,419,946	2,382,590	408,802,536	-
Operating lease - lease/leaseback	188,991,041	-	188,991,041	-
Other noncurrent liabilities	24,992,981	-	24,992,981	-
Total noncurrent liabilities	620,403,968	2,578,497	622,982,465	-
Total liabilities	672,360,122	4,759,396	677,119,518	9,354,198
NET ASSETS				
Invested in capital assets, net of related debt	252,236,347	15,762,289	267,998,636	7,499,175
Restricted for:				
Debt service	40,401,423	-	40,401,423	-
Other purposes	123,690,292	-	123,690,292	-
Unrestricted	(4,014,181)	9,486,560	5,472,379	6,739,459
Total net assets	\$ 412,313,881	\$ 25,248,849	\$ 437,562,730	\$ 14,238,634

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2002

Total net assets of Enterprise Funds on the statement of net assets of proprietary funds	\$ 437,562,730
Look-back adjustment to eliminate the effect of internal service fund activity involving enterprise fund participants	<u>(191,415)</u>
Net assets of business-type activities	<u>\$ 437,371,315</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	Utility	Other Enterprise Funds	Totals	ACTIVITIES - Internal Service Funds
Operating Revenues:				
Sales and service charges	\$ 198,930,821	\$ 15,295,019	\$ 214,225,840	\$ 7,808,755
Employer contributions	-	-	-	8,001,034
Employee contributions	-	-	-	2,332,075
Retiree contributions	-	-	-	954,286
Other operating revenues	5,441,628	19,227	5,460,855	45,172
Total operating revenues	<u>204,372,449</u>	<u>15,314,246</u>	<u>219,686,695</u>	<u>19,141,322</u>
Operating expenses:				
Operations and maintenance	104,155,618	17,649,622	121,805,240	9,907,499
Administrative and general	23,798,182	2,556,838	26,355,020	2,477,358
Depreciation and amortization	33,313,926	1,622,822	34,936,748	1,450,106
Benefits paid and other expenses	-	-	-	9,280,390
Total operating expenses	<u>161,267,726</u>	<u>21,829,282</u>	<u>183,097,008</u>	<u>23,115,353</u>
Operating income (loss)	<u>43,104,723</u>	<u>(6,515,036)</u>	<u>36,589,687</u>	<u>(3,974,031)</u>
Nonoperating revenues (expenses):				
Investment income	7,152,355	351,505	7,503,860	564,763
Interest expense	(22,204,567)	-	(22,204,567)	-
Gain on disposal of fixed assets	-	42,341	42,341	176,611
Local option gas tax	-	2,085,548	2,085,548	-
Other revenue	-	472	472	-
Operating grants	-	2,624,824	2,624,824	-
Total nonoperating revenue(expenses)	<u>(15,052,212)</u>	<u>5,104,690</u>	<u>(9,947,522)</u>	<u>741,374</u>
Income (loss) before capital contributions and transfers	<u>28,052,511</u>	<u>(1,410,346)</u>	<u>26,642,165</u>	<u>(3,232,657)</u>
Capital contributions	6,316,934	3,033,530	9,350,464	863,791
Transfers in	-	358,432	358,432	399,610
Transfers out	(25,694,788)	(784,438)	(26,479,226)	(99,610)
Change in net assets	8,674,657	1,197,178	9,871,835	(2,068,866)
Total net assets - beginning	403,639,224	24,051,671	427,690,895	16,307,500
Total net assets - ending	<u>\$ 412,313,881</u>	<u>\$ 25,248,849</u>	<u>\$ 437,562,730</u>	<u>\$ 14,238,634</u>

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN FUND NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Change in net assets - Enterprise Funds	\$ 9,871,835
Look-back adjustment to eliminate the effect of internal service fund activity involving enterprise fund participants	<u>(191,415)</u>
Change in net assets of business-type activities	<u>\$ 9,680,420</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUNDS</u>		<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
	<u>UTILITY</u> <u>FUND</u>	<u>NONMAJOR</u> <u>ENTERPRISE</u> <u>FUNDS</u>	<u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 202,196,051	\$ 15,290,820	\$ 19,409,490
Cash Paid to Suppliers	(91,046,800)	(12,949,235)	(16,343,340)
Cash Paid to Employees	(36,930,494)	(8,251,538)	(1,927,086)
Quasi-external Activities	(5,295,612)	-	-
Other Operating Receipts	3,667,425	223,927	543,751
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>72,590,570</u>	<u>(5,686,026)</u>	<u>1,682,815</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	-	1,728,576	-
Operating Grants	-	1,698,447	-
Transfers from Other Funds	-	358,904	399,610
Transfers to Other Funds	(25,694,788)	(784,438)	(99,610)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>(25,694,788)</u>	<u>3,001,489</u>	<u>300,000</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED</u> <u>FINANCING ACTIVITIES</u>			
Local Option Gas Tax	-	151,534	-
Principal Repayments on Long-Term Debt	(70,352,000)	(1,000,000)	-
Proceeds from Sale of Fixed Assets	-	9,596	176,611
Interest Paid on Long-term Debt	(23,006,198)	-	-
Capital Contributions	1,789,383	3,340,549	863,792
Acquisition and Construction of Fixed Assets	(42,324,379)	(2,117,346)	(1,906,328)
Loan Proceeds	-	195,907	-
Proceeds from Debt issued	79,300,000	-	-
Other Receipts	178,634	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(54,414,560)</u>	<u>580,240</u>	<u>(865,925)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	8,816,629	344,050	564,762
Purchase of Investments	(489,101,705)	(5,184,027)	(9,296,777)
Investment in The Energy Authority	(1,131,925)	-	-
Distributions from The Energy Authority	663,041	-	-
Proceeds from Investment Maturities	517,486,938	6,899,696	9,141,528
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>36,732,978</u>	<u>2,059,719</u>	<u>409,513</u>
NET INCREASE (DECREASE) IN CASH	29,214,200	(44,578)	1,526,403
CASH - OCTOBER 1, 2001	<u>8,303,337</u>	<u>3,429,191</u>	<u>4,543,394</u>
CASH - SEPTEMBER 30, 2002	<u>\$ 37,517,537</u>	<u>\$ 3,384,613</u>	<u>\$ 6,069,797</u>

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

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	UTILITY FUND	NONMAJOR ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING INCOME (LOSS)	\$ 43,104,723	\$ (6,515,036)	\$ (3,974,031)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	33,313,926	1,622,822	1,450,106
(Increase)/Decrease in Receivables	3,322,596	305,708	79,563
(Increase)/Decrease in Inventories	(7,540,413)	(69,052)	29,007
(Increase)/Decrease in Due from Other Funds	-	(321,209)	188,606
(Increase)/Decrease in Prepaid Expenses	3,954,165	-	8,777
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	317,277	(863,094)	3,357,036
Increase/(Decrease) in Due to Other Funds	1,323,302	153,835	543,751
Increase/(Decrease) in Deferred Credits	(11,525,724)	-	-
(Increase)/Decrease in Deferred Debits	6,378,090	-	-
Increase/(Decrease) in Utility Deposits	(57,372)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 72,590,570	\$ (5,686,026)	\$ 1,682,815
 RECONCILIATION OF CASH TO STATEMENT OF NET ASSETS			
Cash	\$ 37,517,537	\$ 3,384,613	\$ 6,069,797
Unamortized Discount	1,034,275	-	-
Accrued Interest	9,429,365	-	-
Investments	143,408,702	5,184,027	9,296,777
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 191,389,879	\$ 8,568,640	\$ 15,366,574
 NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES			
Contribution of Utility Plant	\$ 5,562,000	\$ -	\$ -
Change in Fair Value of Investments	1,266,257	1,460,352	(9,479)

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

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>PENSION TRUST FUNDS</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 3,630,697
Equity in Pooled Cash and Investments	4,792,415
Investments, at fair value	191,712,224
Receivables	<u>735</u>
TOTAL ASSETS	200,136,071
 <u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	<u>39,165</u>
 NET ASSETS	
Held in trust for pension benefits and other purposes	<u>\$ 200,096,906</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	PENSION TRUST FUNDS
<u>ADDITIONS:</u>	
Contributions:	
Employer Contributions	\$ 5,339,894
Employee Contributions	6,328,720
State Contributions	<u>976,448</u>
Total Contributions	<u>12,645,062</u>
Investment Income:	
Net Depreciation in Fair Value of Investments	(16,675,963)
Dividends & Interest	5,805,248
Broker Refunds	<u>6,676</u>
Total Investment Income (Loss)	(10,864,039)
Less Investment Expense	<u>1,495,085</u>
Net Investment Income (Loss)	(12,359,124)
TOTAL ADDITIONS	<u>285,938</u>
 <u>DEDUCTIONS:</u>	
Benefit Payments	15,217,756
Refunds of Contributions	521,969
Administrative Expenses	<u>402,152</u>
TOTAL DEDUCTIONS	<u>16,141,877</u>
CHANGE IN NET ASSETS	(15,855,939)
NET ASSETS - beginning as restated	<u>215,952,845</u>
NET ASSETS - ending	<u>\$ 200,096,906</u>

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

CITY OF GAINESVILLE, FLORIDA

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September 30, 2002

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CITY OF GAINESVILLE, FLORIDA
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September 30, 2002

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CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(A) Reporting Entity

The City is a Florida municipality established by the Laws of Florida, Section 12760, pursuant to the authority provided in Chapter 165, Florida Statutes, and is governed by an elected five member Commission. 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 distribution, telecommunications and electric utility enterprises. The City does not provide educational, health care, court or detention facilities.

As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government and its component units, entities for which the City is considered financially accountable. The component units are included in the reporting entity because of the significance of their operational relationship with the primary government. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of 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 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. Separate financial statements of the individual component units are available at the office of the Finance Director, 200 East University Avenue, Gainesville, Florida, 32601.

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

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

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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 2001-2002 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in Note 14.

(B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes or other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Proprietary Funds are used to account for the City's ongoing activities which are similar to those often found in the private business sector. The following are the City's proprietary fund types:

- Enterprise Funds
- Internal Service Funds

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

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(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and pension trust funds within the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Measurable refers to the ability to quantify in monetary terms the amount of the revenue and receivable. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities at the balance sheet date. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt.

Material revenues in the following categories are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

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

Interest and investment income earnings are recognized when earned and allocated monthly based on each funds' equity in the pool.

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

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

The City reports one major governmental fund:

The general fund is the government's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

The City reports one major proprietary fund:

The utility fund accounts for the activities of the City's electric generation, transmission and distribution operations, as well as water, wastewater, natural gas transmission, and telecommunications operations.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customer for sales and services. The principal operating revenues for the City's internal service funds related to general insurance and fleet management are charges to customers for sales and service. For those internal service funds related to health insurance, the principal operating revenues are employer and employee contributions. Operating expenses for enterprise funds and internal service funds include the cost of sales and service, administrative expenses, depreciation on capital assets, and benefits paid. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

(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 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 agent 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 agent in the City's name.
- Category 3* Includes uninsured and unregistered investments for which securities are held by a counterparty, its trust department or agent, but not in the City's name.

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	CATEGORY		TOTAL @
	1	2	FAIR VALUE
Defined Benefit			
<u>Pension investments</u>			
U.S. Treasury Obligations	13,955,115	-	13,955,115
Corporate bonds	42,438,742	-	42,438,742
Government bonds	14,069,505	-	14,069,505
Mortgage backed obligations	2,749,074	-	2,749,074
Common and preferred stock	118,499,788	-	118,499,788
Subtotal defined benefit			118,499,788
pension obligations	191,712,224	-	191,712,224
<u>Deposits</u>			
Cash in bank	31,140,893	-	31,140,893
Cash held by pension trustees	3,630,697	-	3,630,697
Certificates of deposit	1,472,000	-	1,472,000
Subtotal deposits			36,243,590
<u>Other investments</u>			
Government securities	117,504,722	-	117,504,722
Repurchase agreements	-	40,547,426	40,547,426
Government bonds	26,697,947	-	26,697,947
Corporate bonds	1,787,744	-	1,787,744
Mortgage backed securities	5,516,760	-	5,516,760
Corporate commercial paper	31,751,814	-	31,751,814
Subtotal other investments			223,806,413
Investments - mutual funds			738,104
Total deposits and investments			452,500,331

The above deposits and investments include those held by the component units as follows:

	<u>GEZDA</u>	<u>CRA</u>
Certificates of Deposit	\$130	\$2,282
Repurchase Agreements	3,014	52,981
Government Bonds	1,948	34,237
Corporate Bonds	158	2,772
Mortgage Backed Securities	487	8,553
TOTAL	<u>\$5,737</u>	<u>\$100,825</u>

The following schedule reconciles the deposit and investment information above to the City's financial statements:

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	<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>
Govt. Activities:					
General	\$ -	\$ 11,804,093	\$ -	\$ -	\$ 11,804,093
Special Revenue	130,674	5,795,208	837,104	-	6,762,986
Debt Service	32,041	485,262	552,030	-	1,069,333
Capital Projects	551,691	16,745,237	-	-	17,296,928
Internal Service	346,444	15,020,130	-	-	15,366,574
Subtotal Govt. Activities	<u>1,060,850</u>	<u>49,849,930</u>	<u>1,389,134</u>	<u>-</u>	<u>52,299,914</u>
Bus.-type Activities:					
Enterprise	-	14,306,472	-	185,652,047	199,958,519
Subtotal Bus.-type Activities	<u>-</u>	<u>14,306,472</u>	<u>-</u>	<u>185,652,047</u>	<u>199,958,519</u>
Pension Trust	3,630,697	4,792,415	191,712,224	-	200,135,336
Total Primary Government	<u>4,691,547</u>	<u>68,948,817</u>	<u>193,101,358</u>	<u>185,652,047</u>	<u>452,393,769</u>
Component Units:					
GEZDA	-	5,737	-	-	5,737
CRA	-	100,825	-	-	100,825
Total	<u>\$ 4,691,547</u>	<u>\$ 69,055,379</u>	<u>\$ 193,101,358</u>	<u>\$ 185,652,047</u>	<u>\$ 452,500,331</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.

	<u>Pooled Cash & Investments per Financial Statements</u>	<u>Adjustment for Overdraft Liabilities</u>	<u>Balance</u>
Governmental Activities:			
General	\$ 11,804,093	\$ 1,265,077	\$ 13,069,170
Community Development			
Block Grant	-	(183,456)	(183,456)
HOME Grant	-	(245,406)	(245,406)
Evergreen Cemetery	-	(76,463)	(76,463)
Employees Health & Accident Benefits	-	(543,751)	(543,751)
Business-Type Activities:			
Ironwood Golf Course	-	(216,001)	(216,001)

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.

Defined Benefit Pension Investments

These funds represent investments administered by the City's Defined Benefit Pension Fund Investment Managers. They comprise \$191,712,224 of the City's total fair value of investments, and are exclusive of the \$4,792,415 in equity in pooled cash and investments held by the City's Pension Funds and \$3,630,697

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held in cash by the Trustees. These investments are reported at fair value. The City maintains separate investment managers for its equity and fixed income portfolios. The managers of these funds are permitted to invest in the following 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 \$260,788,107 of the City's total fair value of deposits and investments. This figure includes \$738,104 invested in mutual funds.

Deposits At year end, the bank balances for City deposits, excluding cash held by Pension Trustees, was \$32,612,893. 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:

- 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;

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- 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 (a non-major special revenue fund), is invested in accordance with guidelines established by the Evergreen Cemetery Advisory Committee and/or as approved by the City Commission. These guidelines authorize investments in mutual funds including domestic equities, international equities and natural resources funds as well as in certificates of deposit and in repurchase agreements at the City's contracted rate.

(E) Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund

CITY OF GAINESVILLE, FLORIDA
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loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Unbilled utilities service receivables are recorded at year end. They are calculated by prorating cycle billings subsequent to September 30, 2002 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, 2002, the allowance was \$83,672 for the General Fund and \$805,126 for Enterprise Funds.

(F) Inventories

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

Except for inventories of the General Fund, inventories are stated at the lower of cost or market. Cost is determined using the weighted average 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) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bikepaths, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than those recorded in the Utility fund, are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Utility fund capital assets are defined as assets with an initial, individual cost of more than \$1,000 and a useful life in excess of more than one year.

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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings and Utility Plant -----	20 to 50 years
Improvements other than Buildings -----	20 to 30 years
Infrastructure – Roads, curb & gutter-----	50 years
Infrastructure – Roads, non curb & gutter-	25 years
Infrastructure - Sidewalks-----	50 years
Infrastructure – Bikepaths-----	25 years

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Equipment -----	5 to 20 years
Stormwater system -----	50 years
Streetscape -----	25 years

Depreciation of utility plant was equivalent to 3.40% of average depreciable property for 2002.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was capitalized in the Enterprise Funds during the 2002 fiscal year. This amount, if any, 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. For assets constructed with governmental fund resources, interest during construction is not capitalized.

(H) Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

(I) Amortization and Deferred Charges/Credits

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, deferred acquisition costs of \$2,705,000, deferred fuel charges of \$1,716,000 and unamortized bond issuance costs of \$3,310,000. Fuel revenue is recognized based on actual costs. Deferred fuel charges represent actual fuel costs in excess of amounts charged to customers.

(J) Compensated Absences

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

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All vacation pay and applicable sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements.

(K) Risk Management

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

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

All funds other than the Utility Fund participate in the general insurance program. Risk management/insurance related activities of the Utility fund are accounted for within the Utility Fund. An actuarially computed liability of \$3,152,309 is recorded in the Utility Fund as a deferred credit. Changes in the Utility Fund's claims liability for the last two years are as follows:

	BEGINNING OF FISCAL YEAR <u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	END OF FISCAL YEAR <u>LIABILITY</u>
2001-2002	\$3,152,309	\$970,000	\$970,000	\$3,152,309
2000-2001	3,152,309	542,000	542,000	3,152,309

There is a claims liability of \$6,714,000 included in the General Insurance Fund as the result of actuarial estimates. Changes in the General Insurance Fund's claims liability were:

	BEGINNING OF FISCAL YEAR <u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	END OF FISCAL YEAR <u>LIABILITY</u>
2001-2002	\$3,985,822	\$4,726,951	\$ 1,998,773	\$6,714,000
2000-2001	3,074,453	3,091,496	2,180,127	3,985,822

The City is also self-insured for its Employee Health and Accident Benefit Plan (the Plan). The Plan is accounted for in an Internal Service Fund and is externally administered, for an annually contracted amount which is based upon the volume of claims processed. Contributions for City employees and their dependents are shared by the city and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$150,000 per individual. Two claims have exceeded insurance coverage in the last three years. Changes in claims liability for the last two years are as follows:

	BEGINNING OF FISCAL YEAR <u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	END OF FISCAL YEAR <u>LIABILITY</u>
2001-2002	\$1,017,256	\$9,270,134	\$9,280,390	\$1,007,000
2000-2001	700,192	7,800,307	7,483,243	1,017,256

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(L) Interfund Activity

During the course of normal operations, the City has various nonreciprocal interfund activity. Following is a summary of the accounting treatment applied to such interfund transactions:

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

Transfers Interfund transfers affect the results of operations in the affected funds. An example is the payment to the General Fund from the Enterprise Funds.

(M) Property Taxes

Ad valorem property tax revenue is recognized as a 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 State Statutes under the following calendar:

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

The County Tax Collector bills and collects ad valorem taxes for the City. State Statutes provide for tax discounts for installment prepayments or full payments before certain dates. Installment prepayment dates and discounts of each installment (one-fourth of estimated taxes) are: June 30 - 6%, September 30 - 4.5%, December 31 - 3% and March 31 - 0%. Full payment dates and discounts are: November 30 - 4%, December 31 - 3%, January 31 - 2%, February 28 - 1% and March 31 - 0%. The Tax Collector remits current taxes collected to the City several times a month during the first two months of the collection period. Thereafter remittances are made to the City on a monthly basis.

(N) Budgetary Information

The City has elected to report budgetary comparisons as required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the City's budgetary information.

(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) Enterprise Activities

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

(Q) Implementation of New Accounting Standard

The City implemented Statement No. 34 of the Governmental Accounting Standards Board effective October 1, 2001. Financial statements were restated in accordance with the provisions of this statement because of the retroactive application of this standard.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

Beginning balance, as previously reported:		
Governmental Funds	\$	30,762,182
Expendable Trust Funds		3,089,501
Internal Service Funds		16,307,500
Beginning balance, Capital Assets		82,233,626
Adjustments for:		
Earned but unavailable revenue		2,156,475
Unmatured long-term debt		(31,531,849)
Accrued interest on long-term debt		(304,309)
Compensated absences		(2,496,763)
Beginning balance, Governmental Activities net assets, Statement of Activities	\$	<u>100,216,363</u>

NOTE 2 - RETIREMENT PLANS

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

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

(A) Defined Benefit Plans

Employees' Plan:

Plan Description. The Employees' Plan is a contributory defined benefit pension plan that covers all permanent employees of the City, except certain personnel who elected to participate in the Defined Contribution Plan and who were grandfathered into that plan, and police officers and firefighters who participate in the Consolidated Plan. The Employees' Plan provides retirement, 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 City 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 at an actuarially determined rate; the current rate is 4.52 % of covered payroll for retirement and death benefits and 1.13% of covered payroll 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	\$3,032,698
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual Pension Cost	<u>\$3,032,698</u>
Contributions Made	<u>3,032,698</u>
Increase (Decrease) in net pension obligation	-
Net Pension Obligation, beginning of year (adjusted)	-
Net Pension Obligation, end of year	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

The annual required contribution for the current year was determined as part of the October 1, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 9.25% 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 include post-retirement benefit increases for those retirees who meet eligibility criteria. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at September 30, 2002 was 30 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>
9/30/00	\$2,341,981	100.0%	\$ -
9/30/01	3,023,078	100.0%	-
9/30/02	3,032,698	100.0%	-

Consolidated Plan:

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

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission in accordance with applicable State Statute. Plan members are required to contribute 7.50% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 13.17% of covered payroll. In addition, State contributions, which totaled \$976,448, 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	\$3,283,644
Interest on net pension obligation	-
Adjustment to annual required contribution	-
<i>Annual Pension Cost</i>	<u>\$3,283,644</u>
Contributions Made	3,283,644
Increase (Decrease) in net pension obligation	-
Net Pension Obligation, beginning of year	-
<i>Net Pension Obligation, end of year</i>	<u><u>\$ -</u></u>

The annual 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 include post-retirement benefit increases for those retirees meeting eligibility criteria. The actuarial value of assets

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

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 amortization period at September 30, 2002 was 30 years.

Three-year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9/30/00	\$2,941,885	100.0%	\$ -
9/30/01	2,898,578	100.0%	-
9/30/02	3,283,644	100.0%	-

(B) Defined Contribution Pension Plan

Plan Description. As noted above, 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.

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

Revenue Bonds

The City issues revenue bonds for which the City pledges income from various sources, including income derived from the acquired or constructed assets, to pay the debt service on the bonds. Revenue bonds outstanding at year end are as follows:

Governmental activities:

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

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

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

\$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.

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

Business –Type Activities

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

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

\$134,920,000 Utilities System Revenue Bonds, Series 1992 - 6.0-7.5%, dated March 1, 1992, final maturity 2022.

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 and 101% to 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 - 4.25-5.30%, dated March 1, 1993, final maturity October 1, 2006.

\$128,795,000 Utilities System Revenue Bonds Series 1993B - 4.0-5.50%, 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, 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.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

<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%

\$37,300,000 2002 Utilities System Subordinated Utilities System Revenue Bonds Series 2002A – variable interest, dated July 20, 2002. The 2002A bonds were issued as multi-modal variable interest rate bonds, initially issued as variable-rate auction notes. Interest rates are reset by an auction process each 35 days based on market rates. While in the variable auction-rate mode, the Bonds may be redeemed at the option of the City in whole or in part on any interest payment date immediately following the end of the auction period without premium.

\$40,000,000 2002 Utilities System Subordinated Utilities System Revenue Bonds Series 2002B – variable interest, dated July 20, 2002. the 2002B bonds were issued as multi-modal variable interest rate bonds, initially issued as variable-rate auction notes. Interest rates are reset by an auction process each 35 days based on market rates. While in the variable auction-rate mode, the Bonds may be redeemed at the option of the city in whole or in part on any interest payment date immediately following the end of the auction period without premium.

Utility Notes

The following Utility System notes are outstanding as of September 30, 2002:

\$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 \$2,680,000 and \$45,521,000 were redeemed during fiscal 2000 and 1999, respectively. Proceeds from GRU's lease/leaseback transaction, along with other funds on hand were used to redeem the Series C Notes in 1999. GRU issued \$16,500,000 of Series C Notes in 1999 to finance future electric construction projects.

\$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, 2002, \$12,081,000 of Series D Notes were outstanding.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

Annual debt service requirements to maturity for revenue bonds and Utility notes are as follows:

Year ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2003	\$ 2,625,000	\$ 1,763,302	\$ 26,897,440	\$ 35,390,515
2004	2,740,000	1,650,040	15,357,440	17,055,130
2005	2,860,000	1,531,208	14,907,440	16,457,709
2006	2,825,000	1,405,178	15,487,440	15,884,532
2007	2,320,000	1,279,464	20,287,440	15,280,940
2008-2012	12,365,000	4,608,689	130,647,200	59,224,913
2013-2017	7,320,000	2,046,437	98,597,200	28,193,188
2018-2022	4,495,372	4,860,377	54,777,200	14,420,918
2023-2027	366,848	1,823,153	34,902,200	5,322,613
2028-2032	-	-	34,000,000	1,518,875
Total	<u>\$ 37,917,220</u>	<u>\$ 20,967,848</u>	<u>\$ 445,861,000</u>	<u>\$ 208,749,333</u>

Promissory Notes

Promissory notes have been issued only in governmental activities. Notes outstanding at year end are as follows:

\$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.

\$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.

\$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.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

Annual debt service requirements to maturity for promissory notes are as follows:

Year ending September 30	Principal	Interest
2003	\$ 142,993	\$ 127,296
2004	45,337	59,663
2005	77,099	57,901
2006	64,568	54,232
2007	68,457	72,583
2008-2012	409,359	184,641
2013-2017	358,189	47,636
	<hr/>	<hr/>
Total	<u>\$ 1,166,002</u>	<u>\$ 603,952</u>

Other Business-type activity long-term liabilities

The following long-term liabilities are outstanding as of September 30, 2002:

\$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.

Annual debt service requirements to maturity for these items is as follows:

Year ending September 30	Principal	Interest
2003	\$ 1,000,000	\$ -
2004	1,000,000	-
2005	1,011,095	3,628
2006	11,095	3,265
2007	11,095	2,902
2008-2012	55,475	4,535
2013-2017	22,192	544
	<hr/>	<hr/>
Total	<u>\$ 3,110,952</u>	<u>\$ 14,874</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

(A) Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2002 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within one year
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 30,237,220	\$ 9,870,000	\$ 2,190,000	\$ 37,917,220	\$ 2,625,000
Less deferred amounts:					
For issuance discounts	-	-	69,753	69,753	-
Total bonds payable	30,237,220	9,870,000	2,259,753	37,847,467	2,625,000
Promissory Notes	1,294,631	-	128,629	1,166,002	142,993
Compensated Absences	2,577,690	105,630	-	2,683,320	103,205
Governmental activity					
Long-term liabilities	<u>\$ 34,109,541</u>	<u>\$ 9,975,630</u>	<u>\$ 2,388,382</u>	<u>\$ 41,696,789</u>	<u>\$ 2,871,198</u>
Business-type activities:					
Bonds payable:					
Utility revenue bonds	\$ 341,380,000	\$ 77,300,000	\$ 47,630,000	\$ 371,050,000	\$ 11,520,000
Less deferred amounts:					
For issuance discounts	3,956,633	-	815,807	3,140,826	-
On refunding	27,573,144	-	794,691	26,778,453	-
Total bonds payable	309,850,223	77,300,000	46,019,502	341,130,721	11,520,000
Utility Notes payable	95,533,000	-	20,722,000	74,811,000	-
Clean Water State					
Revolving Loan Fund					
Agreement	110,952	-	-	110,952	-
State Infrastructure					
Bank Loan	4,000,000	-	1,000,000	3,000,000	1,000,000
Compensated absences	1,892,965	467,694	-	2,360,659	90,796
Business-type activity					
Long-term liabilities	<u>\$ 411,387,140</u>	<u>\$ 77,767,694</u>	<u>\$ 67,741,502</u>	<u>\$ 421,413,332</u>	<u>\$ 12,610,796</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 13,648,651	\$ 1,313,702	\$ (540,732)	\$ 14,421,621
Construction in progress	2,140,408	2,432,989	(1,675,006)	2,898,391
Total capital assets, not being depreciated	<u>15,789,059</u>	<u>3,746,691</u>	<u>(2,215,738)</u>	<u>17,320,012</u>
Capital assets, being depreciated:				
Buildings	28,501,811	598,307	-	29,100,118
Improvements other than buildings	5,678,809	243,183	(70,346)	5,851,646
Machinery and equipment	27,980,792	5,144,769	(4,700,132)	28,425,429
Infrastructure	115,732,426	5,507,421	-	121,239,847
Total capital assets being depreciated	<u>177,893,838</u>	<u>11,493,680</u>	<u>(4,770,478)</u>	<u>184,617,040</u>
Less accumulated depreciation for:				
Buildings	(12,257,388)	(908,707)	-	(13,166,095)
Improvements other than buildings	(4,718,953)	(131,360)	70,345	(4,779,968)
Machinery and equipment	(17,694,296)	(2,710,266)	2,376,329	(18,028,233)
Infrastructure	(69,735,681)	(2,677,206)	-	(72,412,887)
Total accumulated depreciation	<u>(104,406,318)</u>	<u>(6,427,539)</u>	<u>2,446,674</u>	<u>(108,387,183)</u>
Total capital assets, being depreciated, net	<u>73,487,520</u>	<u>5,066,141</u>	<u>(2,323,804)</u>	<u>76,229,857</u>
Governmental activities capital assets, net	<u>\$ 89,276,579</u>	<u>\$ 8,812,832</u>	<u>\$ (4,539,542)</u>	<u>\$ 93,549,869</u>

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

General Government	\$ 928,546
Public Safety	871,188
Physical Environment	0
Transportation	2,756,084
Economic Environment	67,793
Culture & Recreation	353,822
Depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets	<u>1,450,106</u>
Total depreciation expense – governmental activities	<u>\$ 6,427,539</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 983,936	\$ 944,655	\$ -	\$ 1,928,591
Construction in progress	77,599,387	46,020,458	(60,321,481)	63,298,364
Total capital assets, not being depreciated	<u>78,583,323</u>	<u>46,965,113</u>	<u>(60,321,481)</u>	<u>65,226,955</u>
Capital assets, being depreciated:				
Utility plant and equipment	914,821,046	173,420,719	(139,086,005)	949,155,760
Buildings	3,478,413	17,858	-	3,496,271
Improvements other than buildings	1,738,737	37,307	-	1,776,044
Machinery and equipment	15,796,414	1,042,101	(499,741)	16,338,774
Infrastructure	20,964,756	594,714	-	21,559,470
Total capital assets, being depreciated	<u>956,799,366</u>	<u>175,112,699</u>	<u>(139,585,746)</u>	<u>992,326,319</u>
Less accumulated depreciation for:				
Utility plant and equipment	(349,136,049)	(30,934,171)	24,914,320	(355,155,900)
Buildings	(1,250,367)	(106,330)	-	(1,356,697)
Improvements other than buildings	(1,123,265)	(229,250)	-	(1,352,515)
Machinery and equipment	(7,249,185)	(1,287,242)	492,286	(8,044,141)
Infrastructure	(16,750,525)	-	-	(16,750,525)
Total accumulated depreciation	<u>(375,509,391)</u>	<u>(32,556,993)</u>	<u>25,406,606</u>	<u>(382,659,778)</u>
Total capital assets, being depreciated, net	<u>581,289,975</u>	<u>142,555,706</u>	<u>(114,179,140)</u>	<u>609,666,541</u>
Business-type activities capital assets, net	<u>\$ 659,873,298</u>	<u>\$ 189,520,819</u>	<u>\$(174,500,621)</u>	<u>\$ 674,893,496</u>

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

Utility	\$ 30,934,171
Regional Transit System	1,304,488
Stormwater	179,864
Ironwood	131,443
Solid Waste	<u>7,027</u>
Total depreciation expense – business-type activities	<u>\$ 32,556,993</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 6 - INDIVIDUAL FUND DEFICITS

The following funds had deficit fund balances/net assets at September 30, 2002:

Debt Service Funds

FFGFC Series 1992 <120>

Internal Service

General Insurance <2,841,850>

Employees' Health & Accident Benefits <1,144,731>

The FFGFC 92 deficit is a result of the fact that transfers from the General Fund in conjunction with interest earnings in the FFGFC 92 fund were not sufficient to cover fund costs. Funds to cover the difference will be moved to the FFGFC fund in fiscal 2003.

In both the General Insurance Fund and the Employees' Health and Accident Benefits Fund, claim expense outpaced estimates. Premium structures have been revised in FY03 to address these issues.

NOTE 7 - COMPOSITION OF RECEIVABLES AND PAYABLES

Governmental activities

Receivables:

General Fund - Net accounts receivable as of September 30, 2002 are comprised of approximately 22% taxes (communications services tax, half cent sales tax, and local option gas tax), 19% notes receivable, 8% receivables from employees, 7% intergovernmental receivables, and 44% other receivables.

Nonmajor governmental funds - Net accounts receivable as of September 30, 2002 consist of approximately 48% loans receivable, 47% intergovernmental receivables, and 5% other receivables.

Payables:

General Fund - As of September 30, 2002, the payables balance in the General Fund consists of 59% wages payable and 41% other payables.

Nonmajor governmental funds - Payables balances as of September 30, 2002 are comprised of 63% construction related obligations, 30% intergovernmental, and 7% other payables.

Business-type activities

Receivables:

Net accounts receivable as of September 30, 2002 are comprised of approximately 78% receivables from utility customer accounts and 22% other receivables.

Payables:

As of September 30, 2002 payables balances consist of 38% fuels payable, 18% intergovernmental payables, 8% wages payable and 36% other payables.

CITY OF DESSVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2002 is as follows:

Due to/from other funds:

Due to	Due from					Total
	General	Utility	Nonmajor governmental	Internal Service	All others	
General	\$ -	\$ 2,442,498	\$ 505,325	\$ 543,751	\$ 216,001	\$ 3,707,575
Utility	-	-	-	-	-	-
Nonmajor governmental	-	866	-	-	-	866
Internal Service	-	212,503	-	-	-	212,503
All others	-	587,051	3,284	-	1,480	591,815
Total	\$ -	\$ 3,242,918	\$ 508,609	\$ 543,751	\$ 217,481	\$ 4,512,759

There were no due from or due to balances in the fiduciary funds.

Of the \$3,707,575 due to the General Fund, \$1,265,077 is the result of the establishment of an interfund payable resulting from funds overdrawing their share of the pooled cash account. All remaining balances resulted from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. In addition, there is an interfund advance of \$ 195,907 from the General Fund to Ironwood Golf Course for the purchase of golf carts.

Interfund transfers:

Transfer in	Transfer out					Total
	General	Utility	Nonmajor governmental	Internal Service	All others	
General	\$ -	\$ 25,694,788	\$ 874,584	\$ -	\$ 300,000	\$ 26,869,372
Utility	-	-	-	-	-	-
Nonmajor governmental	3,965,921	-	10,754,019	-	484,438	15,204,378
Internal Service	300,000	-	-	99,610	-	399,610
All others	358,432	-	-	-	-	358,432
Total	\$ 4,624,353	\$ 25,694,788	\$ 11,628,603	\$ 99,610	\$ 784,438	\$ 42,831,792

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 9 - EQUITY RESERVES

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

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

<u>Fund Type</u>	<u>Encumbrances</u>	<u>Inventories</u>	<u>Noncurrent Receivable</u>	<u>Debt Service</u>	<u>Legal Restrictions for a Specific Future Use</u>	<u>TOTAL</u>
<i>General Fund</i>	\$724,986	\$123,713	\$2,135,747	-	\$14,913,137	\$17,897,583
<i>Special Revenue Funds</i>	1,659,030	-	-	-	517,181	2,176,211
<i>Debt Service Funds</i>	-	-	-	499,000	-	499,000
<i>Capital Projects Funds</i>	<u>2,712,977</u>	=	=	=	<u>120,489</u>	<u>2,833,466</u>
Total Reserves	<u>\$5,096,993</u>	<u>\$123,713</u>	<u>\$2,135,747</u>	<u>\$499,000</u>	<u>\$15,550,807</u>	<u>\$23,406,260</u>

The composition of restricted net assets, based on third party external restrictions, at September 30 is:

Governmental activities

Debt service	\$1,066,840
Special Revenue Fund fund balances	6,370,394
Capital projects	12,244,722

Business-type activities

Utility Fund debt service	\$50,868,914
Utility Fund rate stabilization	76,852,195
Utility plant improvement	28,634,776
Investment in The Energy Authority	3,101,508
Nuclear decommissioning reserve	4,634,322

**NOTE 10- 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, 2002 was **\$25,694,788**.

NOTE 11- 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 639 retirees for the fiscal year 2002 was \$2,673,075.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Under the Comprehensive Environmental response Compensation and Liability Act, commonly known as "Superfund", 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. In addition, in January 1990, GRU purchased the natural gas distribution assets of a company and pursuant to the related purchase agreement, assumed responsibility for the investigation and remediation of environmental impact related to the operation of the former manufactured gas plant. Based upon GRU's analysis of the cost to clean up these sites and other identified environmental contingencies, GRU has accrued a liability of \$10,100,000 as of September 30, 2002. Because GRU believes it is probable that it will recover the costs of environmental cleanup through future customer rates, a regulatory asset of equal amount has been reflected as a deferred charge in the accompanying balance sheet. Although uncertainties associated with environmental assessment and remediation activities remain, GRU believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect on the City's financial position, results of operations or liquidity.

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 13 - 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. Under the terms of the transaction, GRU continues to own, operate, maintain and staff the facilities.

The proceeds received by GRU from this transaction were approximately \$249 million. From these proceeds, GRU deposited \$142 million as a payment undertaking agreement and a second deposit of \$72 million in the form of a collateralized Guaranteed Investment Contract (GIC) both with 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 is being 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.

Amortization of the net benefit was \$1,775,000 in fiscal 2002 and was reported as a component of other operating revenue.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2002

NOTE 14 – INVESTMENT IN THE ENERGY AUTHORITY

In May 2000, GRU became an equity member of The Energy Authority (“TEA”), a power marketing joint venture. In May, 2002, TEA began trading natural gas on behalf of GRU. As of September 30, 2002 this joint venture was comprised of six municipal utilities across the nation, all of which are participating in the electric marketing and five of which participate in the gas program. GRU’s ownership interest was 7.1% in the electric venture and 7.7% in the gas venture, and it accounted for this investment using equity accounting. To become a member, GRU paid an initial capital contribution of \$1,000,000 and a membership fee of \$867,360. The membership fee was amortized over 24 months and, consequently, eliminated. GRU has reflected the capital contribution as an investment in TEA. The investment balance has been adjusted for GRU’s subsequent share of TEA’s net income or loss. In calculating GRU’s share of net income or loss, profit on transactions between GRU and TEA have been eliminated. Such transactions primarily relate to purchases and sales of electricity between GRU and TEA. GRU had purchase transactions with TEA of \$10,788,725 and sales transactions of \$3,016,744 in fiscal year 2002. TEA’s profit on these transactions has been reflected as a reduction to GRU’s reported revenue or expense. As of September 30, 2002, GRU’s investment in TEA was \$1,773,936. Additionally, in accordance with the membership agreement between GRU and its joint venture members, GRU has provided TEA with guarantees of \$9,600,000 to secure power marketing transactions. Of this amount, \$8,600,000 is represented by a trade guarantee with the balance through a TEA letter-of-credit supported by a cash deposit of \$428,571. GRU has also provided guarantees of \$13,800,000 to secure natural gas purchases. Of this amount, \$11,000,000 is represented by a trade guarantee with the balance through a TEA letter-of-credit supported by a cash deposit of \$899,000.

NOTE 15 – RESTATEMENT OF PRIOR YEAR BALANCES

Certain assets in the Consolidated Police Officers’ and Firefighters Pension Plan related to the Deferred Retirement Option Program of that plan were not included in the September 30, 2001 financial statements. The net assets of the Pension Trust Funds have been restated as follows:

Net assets, October 1, 2001, as previously	\$212,650,422
Restatement	<u>3,302,423</u>
Net assets, October 1, 2001 as restated	<u>\$215,952,845</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUES						
Taxes	\$ 24,634,036	\$ 24,675,036	\$ 24,643,456	\$ -	\$ 24,643,456	\$ (31,580)
Licenses and Permits	1,861,187	1,861,188	1,787,686	-	1,787,686	(73,502)
Intergovernmental	6,984,777	6,816,031	7,190,094	-	7,190,094	374,063
Charges for Services	6,045,248	5,980,122	6,202,562	-	6,202,562	222,440
Fines and Forfeitures	1,199,384	1,199,384	1,148,623	-	1,148,623	(50,761)
Miscellaneous	1,021,947	1,110,332	1,293,284	-	1,293,284	182,952
TOTAL REVENUES	41,746,579	41,642,093	42,265,705	-	42,265,705	623,612
EXPENDITURES						
Current:						
General Government	19,810,954	19,957,333	17,014,680	213,798	17,228,478	2,728,855
Public Safety	33,354,761	34,844,347	35,079,142	325,247	35,404,389	(560,042)
Physical Environment	2,081,303	2,190,071	1,922,139	111,951	2,034,090	155,981
Transportation	6,482,237	6,638,388	6,460,423	41,168	6,501,591	136,797
Economic Environment	265,587	367,146	66,928	-	66,928	300,218
Culture and Recreation	4,044,636	3,820,770	3,654,723	32,822	3,687,545	133,225
TOTAL EXPENDITURES	66,039,478	67,818,055	64,198,035	724,986	64,923,021	2,895,034
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,292,899)	(26,175,962)	(21,932,330)	(724,986)	(22,657,316)	3,518,646
OTHER FINANCING SOURCES (USES)						
Transfers In	27,074,318	26,814,956	26,869,372	-	26,869,372	54,416
Transfers Out	(3,128,419)	(6,865,774)	(4,624,353)	-	(4,624,353)	2,241,421
TOTAL OTHER FINANCING SOURCES (USES)	23,945,899	19,949,182	22,245,019	-	22,245,019	2,295,837
NET CHANGE IN FUND BALANCES	\$ (347,000)	\$ (6,226,780)	\$ 312,689	\$ (724,986)	\$ (412,297)	\$ 5,814,483

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2002

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 for each budgeted fund.

Budget amounts reflected in the accompanying schedules incorporate all budgetary amendments (including supplemental appropriations) to the original budget. Budget amendments are approved by the City Commission during the year, with a final amendatory ordinance approved after the end of the fiscal year.

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

Budget appropriation 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
9/30/02	\$ 152,896,547	\$ 191,220,663	\$ 38,324,116	79.96%	\$ 52,418,000	73.11%
9/30/01	157,637,000	189,421,000	31,784,000	83.22%	49,922,000	63.67%
9/30/00	160,784,000	164,266,000	3,482,000	97.88%	48,268,257	7.21%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
10/1/02	\$ 72,451,280	\$ 119,370,846	\$ 46,919,566	60.69%	\$ 17,437,302	269.08%
10/1/01	78,399,664	112,984,188	34,584,524	69.39%	14,602,056	236.85%
10/1/99	72,733,066	93,705,531	20,972,465	77.62%	16,821,405	124.68%

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULES OF FUNDING PROGRESS
SEPTEMBER 30, 2002

	EMPLOYEES' PLAN		CONSOLIDATED PLAN	
Valuation Date	9/30/02		9/30/02	
Actuarial Cost Method	Entry Age Normal		Entry Age Normal	
Amortization Method	Level percent		Level percent	
Asset Valuation Method	5-year smoothed market		5-year smoothed market	
Actuarial Assumptions:				
Investment Rate of Return*	9.25% per annum		8.50% per annum	
Salary Increase Rate*	<u>Years of svc.</u>	<u>Rate</u>	<u>Age range</u>	<u>Rate</u>
	6 & under	7%	Less than 30	7%
	7 - 11	6	30 - 35	6
	12 - 16	4	35 - 40	5
	Over 16	3.5	40 & older	4

Includes inflation of 4% for each plan.

NONMAJOR GOVERNMENT FUNDS

SPECIAL REVENUE FUNDS

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

The City maintains the following Special Revenue Funds:

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

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

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

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.

Recreation Fund - to account for revenue and expenditures associated with various recreation programs and centers. Activities are supported by charges for services, contributions and miscellaneous revenues.

Miscellaneous Special Revenue Fund – to account for several miscellaneous programs that are of small dollar value or single purpose in nature and require minimal special accounting features.

Tourist Destination Enhancement Fund – to account for Tourist Development tax dollars awarded as grants to artistic, eco-tourism and new program projects that will promote tourism in the area.

Evergreen Cemetery Trust Fund - to account for revenues, which will be used to finance perpetual care for certain, City cemetery gravesites. 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.

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.

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

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 various capital projects financed through the release of reserves as a result of debt refunding in 1998.

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

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

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

Downtown Parking Garage Fund 02 – to account for construction costs of the Alachua County Criminal Courthouse parking facilities financed by the First Florida Governmental Financing Commission 2002 and interest earnings.

Fifth Avenue/Pleasant Street Rehabilitation Project Fund 02 – to account for the acquisition and rehabilitation of properties in the Fifth Avenue/Pleasant Street district financed through the First Florida Governmental Financing Commission 2002 and interest earnings.

Downtown Parking Garage Sales Tax Fund – to account for construction costs of the Alachua County Criminal Courthouse parking facilities financed by the local option sales tax.

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

SPECIAL REVENUE FUNDS

	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
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	50,784	-	2,309,388	286,414	40,712
Investments	-	-	-	-	-	-
Receivables	597,405	1,547,939	587,857	342,823	7,607	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	57,224
TOTAL ASSETS	\$ 597,405	\$ 1,598,723	\$ 587,857	\$ 2,652,211	\$ 294,021	\$ 97,936
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 180,280	\$ -	\$ 32,517	\$ 57,913	\$ 300	\$ -
Due to Other Funds	183,456	-	245,406	-	1,920	-
Deferred Revenue	61,207	1,547,939	297,972	812,073	-	57,224
TOTAL LIABILITIES	424,943	1,547,939	575,895	869,986	2,220	57,224
FUND BALANCES						
Reserved for Encumbrances	97,248	-	372,503	883,050	32,009	-
Reserved for Legal Restrictions	29,625	-	486,556	-	1,000	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved:						
Designated for Future Use	-	-	-	899,175	258,792	40,712
Undesignated	45,589	50,784	(847,097)	-	-	-
TOTAL FUND BALANCES	172,462	50,784	11,962	1,782,225	291,801	40,712
TOTAL LIABILITIES AND FUND BALANCES	\$ 597,405	\$ 1,598,723	\$ 587,857	\$ 2,652,211	\$ 294,021	\$ 97,936

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

SPECIAL REVENUE FUNDS (continued)

	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOPMENT FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND	RECREATION FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	154,695	94,972	360,578	128,696	59,911
Investments	-	-	-	-	-
Receivables	-	31,654	5,154	-	13,166
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 154,695	\$ 126,626	\$ 365,732	\$ 128,696	\$ 73,077
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 8,100
Due to Other Funds	-	258	-	-	180
Deferred Revenue	-	31,654	-	-	-
TOTAL LIABILITIES	-	31,912	-	-	8,280
FUND BALANCES					
Reserved for Encumbrances	33,872	-	14,386	-	19,177
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	120,823	-	-	128,696	45,620
Undesignated	-	94,714	351,346	-	-
TOTAL FUND BALANCES	154,695	94,714	365,732	128,696	64,797
TOTAL LIABILITIES AND FUND BALANCES	\$ 154,695	\$ 126,626	\$ 365,732	\$ 128,696	\$ 73,077

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

SPECIAL REVENUE FUNDS (continued)

	MISCELLANEOUS SPECIAL REVENUE FUND	TOURIST DESTINATION ENHANCEMENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER FUND	FIFTH AVENUE TAX INCREMENT FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 130,674	\$ -	\$ -
Equity in Pooled Cash and Investments	46,354	113,710	-	34,700	378,227
Investments	-	-	837,104	-	-
Receivables	-	46,648	1,097	-	37,700
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 46,354	\$ 160,358	\$ 968,875	\$ 34,700	\$ 415,927
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 4,712	\$ 622	\$ -	\$ -	\$ 420
Due to Other Funds	-	-	76,463	-	-
Deferred Revenue	-	-	1,096	-	37,700
TOTAL LIABILITIES	4,712	622	77,559	-	38,120
FUND BALANCES					
Reserved for Encumbrances	-	64,766	-	-	80,815
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	41,642	94,970	891,316	34,700	296,992
Undesignated	-	-	-	-	-
TOTAL FUND BALANCES	41,642	159,736	891,316	34,700	377,807
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,354	\$ 160,358	\$ 968,875	\$ 34,700	\$ 415,927

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

	<u>SPECIAL REVENUE FUNDS (continued)</u>				<u>DEBT SERVICE FUNDS</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>FFGFC SERIES 1992</u>	<u>FFGFC SERIES 1996</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 777	\$ 14,649
Equity in Pooled Cash and Investments	491,435	1,076,389	2,092	166,151	1,596	191,073
Investments	-	-	-	-	-	552,030
Receivables	-	1,500	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 491,435</u>	<u>\$ 1,077,889</u>	<u>\$ 2,092</u>	<u>\$ 166,151</u>	<u>\$ 2,373</u>	<u>\$ 757,752</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 8,892	\$ 22,062	\$ -	\$ -	\$ 2,493	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>8,892</u>	<u>22,062</u>	<u>-</u>	<u>-</u>	<u>2,493</u>	<u>-</u>
<u>FUND BALANCES</u>						
Reserved for Encumbrances	24,380	36,824	-	-	-	-
Reserved for Legal Restrictions	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	499,000
Unreserved:						
Designated for Future Use	458,163	1,019,003	2,092	166,151	-	258,752
Undesignated	-	-	-	-	(120)	-
TOTAL FUND BALANCES	<u>482,543</u>	<u>1,055,827</u>	<u>2,092</u>	<u>166,151</u>	<u>(120)</u>	<u>757,752</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 491,435</u>	<u>\$ 1,077,889</u>	<u>\$ 2,092</u>	<u>\$ 166,151</u>	<u>\$ 2,373</u>	<u>\$ 757,752</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

	<u>DEBT SERVICE FUNDS (continued)</u>					<u>CAPITAL PROJECTS FUNDS</u>
	<u>FFGFC SERIES 1998</u>	<u>FFGFC SERIES 2001</u>	<u>FFGFC SERIES 2002</u>	<u>GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994</u>	<u>CRA PROMISSORY NOTES</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 16,615	\$ -	\$ -
Equity in Pooled Cash and Investments	31,896	17,884	49,820	192,993	-	654,914
Investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	21,300
Due from Other Funds	-	-	-	-	-	866
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ 31,896	\$ 17,884	\$ 49,820	\$ 209,608	\$ -	\$ 677,080
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,294
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	42,294
FUND BALANCES						
Reserved for Encumbrances	-	-	-	-	-	830,322
Reserved for Legal Restrictions	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved:						
Designated for Future Use	31,896	17,884	49,820	209,608	-	-
Undesignated	-	-	-	-	-	(195,536)
TOTAL FUND BALANCES	31,896	17,884	49,820	209,608	-	634,786
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,896	\$ 17,884	\$ 49,820	\$ 209,608	\$ -	\$ 677,080

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

CAPITAL PROJECTS FUNDS (continued)

	GREENSPACE ACQUISITION FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 551,691	\$ -	\$ -
Equity in Pooled Cash and Investments	73,984	21,556	22,470	2,587,372
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 73,984	\$ 573,247	\$ 22,470	\$ 2,587,372
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ -	\$ 290,735	\$ -	\$ 222,474
Due to Other Funds	-	926	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	291,661	-	222,474
FUND BALANCES				
Reserved for Encumbrances	-	-	-	1,358,436
Reserved for Legal Restrictions	48,600	-	-	71,889
Reserved for Debt Service	-	-	-	-
Unreserved:				
Designated for Future Use	25,384	281,586	22,470	934,573
Undesignated	-	-	-	-
TOTAL FUND BALANCES	73,984	281,586	22,470	2,364,898
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,984	\$ 573,247	\$ 22,470	\$ 2,587,372

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

CAPITAL PROJECTS FUNDS (continued)

	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	192,839	59,648	663,863	485,206	7,564,204
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 192,839	\$ 59,648	\$ 663,863	\$ 485,206	\$ 7,564,204
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Reserved for Encumbrances	-	3,083	28,000	196,699	92,425
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	192,839	56,565	635,863	288,507	7,471,779
Undesignated	-	-	-	-	-
TOTAL FUND BALANCES	192,839	59,648	663,863	485,206	7,564,204
TOTAL LIABILITIES AND FUND BALANCES	\$ 192,839	\$ 59,648	\$ 663,863	\$ 485,206	\$ 7,564,204

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002

CAPITAL PROJECTS FUNDS (continued)

	DOWNTOWN PARKING GARAGE FUND 02	FIFTH AVENUE/ PLEASANT ST REHAB PROJ FUND 02	DOWNTOWN PARKING GARAGE SALES TAX FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 714,406
Equity in Pooled Cash and Investments	968,216	664,186	2,786,779	23,025,707
Investments	-	-	-	1,389,134
Receivables	-	-	-	3,241,850
Due from Other Funds	-	-	-	866
Assets Held for Evidence	-	-	-	57,224
TOTAL ASSETS	\$ 968,216	\$ 664,186	\$ 2,786,779	\$ 28,429,187
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 873,814
Due to Other Funds	-	-	-	508,609
Deferred Revenue	-	-	-	2,846,865
TOTAL LIABILITIES	-	-	-	4,229,288
FUND BALANCES				
Reserved for Encumbrances	190,162	13,850	-	4,372,007
Reserved for Legal Restrictions	-	-	-	637,670
Reserved for Debt Service	-	-	-	499,000
Unreserved:				
Designated for Future Use	778,054	650,336	2,786,779	19,191,542
Undesignated	-	-	-	(500,320)
TOTAL FUND BALANCES	968,216	664,186	2,786,779	24,199,899
TOTAL LIABILITIES AND FUND BALANCES	\$ 968,216	\$ 664,186	\$ 2,786,779	\$ 28,429,187

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	SPECIAL REVENUE FUNDS					
	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						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,586,201	-	629,928	2,868,559	-	-
Charges for Services	8,703	-	77,588	-	481,376	-
Fines and Forfeitures	-	-	-	-	-	12,375
Miscellaneous	13,188	173,946	20,932	95,085	14,389	6,420
TOTAL REVENUES	1,608,092	173,946	728,448	2,963,644	495,765	18,795
EXPENDITURES						
Current:						
General Government	-	-	-	3,715	-	-
Public Safety	-	-	-	826,532	-	22,681
Physical Environment	-	-	-	1,135,629	-	-
Transportation	-	-	-	396,070	-	-
Economic Environment	1,608,092	-	728,448	-	-	-
Human Services	-	-	-	163,952	-	-
Culture and Recreation	-	-	-	475,328	474,854	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,608,092	-	728,448	3,001,226	474,854	22,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	173,946	-	(37,582)	20,911	(3,886)
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	-
Transfers In	-	-	-	315,891	67,895	-
Transfers Out	-	(636,810)	-	(234,905)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(636,810)	-	80,986	67,895	-
NET CHANGE IN FUND BALANCES	-	(462,864)	-	43,404	88,806	(3,886)
FUND BALANCES, October 1	172,462	513,648	11,962	1,738,821	202,995	44,598
FUND BALANCES, September 30	\$ 172,462	\$ 50,784	\$ 11,962	\$ 1,782,225	\$ 291,801	\$ 40,712

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

SPECIAL REVENUE FUNDS (continued)					
	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOPMENT FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND	RECREATION FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	73,373	110,537	181,756
Fines and Forfeitures	62,690	-	-	-	-
Miscellaneous	10,822	9,623	14,687	6,017	18,985
TOTAL REVENUES	73,512	9,623	88,060	116,554	200,741
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	160,453	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	53,161	-
Economic Environment	-	-	181,532	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	160,944
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	160,453	-	181,532	53,161	160,944
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(86,941)	9,623	(93,472)	63,393	39,797
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Transfers In	-	-	25,000	-	25,000
Transfers Out	(56,891)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(56,891)	-	25,000	-	25,000
NET CHANGE IN FUND BALANCES	(143,832)	9,623	(68,472)	63,393	64,797
FUND BALANCES, October 1	298,527	85,091	434,204	65,303	-
FUND BALANCES, September 30	\$ 154,695	\$ 94,714	\$ 365,732	\$ 128,696	\$ 64,797

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	SPECIAL REVENUE FUNDS (continued)					
	MISCELLANEOUS SPECIAL REVENUE FUND	TOURIST DESTINATION ENHANCEMENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER FUND	FIFTH AVENUE TAX INCREMENT FUND	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 70,667	\$ 305,571
Intergovernmental	-	390,284	-	-	-	-
Charges for Services	54,707	-	17,379	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	268,930	-	(119,402)	1,502	20,335	36,711
TOTAL REVENUES	323,637	390,284	(102,023)	1,502	91,002	342,282
EXPENDITURES						
Current:						
General Government	264,788	-	-	-	17,167	82,803
Public Safety	66,080	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	75,816	398,025
Human Services	-	-	-	-	-	-
Culture and Recreation	7,500	230,548	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	338,368	230,548	-	-	92,983	480,828
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,731)	159,736	(102,023)	1,502	(1,981)	(138,546)
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	-
Transfers In	56,373	-	-	-	47,226	194,299
Transfers Out	-	-	(41,674)	-	(17,242)	(192,466)
TOTAL OTHER FINANCING SOURCES (USES)	56,373	-	(41,674)	-	29,984	1,833
NET CHANGE IN FUND BALANCES	41,642	159,736	(143,697)	1,502	28,003	(136,713)
FUND BALANCES, October 1	-	-	1,035,013	33,198	349,804	619,256
FUND BALANCES, September 30	\$ 41,642	\$ 159,736	\$ 891,316	\$ 34,700	\$ 377,807	\$ 482,543

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>SPECIAL REVENUE FUNDS (continued)</u>			<u>DEBT SERVICE FUNDS</u>	
	<u>COLLEGE PARK TAX INCREMENT FUND</u>	<u>ART IN PUBLIC PLACES TRUST FUND</u>	<u>SCHOOL CROSSING GUARD TRUST FUND</u>	<u>FFGFC SERIES 1992</u>	<u>FFGFC SERIES 1996</u>
<u>REVENUES</u>					
Taxes	\$ 291,872	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	51,447	-	-
Miscellaneous	62,930	447	7,095	18,776	62,792
TOTAL REVENUES	<u>354,802</u>	<u>447</u>	<u>58,542</u>	<u>18,776</u>	<u>62,792</u>
<u>EXPENDITURES</u>					
Current:					
General Government	71,707	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	265,299	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	17,666	-	-	-
Debt Service:					
Principal	-	-	-	625,000	325,000
Interest and Fiscal Charges	-	-	-	48,627	189,682
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>337,006</u>	<u>17,666</u>	<u>-</u>	<u>673,627</u>	<u>514,682</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,796</u>	<u>(17,219)</u>	<u>58,542</u>	<u>(654,851)</u>	<u>(451,890)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Debt Issuance	-	-	-	-	-
Transfers In	198,464	-	-	-	501,355
Transfers Out	(45,743)	-	(40,000)	(365,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>152,721</u>	<u>-</u>	<u>(40,000)</u>	<u>(365,000)</u>	<u>501,355</u>
NET CHANGE IN FUND BALANCES	170,517	(17,219)	18,542	(1,019,851)	49,465
FUND BALANCES, October 1	<u>885,310</u>	<u>19,311</u>	<u>147,609</u>	<u>1,019,731</u>	<u>708,287</u>
FUND BALANCES, September 30	<u>\$ 1,055,827</u>	<u>\$ 2,092</u>	<u>\$ 166,151</u>	<u>\$ (120)</u>	<u>\$ 757,752</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

DEBT SERVICE FUNDS (continued)

	FFGFC SERIES 1998	FFGFC SERIES 2001	FFGFC SERIES 2002	GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994	CRA PROMISSORY NOTES
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,099,641	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	6,315	14,169	51,194	27,325	-
TOTAL REVENUES	6,315	14,169	51,194	1,126,966	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	255,000	510,000	-	475,000	117,578
Interest and Fiscal Charges	463,169	111,985	131,999	623,641	6,212
Bond Issuance Costs	-	-	193,773	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	718,169	621,985	325,772	1,098,641	123,790
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(711,854)	(607,816)	(274,578)	28,325	(123,790)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	9,870,000	-	-
Transfers In	706,118	621,000	131,998	-	123,790
Transfers Out	-	-	(9,677,600)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	706,118	621,000	324,398	-	123,790
NET CHANGE IN FUND BALANCES	(5,736)	13,184	49,820	28,325	-
FUND BALANCES, October 1	37,632	4,700	-	181,283	-
FUND BALANCES, September 30	\$ 31,896	\$ 17,884	\$ 49,820	\$ 209,608	\$ -

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

CAPITAL PROJECTS FUNDS

	GENERAL CAPITAL PROJECTS FUND	GREENSPACE ACQUISITION FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96
REVENUES					
Taxes	\$ 3,050	\$ -	\$ -	\$ -	\$ -
Intergovernmental	57,558	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	305,916	3,286	16,588	875	141,241
TOTAL REVENUES	366,524	3,286	16,588	875	141,241
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	16,200	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	1,895,461	-	741,721	7,176	1,647,493
TOTAL EXPENDITURES	1,895,461	16,200	741,721	7,176	1,647,493
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,528,937)	(12,914)	(725,133)	(6,301)	(1,506,252)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Transfers In	1,728,697	-	-	-	-
Transfers Out	(320,272)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,408,425	-	-	-	-
NET CHANGE IN FUND BALANCES	(120,512)	(12,914)	(725,133)	(6,301)	(1,506,252)
FUND BALANCES, October 1	755,298	86,898	1,006,719	28,771	3,871,150
FUND BALANCES, September 30	\$ 634,786	\$ 73,984	\$ 281,586	\$ 22,470	\$ 2,364,898

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

CAPITAL PROJECTS FUNDS (continued)

	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	8,420	2,793	12,941	36,357	163,575
TOTAL REVENUES	8,420	2,793	12,941	36,357	163,575
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	384,897	132,862	834,076	226,371
TOTAL EXPENDITURES	-	384,897	132,862	834,076	226,371
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,420	(382,104)	(119,921)	(797,719)	(62,796)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Transfers In	-	-	783,672	-	7,627,000
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	783,672	-	7,627,000
NET CHANGE IN FUND BALANCES	8,420	(382,104)	663,751	(797,719)	7,564,204
FUND BALANCES, October 1	184,419	441,752	112	1,282,925	-
FUND BALANCES, September 30	\$ 192,839	\$ 59,648	\$ 663,863	\$ 485,206	\$ 7,564,204

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

CAPITAL PROJECTS FUNDS (continued)

	DOWNTOWN PARKING GARAGE FUND 02	FIFTH AVENUE/ PLEASANT ST. REHAB. PROJ. FUND 02	DOWNTOWN PARKING GARAGE SALES TAX FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ -	\$ -	\$ 2,750,000	\$ 3,421,160
Intergovernmental	-	-	-	6,632,171
Charges for Services	-	-	-	1,005,419
Fines and Forfeitures	-	-	-	126,512
Miscellaneous	22,795	14,186	36,779	1,608,965
TOTAL REVENUES	22,795	14,186	2,786,779	12,794,227
EXPENDITURES				
Current:				
General Government	-	-	-	440,180
Public Safety	-	-	-	1,075,746
Physical Environment	-	-	-	1,135,629
Transportation	-	-	-	449,231
Economic Environment	-	-	-	3,257,212
Human Services	-	-	-	163,952
Culture and Recreation	-	-	-	1,366,840
Debt Service:				
Principal	-	-	-	2,323,778
Interest and Fiscal Charges	-	-	-	1,575,315
Bond Issuance Costs	-	-	-	193,773
Capital Outlay	455,179	-	-	6,325,236
TOTAL EXPENDITURES	455,179	-	-	18,306,892
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(432,384)	14,186	2,786,779	(5,512,665)
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	-	-	9,870,000
Transfers In	1,400,600	650,000	-	15,204,378
Transfers Out	-	-	-	(11,628,603)
TOTAL OTHER FINANCING SOURCES (USES)	1,400,600	650,000	-	13,445,775
NET CHANGE IN FUND BALANCES	968,216	664,186	2,786,779	7,933,110
FUND BALANCES, October 1	-	-	-	16,266,789
FUND BALANCES, September 30	\$ 968,216	\$ 664,186	\$ 2,786,779	\$ 24,199,899

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 1,586,201	\$ -	\$ 1,586,201	\$ 2,439,479	\$ (853,278)
Charges for Services	8,703	-	8,703	2,233	6,470
Miscellaneous	13,188	-	13,188	14,379	(1,191)
TOTAL REVENUES	1,608,092	-	1,608,092	2,456,091	(847,999)
EXPENDITURES					
Economic Environment	<u>1,608,092</u>	<u>97,248</u>	<u>1,705,340</u>	<u>2,456,091</u>	<u>750,751</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (97,248)</u>	<u>\$ (97,248)</u>	<u>\$ -</u>	<u>\$ (97,248)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Principal Payments	\$ 123,414	\$ -	\$ 123,414	\$ 114,742	\$ 8,672
Investment Income	50,532	-	50,532	59,203	(8,671)
TOTAL REVENUES	173,946	-	173,946	173,945	1
<u>EXPENDITURES</u>					
Transportation	-	-	-	50,589	50,589
EXCESS OF REVENUES OVER EXPENDITURES	173,946	-	173,946	123,356	50,590
<u>OTHER FINANCING USES</u>					
Transfers Out	(636,810)	-	(636,810)	(636,810)	-
NET CHANGE IN FUND BALANCES	\$ (462,864)	\$ -	\$ (462,864)	\$ (513,454)	\$ 50,590

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
HOME GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 629,928	\$ -	\$ 629,928	\$ 1,245,583	\$ (615,655)
Charges for Services	77,588	-	77,588	38,287	39,301
Miscellaneous	20,932	-	20,932	53,925	(32,993)
TOTAL REVENUES	728,448	-	728,448	1,337,795	(609,347)
EXPENDITURES					
Economic Environment	728,448	372,503	1,100,951	1,337,795	236,844
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (372,503)	\$ (372,503)	\$ -	\$ (372,503)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS GIFTS AND GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Intergovernmental	\$ 2,868,559	\$ -	\$ 2,868,559	\$ 2,868,559	\$ -
Miscellaneous:					
Investment Income	63,743	-	63,743	63,743	-
Other	<u>31,342</u>	<u>-</u>	<u>31,342</u>	<u>31,342</u>	<u>-</u>
Total Miscellaneous	<u>95,085</u>	<u>-</u>	<u>95,085</u>	<u>95,085</u>	<u>-</u>
TOTAL REVENUES	<u>2,963,644</u>	<u>-</u>	<u>2,963,644</u>	<u>2,963,644</u>	<u>-</u>
<u>EXPENDITURES</u>					
General Government	3,715	-	3,715	3,715	-
Public Safety	826,532	47,680	874,212	874,212	-
Physical Environment	1,135,629	423,117	1,558,746	1,558,746	-
Transportation	396,070	374,552	770,622	770,622	-
Human Services	163,952	37,541	201,493	201,493	-
Culture and Recreation	<u>475,328</u>	<u>160</u>	<u>475,488</u>	<u>475,488</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,001,226</u>	<u>883,050</u>	<u>3,884,276</u>	<u>3,884,276</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(37,582)</u>	<u>(883,050)</u>	<u>(920,632)</u>	<u>(920,632)</u>	<u>-</u>
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	315,891	-	315,891	315,891	-
Transfers Out	<u>(234,905)</u>	<u>-</u>	<u>(234,905)</u>	<u>(234,905)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES(USES)	<u>80,986</u>	<u>-</u>	<u>80,986</u>	<u>80,986</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 43,404</u>	<u>\$ (883,050)</u>	<u>\$ (839,646)</u>	<u>\$ (839,646)</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, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 481,376	\$ -	\$ 481,376	\$ 645,973	\$ (164,597)
Miscellaneous:					
Investment Income	14,389	-	14,389	6,000	8,389
TOTAL REVENUES	495,765	-	495,765	651,973	(156,208)
<u>EXPENDITURES</u>					
Culture and Recreation	<u>474,854</u>	<u>32,009</u>	<u>506,863</u>	<u>688,417</u>	<u>181,554</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,911	(32,009)	(11,098)	(36,444)	25,346
<u>OTHER FINANCING SOURCES</u>					
Transfers In	<u>67,895</u>	<u>-</u>	<u>67,895</u>	<u>67,894</u>	<u>1</u>
 NET CHANGE IN FUND BALANCES	 \$ 88,806	 \$ (32,009)	 \$ 56,797	 \$ 31,450	 \$ 25,347

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, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Fines and Forfeitures:					
Confiscated Property	\$ 12,375	\$ -	\$ 12,375	\$ 12,375	\$ -
Miscellaneous:					
Investment Income	1,926	-	1,926	1,926	-
Other Miscellaneous	4,494	-	4,494	4,494	-
Total Miscellaneous	6,420	-	6,420	6,420	-
TOTAL REVENUES	18,795	-	18,795	18,795	-
<u>EXPENDITURES</u>					
Public Safety	22,681	-	22,681	22,681	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,886)	\$ -	\$ (3,886)	\$ (3,886)	\$ -

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, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Fines and Forfeitures:					
Confiscated Property	\$ 62,690	\$ -	\$ 62,690	\$ 62,690	\$ -
Miscellaneous:					
Investment Income	10,822	-	10,822	10,822	-
TOTAL REVENUES	73,512	-	73,512	73,512	-
EXPENDITURES					
Public Safety	160,453	33,872	194,325	194,325	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(86,941)	(33,872)	(120,813)	(120,813)	-
OTHER FINANCING USES					
Transfers Out	(56,891)	-	(56,891)	(56,891)	-
NET CHANGE IN FUND BALANCES	\$ (143,832)	\$ (33,872)	\$ (177,704)	\$ (177,704)	\$ -

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, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Miscellaneous:					
Investment Income	\$ 4,902	\$ -	\$ 4,902	\$ 6,000	\$ (1,098)
Other	4,721	-	4,721	-	4,721
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	9,623	-	9,623	6,000	3,623
EXPENDITURES					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 9,623	\$ -	\$ 9,623	\$ 6,000	\$ 3,623

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges For Services:					
Rents and Fees	\$ 73,373	\$ -	\$ 73,373	\$ 190,723	\$ (117,350)
Miscellaneous:					
Investment Income	<u>14,687</u>	<u>-</u>	<u>14,687</u>	<u>-</u>	<u>14,687</u>
TOTAL REVENUES	88,060	-	88,060	190,723	(102,663)
<u>EXPENDITURES</u>					
Economic Environment	<u>181,532</u>	<u>14,386</u>	<u>195,918</u>	<u>431,264</u>	<u>235,346</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(93,472)	(14,386)	(107,858)	(240,541)	132,683
<u>OTHER FINANCING SOURCES</u>					
Transfers In	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (68,472)	\$ (14,386)	\$ (82,858)	\$ (215,541)	\$ 132,683

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 110,537	\$ -	\$ 110,537	\$ 94,546	\$ 15,991
Miscellaneous:					
Investment Income	<u>6,017</u>	<u>-</u>	<u>6,017</u>	<u>-</u>	<u>6,017</u>
TOTAL REVENUES	116,554	-	116,554	94,546	22,008
 <u>EXPENDITURES</u>					
Transportation	<u>53,161</u>	<u>-</u>	<u>53,161</u>	<u>94,546</u>	<u>41,385</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ 63,393</u>	 <u>\$ -</u>	 <u>\$ 63,393</u>	 <u>\$ -</u>	 <u>\$ 63,393</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 110,537	\$ -	\$ 110,537	\$ 94,546	\$ 15,991
Miscellaneous:					
Investment Income	<u>6,017</u>	<u>-</u>	<u>6,017</u>	<u>-</u>	<u>6,017</u>
TOTAL REVENUES	116,554	-	116,554	94,546	22,008
 <u>EXPENDITURES</u>					
Transportation	<u>53,161</u>	<u>-</u>	<u>53,161</u>	<u>94,546</u>	<u>41,385</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ 63,393</u>	 <u>\$ -</u>	 <u>\$ 63,393</u>	 <u>\$ -</u>	 <u>\$ 63,393</u>

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

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services	\$ 181,756	\$ -	\$ 181,756	\$ 163,000	\$ 18,756
Miscellaneous:					
Contributions and Donations	17,790	-	17,790	15,000	2,790
Investment Income	1,195	-	1,195	-	1,195
Total Miscellaneous	<u>18,985</u>	<u>-</u>	<u>18,985</u>	<u>15,000</u>	<u>3,985</u>
TOTAL REVENUES	200,741	-	200,741	178,000	22,741
<u>EXPENDITURES</u>					
Culture and Recreation	<u>160,944</u>	<u>19,177</u>	<u>180,121</u>	<u>196,282</u>	<u>16,161</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,797	(19,177)	20,620	(18,282)	38,902
<u>OTHER FINANCING SOURCES</u>					
Transfers In	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ 64,797	\$ (19,177)	\$ 45,620	\$ 6,718	\$ 38,902

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services	\$ 54,707	\$ -	\$ 54,707	\$ 57,790	\$ (3,083)
Miscellaneous:					
Contributions and Donations	266,600	-	266,600	265,000	1,600
Investment Income	2,330	-	2,330	-	2,330
Total Miscellaneous	<u>268,930</u>	<u>-</u>	<u>268,930</u>	<u>265,000</u>	<u>3,930</u>
TOTAL REVENUES	<u>323,637</u>	<u>-</u>	<u>323,637</u>	<u>322,790</u>	<u>847</u>
<u>EXPENDITURES</u>					
General Government	264,788	-	264,788	250,000	(14,788)
Public Safety	66,080	-	66,080	77,461	11,381
Culture and Recreation	7,500	-	7,500	51,702	44,202
TOTAL EXPENDITURES	<u>338,368</u>	<u>-</u>	<u>338,368</u>	<u>379,163</u>	<u>40,795</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,731)	-	(14,731)	(56,373)	41,642
<u>OTHER FINANCING SOURCES</u>					
Transfers In	<u>56,373</u>	<u>-</u>	<u>56,373</u>	<u>56,373</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 41,642</u>	<u>\$ -</u>	<u>\$ 41,642</u>	<u>\$ -</u>	<u>\$ 41,642</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TOURIST DESTINATION ENHANCEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 390,284	\$ -	\$ 390,284	\$ 376,703	\$ 13,581
 EXPENDITURES					
Culture and Recreation	<u>230,548</u>	<u>64,766</u>	<u>295,314</u>	<u>376,703</u>	<u>81,389</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>\$ 159,736</u>	 <u>\$ (64,766)</u>	 <u>\$ 94,970</u>	 <u>\$ -</u>	 <u>\$ 94,970</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
EVERGREEN CEMETERY TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services	\$ 17,379	\$ -	\$ 17,379	\$ 21,000	\$ (3,621)
Miscellaneous:					
Investment Income	(119,402)	-	(119,402)	41,674	(161,076)
TOTAL REVENUES	(102,023)	-	(102,023)	62,674	(164,697)
<u>EXPENDITURES</u>					
	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(102,023)	-	(102,023)	62,674	(164,697)
<u>OTHER FINANCING USES</u>					
Transfers Out	(41,674)	-	(41,674)	(41,674)	-
NET CHANGE IN FUND BALANCES	\$ (143,697)	\$ -	\$ (143,697)	\$ 21,000	\$ (164,697)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
THOMAS CENTER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Investment Income	\$ 1,502	\$ -	\$ 1,502	\$ 1,000	\$ 502
<u>EXPENDITURES</u>	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 1,502</u>	<u>-</u>	<u>\$ 1,502</u>	<u>\$ 1,000</u>	<u>\$ 502</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FIFTH AVENUE TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Taxes	\$ 70,667	\$ -	\$ 70,667	\$ 70,667	\$ -
Miscellaneous:					
Investment Income	17,632	-	17,632	17,632	-
Other	2,703	-	2,703	2,703	-
Total Miscellaneous	<u>20,335</u>	<u>-</u>	<u>20,335</u>	<u>20,335</u>	<u>-</u>
TOTAL REVENUES	<u>91,002</u>	<u>-</u>	<u>91,002</u>	<u>91,002</u>	<u>-</u>
<u>EXPENDITURES</u>					
General Government	17,167	-	17,167	17,167	-
Economic Environment	75,816	80,815	156,631	156,631	-
TOTAL EXPENDITURES	<u>92,983</u>	<u>80,815</u>	<u>173,798</u>	<u>173,798</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,981)</u>	<u>(80,815)</u>	<u>(82,796)</u>	<u>(82,796)</u>	<u>-</u>
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	47,226	-	47,226	47,226	-
Transfers Out	(17,242)	-	(17,242)	(17,242)	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>29,984</u>	<u>-</u>	<u>29,984</u>	<u>29,984</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 28,003</u>	<u>\$ (80,815)</u>	<u>\$ (52,812)</u>	<u>\$ (52,812)</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
DOWNTOWN REDEVELOPMENT TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Taxes	\$ 305,571	\$ -	\$ 305,571	\$ 305,571	\$ -
Miscellaneous:					
Investment Income	27,898	-	27,898	27,898	-
Other	8,813	-	8,813	8,813	-
Total Miscellaneous	36,711	-	36,711	36,711	-
TOTAL REVENUES	342,282	-	342,282	342,282	-
<u>EXPENDITURES</u>					
General Government	82,803	-	82,803	82,803	-
Economic Environment	398,025	24,380	422,405	422,405	-
TOTAL EXPENDITURES	480,828	24,380	505,208	505,208	-
EXCESS OF REVENUES UNDER EXPENDITURES	(138,546)	(24,380)	(162,926)	(162,926)	-
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	194,299	-	194,299	194,299	-
Transfers Out	(192,466)	-	(192,466)	(192,466)	-
TOTAL OTHER FINANCING SOURCES(USES)	1,833	-	1,833	1,833	-
NET CHANGE IN FUND BALANCES	\$ (136,713)	\$ (24,380)	\$ (161,093)	\$ (161,093)	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COLLEGE PARK TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Taxes	\$ 291,872	\$ -	\$ 291,872	\$ 291,872	\$ -
Miscellaneous:					
Investment Income	50,930	-	50,930	50,930	-
Other	12,000	-	12,000	12,000	-
Total Miscellaneous	62,930	-	62,930	62,930	-
TOTAL REVENUES	354,802	-	354,802	354,802	-
EXPENDITURES					
General Government	71,707	-	71,707	71,707	-
Economic Environment	265,299	36,824	302,123	302,123	-
TOTAL EXPENDITURES	337,006	36,824	373,830	373,830	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,796	(36,824)	(19,028)	(19,028)	-
OTHER FINANCING SOURCES(USES)					
Transfers In	198,464	-	198,464	198,464	-
Transfers Out	(45,743)	-	(45,743)	(45,743)	-
TOTAL OTHER FINANCING SOURCES(USES)	152,721	-	152,721	152,721	-
NET CHANGE IN FUND BALANCES	\$ 170,517	\$ (36,824)	\$ 133,693	\$ 133,693	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ART IN PUBLIC PLACES TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Investment Income	\$ 447	\$ -	\$ 447	\$ 447	\$ -
<u>EXPENDITURES</u>					
Culture and Recreation	<u>17,666</u>	<u>-</u>	<u>17,666</u>	<u>19,266</u>	<u>1,600</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (17,219)</u>	<u>\$ -</u>	<u>\$ (17,219)</u>	<u>\$ (18,819)</u>	<u>\$ 1,600</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SCHOOL CROSSING GUARD TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Fines and Forfeitures	\$ 51,447	\$ -	\$ 51,447	\$ 40,000	\$ 11,447
Miscellaneous:					
Investment Income	7,095	-	7,095	2,000	5,095
TOTAL REVENUES	58,542	-	58,542	42,000	16,542
<u>EXPENDITURES</u>					
	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	58,542	-	58,542	42,000	16,542
<u>OTHER FINANCING USES</u>					
Transfers Out	(40,000)	-	(40,000)	(40,000)	-
NET CHANGE IN FUND BALANCES	\$ 18,542	\$ -	\$ 18,542	\$ 2,000	\$ 16,542

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1992
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 18,776	\$ 112,407	\$ (93,631)
<u>EXPENDITURES</u>			
Debt Service:			
Principal	625,000	625,000	-
Interest and Fiscal Charges	48,627	48,627	-
TOTAL EXPENDITURES	<u>673,627</u>	<u>673,627</u>	<u>-</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(654,851)	(561,220)	(93,631)
<u>OTHER FINANCING USES</u>			
Transfers Out	(365,000)	(365,000)	-
 NET CHANGE IN FUND BALANCES	 <u>\$ (1,019,851)</u>	 <u>\$ (926,220)</u>	 <u>\$ (93,631)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1996
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 62,792	\$ 15,000	\$ 47,792
<u>EXPENDITURES</u>			
Debt Service:			
Principal	325,000	325,000	-
Interest and Fiscal Charges	189,682	191,355	1,673
TOTAL EXPENDITURES	<u>514,682</u>	<u>516,355</u>	<u>1,673</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(451,890)	(501,355)	49,465
<u>OTHER FINANCING SOURCES</u>			
Transfers In	501,355	501,355	-
NET CHANGE IN FUND BALANCES	<u>\$ 49,465</u>	<u>\$ -</u>	<u>\$ 49,465</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1998
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 6,315	\$ 15,000	\$ (8,685)
<u>EXPENDITURES</u>			
Debt Service:			
Principal	255,000	255,000	-
Interest and Fiscal Charges	463,169	466,118	2,949
TOTAL EXPENDITURES	<u>718,169</u>	<u>721,118</u>	<u>2,949</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(711,854)	(706,118)	(5,736)
<u>OTHER FINANCING SOURCES</u>			
Transfers In	706,118	706,118	-
NET CHANGE IN FUND BALANCES	<u>\$ (5,736)</u>	<u>\$ -</u>	<u>\$ (5,736)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2001
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 14,169	\$ 14,169	\$ -
<u>EXPENDITURES</u>			
Debt Service:			
Principal	510,000	510,000	-
Interest and Fiscal Charges	111,985	125,169	13,184
TOTAL EXPENDITURES	<u>621,985</u>	<u>635,169</u>	<u>13,184</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(607,816)	(621,000)	13,184
<u>OTHER FINANCING SOURCES</u>			
Transfers In	621,000	621,000	-
 NET CHANGE IN FUND BALANCES	 <u>\$ 13,184</u>	 <u>\$ -</u>	 <u>\$ 13,184</u>

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

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 51,194	\$ 51,056	\$ 138
<u>EXPENDITURES</u>			
Debt Service:			
Interest	131,999	183,054	51,055
Bond Issuance Costs	193,773	192,400	(1,373)
TOTAL EXPENDITURES	325,772	375,454	49,682
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(274,578)	(324,398)	49,820
<u>OTHER FINANCING SOURCES (USES)</u>			
Debt Issuance	9,870,000	9,870,000	-
Transfers In	131,998	131,998	-
Transfers Out	(9,677,600)	(9,677,600)	-
TOTAL OTHER FINANCING SOURCES	324,398	324,398	-
NET CHANGE IN FUND BALANCES	\$ 49,820	\$ -	\$ 49,820

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, 2002

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental:			
State Revenue Sharing	\$ 1,099,641	\$ 1,099,641	\$ -
Miscellaneous:			
Investment Income	<u>27,325</u>	<u>10,000</u>	<u>17,325</u>
TOTAL REVENUES	<u>1,126,966</u>	<u>1,109,641</u>	<u>17,325</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	475,000	475,000	-
Interest and Fiscal Charges	<u>623,641</u>	<u>624,642</u>	<u>1,001</u>
TOTAL EXPENDITURES	<u>1,098,641</u>	<u>1,099,642</u>	<u>1,001</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 28,325</u>	<u>\$ 9,999</u>	<u>\$ 18,326</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CRA PROMISSORY NOTES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>			
Debt Service:			
Principal	117,578	158,933	41,355
Interest and Fiscal Charges	<u>6,212</u>	<u>34,391</u>	<u>28,179</u>
TOTAL EXPENDITURES	<u>123,790</u>	<u>193,324</u>	<u>69,534</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(123,790)	(193,324)	69,534
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>123,790</u>	<u>193,324</u>	<u>(69,534)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUNDS

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

The City maintains the following Non major Enterprise Funds:

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

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 STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2002

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 1,742,630	\$ 5,419,686	\$ -
Receivables	1,378,731	11,503	1,400
Due from Other Funds	-	270,606	-
Inventories	354,586	-	40,607
Total Current Assets	3,475,947	5,701,795	42,007
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	1,419,128	55,563	664,880
Improvements other than buildings	26,958	-	381,087
Machinery and equipment	7,919,101	48,966	247,239
Infrastructure	-	4,808,945	-
Capital Assets (not depreciated):			
Land	429,977	877,360	520,265
Construction in progress	118,786	1,090,635	350
Total Capital Assets and Noncurrent Assets	9,913,950	6,881,469	1,813,821
TOTAL ASSETS	13,389,897	12,583,264	1,855,828
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	32,089	15,254	22,406
Accounts Payable - Payroll	267,386	73,722	14,849
Due to Other Funds	1,480	-	216,001
Current Portion of Long-term Debt	1,007,468	2,237	320
Total Current Liabilities	1,308,423	91,213	253,576
Noncurrent Liabilities:			
Advances from Other Funds	-	-	195,907
Long-Term Debt	2,186,689	166,867	8,008
Total Noncurrent Liabilities	2,186,689	166,867	203,915
TOTAL LIABILITIES	3,495,112	258,080	457,491
NET ASSETS			
Invested in capital assets, net of related debt	6,913,950	6,808,529	1,813,821
Unrestricted	2,980,835	5,516,655	(415,484)
TOTAL NET ASSETS	\$ 9,894,785	\$ 12,325,184	\$ 1,398,337

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2002

	SOLID WASTE FUND		TOTAL NONMAJOR ENTERPRISE FUNDS
<u>ASSETS</u>			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 1,406,324	\$	8,568,640
Receivables	225,734		1,617,368
Due from Other Funds	321,209		591,815
Inventories	-		395,193
Total Current Assets	1,953,267		11,173,016
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	-		2,139,571
Improvements other than buildings	15,484		423,529
Machinery and equipment	79,330		8,294,636
Infrastructure	-		4,808,945
Capital Assets (not depreciated):			
Land	100,989		1,928,591
Construction in progress	30,186		1,239,957
Total Capital Assets and Noncurrent Assets	225,989		18,835,229
TOTAL ASSETS	2,179,256		30,008,245
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	506,156		575,905
Accounts Payable - Payroll	20,690		376,647
Due to Other Funds	-		217,481
Current Portion of Long-term Debt	841		1,010,866
Total Current Liabilities	527,687		2,180,899
Noncurrent Liabilities:			
Advances from Other Funds	-		195,907
Long-Term Debt	21,026		2,382,590
Total Noncurrent Liabilities	21,026		2,578,497
TOTAL LIABILITIES	548,713		4,759,396
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	225,989		15,762,289
Unrestricted	1,404,554		9,486,560
TOTAL NET ASSETS	\$ 1,630,543	\$	25,248,849

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING REVENUES					
Sales and Service Charges	\$ 4,785,047	\$ 4,236,633	\$ 1,069,156	\$ 5,204,183	\$ 15,295,019
Other Operating Revenues	11,301	7,926	-	-	19,227
TOTAL OPERATING REVENUES	4,796,348	4,244,559	1,069,156	5,204,183	15,314,246
OPERATING EXPENSES					
Operations and Maintenance	7,935,445	3,496,194	1,019,667	5,198,316	17,649,622
Administrative and General	1,845,194	323,044	388,600	-	2,556,838
Depreciation and Amortization	1,304,488	179,864	131,443	7,027	1,622,822
TOTAL OPERATING EXPENSES	11,085,127	3,999,102	1,539,710	5,205,343	21,829,282
OPERATING INCOME (LOSS)	(6,288,779)	245,457	(470,554)	(1,160)	(6,515,036)
NON OPERATING REVENUES (EXPENSES)					
Investment Income	40,974	244,720	(4,053)	69,864	351,505
Gain(Loss) on Disposal of Fixed Assets	(1,872)	4,010	40,200	3	42,341
Local Option Gas Tax	2,085,548	-	-	-	2,085,548
Other Revenue	472	-	-	-	472
Operating Grants	2,317,324	307,500	-	-	2,624,824
TOTAL NON OPERATING REVENUE(EXPENSES)	4,442,446	556,230	36,147	69,867	5,104,690
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,846,333)	801,687	(434,407)	68,707	(1,410,346)
Capital Contributions	1,903,754	1,129,776	-	-	3,033,530
Transfers In	221,553	-	126,879	10,000	358,432
Transfers Out	-	(87,559)	(96,879)	(600,000)	(784,438)
CHANGE IN NET ASSETS	278,974	1,843,904	(404,407)	(521,293)	1,197,178
TOTAL NET ASSETS					
October 1	9,615,811	10,481,280	1,802,744	2,151,836	24,051,671
TOTAL NET ASSETS					
September 30	\$ 9,894,785	\$ 12,325,184	\$ 1,398,337	\$ 1,630,543	\$ 25,248,849

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash Received from Customers	\$ 4,719,571	\$ 4,237,223	\$ 1,069,156	\$ 5,264,870	\$ 15,290,820
Cash Paid to Suppliers	(5,062,329)	(1,974,615)	(1,032,370)	(4,879,921)	(12,949,235)
Cash Paid to Employees	(5,493,064)	(1,846,544)	(367,992)	(543,938)	(8,251,538)
Other Operating Receipts	-	7,926	216,001	-	223,927
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,835,822)</u>	<u>423,990</u>	<u>(115,205)</u>	<u>(158,989)</u>	<u>(5,686,026)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Local Option Gas Tax	1,728,576	-	-	-	1,728,576
Operating Grants	1,390,947	307,500	-	-	1,698,447
Transfers from Other Funds	222,025	-	126,879	10,000	358,904
Transfers to Other Funds	-	(87,559)	(96,879)	(600,000)	(784,438)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>3,341,548</u>	<u>219,941</u>	<u>30,000</u>	<u>(590,000)</u>	<u>3,001,489</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Local Option Gas Tax	151,534	-	-	-	151,534
Principal Repayments on Long-Term Debt	(1,000,000)	-	-	-	(1,000,000)
Proceeds from Sale of Fixed Assets	5,583	4,010	-	3	9,596
Capital Contributions	3,340,549	-	-	-	3,340,549
Acquisition and Construction of Fixed Assets	(1,310,780)	(485,311)	(199,713)	(121,542)	(2,117,346)
Loan Proceeds	-	-	195,907	-	195,907
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,186,886</u>	<u>(481,301)</u>	<u>(3,806)</u>	<u>(121,539)</u>	<u>580,240</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest Received	33,519	244,720	(4,053)	69,864	344,050
Purchase of Investments	(1,054,291)	(3,278,910)	-	(850,826)	(5,184,027)
Proceeds from Investment Maturities	2,015,021	3,348,240	62,167	1,474,268	6,899,696
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>994,249</u>	<u>314,050</u>	<u>58,114</u>	<u>693,306</u>	<u>2,059,719</u>
NET INCREASE (DECREASE) IN CASH	<u>(313,139)</u>	<u>476,680</u>	<u>(30,897)</u>	<u>(177,222)</u>	<u>(44,578)</u>
CASH - OCTOBER 1, 2001	<u>1,001,478</u>	<u>1,664,096</u>	<u>30,897</u>	<u>732,720</u>	<u>3,429,191</u>
CASH - SEPTEMBER 30, 2002	<u>\$ 688,339</u>	<u>\$ 2,140,776</u>	<u>\$ -</u>	<u>\$ 555,498</u>	<u>\$ 3,384,613</u>

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING INCOME (LOSS)	\$ (6,288,779)	\$ 245,457	\$ (470,554)	\$ (1,160)	\$ (6,515,036)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Depreciation and Amortization	1,304,488	179,864	131,443	7,027	1,622,822
(Increase)/Decrease in Receivables	(76,777)	589	-	381,896	305,708
(Increase)/Decrease in Inventories	(75,598)	-	6,546	-	(69,052)
(Increase)/Decrease in Due from Other Funds	-	-	-	(321,209)	(321,209)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(676,945)	(1,920)	1,359	(185,588)	(863,094)
Increase/(Decrease) in Due to Other Funds	(22,211)	-	216,001	(39,955)	153,835
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (5,835,822)	\$ 423,990	\$ (115,205)	\$ (158,989)	\$ (5,686,026)

**RECONCILIATION OF CASH TO
BALANCE SHEET**

Cash	\$ 688,339	\$ 2,140,776	\$ -	\$ 555,498	\$ 3,384,613
Investments	1,054,291	3,278,910	-	850,826	5,184,027
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER BALANCE SHEET	\$ 1,742,630	\$ 5,419,686	\$ -	\$ 1,406,324	\$ 8,568,640

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Change in Fair Value of Investments	\$ (5,418)	\$ (7,879)	\$ (619)	\$ 1,474,268	\$ 1,460,352
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(concluded)

INTERNAL SERVICE FUNDS

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

The City maintains the following Internal Service Funds:

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

Employees Health and Accident Benefits Fund - to account for costs associated with administering a self-insurance plan for employees' 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 STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2002

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 179,223	\$ 167,136	\$ -	\$ 85	\$ 346,444
Equity in Pooled Cash and Investments	3,231,979	-	7,442,337	4,345,814	15,020,130
Receivables	360,262	2,299	-	23,482	386,043
Due from Other Funds	68,111	-	-	144,392	212,503
Inventories	-	-	-	90,402	90,402
Prepaid Expenses	38,135	-	-	-	38,135
	<u>3,877,710</u>	<u>169,435</u>	<u>7,442,337</u>	<u>4,604,175</u>	<u>16,093,657</u>
Total Current Assets					
Noncurrent Assets:					
Capital Assets (net of accumulated depreciation):					
Buildings	-	-	-	130,244	130,244
Machinery and Equipment	24,735	12,978	-	7,331,218	7,368,931
	<u>24,735</u>	<u>12,978</u>	<u>-</u>	<u>7,461,462</u>	<u>7,499,175</u>
Total Capital and Noncurrent Assets					
	<u>24,735</u>	<u>12,978</u>	<u>-</u>	<u>7,461,462</u>	<u>7,499,175</u>
TOTAL ASSETS	<u>3,902,445</u>	<u>182,413</u>	<u>7,442,337</u>	<u>12,065,637</u>	<u>23,592,832</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	6,726,999	777,445	240,000	990,489	8,734,933
Accounts Payable - Payroll	17,296	5,948	89	52,181	75,514
Due to Other Funds	-	543,751	-	-	543,751
	<u>6,744,295</u>	<u>1,327,144</u>	<u>240,089</u>	<u>1,042,670</u>	<u>9,354,198</u>
TOTAL LIABILITIES	<u>6,744,295</u>	<u>1,327,144</u>	<u>240,089</u>	<u>1,042,670</u>	<u>9,354,198</u>
NET ASSETS					
Invested in capital assets	24,735	12,978	-	7,461,462	7,499,175
Unrestricted	(2,866,585)	(1,157,709)	7,202,248	3,561,505	6,739,459
	<u>(2,841,850)</u>	<u>(1,144,731)</u>	<u>7,202,248</u>	<u>11,022,967</u>	<u>14,238,634</u>
TOTAL NET ASSETS	<u>\$ (2,841,850)</u>	<u>\$ (1,144,731)</u>	<u>\$ 7,202,248</u>	<u>\$ 11,022,967</u>	<u>\$ 14,238,634</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>OPERATING REVENUES</u>					
Sales and Service Charges	\$ 4,348,012	\$ -	\$ -	\$ 3,460,743	\$ 7,808,755
Employer Contributions	-	4,715,134	3,285,900	-	8,001,034
Employee Contributions	-	2,332,075	-	-	2,332,075
Retiree Contributions	-	-	954,286	-	954,286
Other Operating Revenues	7,734	31,017	-	6,421	45,172
TOTAL OPERATING REVENUES	4,355,746	7,078,226	4,240,186	3,467,164	19,141,322
<u>OPERATING EXPENSES</u>					
Operations and Maintenance	6,204,137	1,264,464	3,999	2,434,899	9,907,499
Administrative and General	949,078	236,986	510,940	780,354	2,477,358
Depreciation and Amortization	14,937	6,788	-	1,428,381	1,450,106
Benefits Paid and Other Expenses	-	7,122,254	2,158,136	-	9,280,390
TOTAL OPERATING EXPENSES	7,168,152	8,630,492	2,673,075	4,643,634	23,115,353
OPERATING INCOME (LOSS)	(2,812,406)	(1,552,266)	1,567,111	(1,176,470)	(3,974,031)
<u>NON OPERATING REVENUES (EXPENSES)</u>					
Interest Revenue	105,084	(9,756)	302,575	166,860	564,763
Gain on Disposal of Fixed Assets	-	-	-	176,611	176,611
TOTAL NON OPERATING REVENUES (EXPENSES)	105,084	(9,756)	302,575	343,471	741,374
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,707,322)	(1,562,022)	1,869,686	(832,999)	(3,232,657)
Capital Contributions	-	-	-	863,791	863,791
Transfers In	-	99,610	-	300,000	399,610
Transfers Out	-	-	(99,610)	-	(99,610)
CHANGE IN NET ASSETS	(2,707,322)	(1,462,412)	1,770,076	330,792	(2,068,866)
TOTAL NET ASSETS, October 1	(134,528)	317,681	5,432,172	10,692,175	16,307,500
TOTAL NET ASSETS, September 30	\$ (2,841,850)	\$ (1,144,731)	\$ 7,202,248	\$ 11,022,967	\$ 14,238,634

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<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>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash Received from Customers	\$ 4,616,959	\$ 7,089,304	\$ 4,240,186	\$ 3,463,041	\$ 19,409,490
Cash Paid to Suppliers	(3,970,957)	(8,574,467)	(2,680,471)	(1,117,445)	(16,343,340)
Cash Paid to Employees	(453,127)	(156,714)	(2,725)	(1,314,520)	(1,927,086)
Other Operating Receipts/Payments	-	543,751	-	-	543,751
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	192,875	(1,098,126)	1,556,990	1,031,076	1,682,815
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers from Other Funds	-	99,610	-	300,000	399,610
Transfers to Other Funds	-	-	(99,610)	-	(99,610)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	99,610	(99,610)	300,000	300,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from Sale of Fixed Assets	-	-	-	176,611	176,611
Capital Contributions	-	-	-	863,792	863,792
Acquisition and Construction of Fixed Assets	-	-	-	(1,906,328)	(1,906,328)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-	(865,925)	(865,925)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest Received	105,084	(9,756)	302,575	166,859	564,762
Purchase of Investments	(2,063,777)	(101,117)	(4,502,614)	(2,629,269)	(9,296,777)
Proceeds from Investment Maturities	2,079,646	785,173	3,795,831	2,480,878	9,141,528
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	120,953	674,300	(404,208)	18,468	409,513
NET INCREASE (DECREASE) IN CASH	313,828	(324,216)	1,053,172	483,619	1,526,403
CASH - OCTOBER 1	1,033,597	390,235	1,886,551	1,233,011	4,543,394
CASH - SEPTEMBER 30	\$ 1,347,425	\$ 66,019	\$ 2,939,723	\$ 1,716,630	\$ 6,069,797

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<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)	\$ (2,812,406)	\$ (1,552,266)	\$ 1,567,111	\$ (1,176,470)	\$ (3,974,031)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Depreciation and Amortization	14,937	6,788	-	1,428,381	1,450,106
(Increase)/Decrease in Receivables	62,175	11,078	-	6,310	79,563
(Increase)/Decrease in Inventories	-	-	-	29,007	29,007
(Increase)/Decrease in Due from Other Funds	199,039	-	-	(10,433)	188,606
(Increase)/Decrease in Prepaid Expenses	8,777	-	-	-	8,777
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	2,720,353	(107,477)	(10,121)	754,281	3,357,036
Increase/(Decrease) in Due to Other Funds	-	543,751	-	-	543,751
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 192,875	\$ (1,098,126)	\$ 1,556,990	\$ 1,031,076	\$ 1,682,815
 RECONCILIATION OF CASH TO BALANCE SHEET					
Cash	\$ 1,347,425	\$ 66,019	\$ 2,939,723	\$ 1,716,630	\$ 6,069,797
Investments	2,063,777	101,117	4,502,614	2,629,269	9,296,777
TOTAL CASH AND EQUITY IN POOL PER BALANCE SHEET	\$ 3,411,202	\$ 167,136	\$ 7,442,337	\$ 4,345,899	\$ 15,366,574
 NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES					
Change in Fair Value of Investments	\$ (4,945)	\$ (6,156)	\$ (2,663)	\$ 4,285	\$ (9,479)

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.

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2002

	EMPLOYEES PENSION FUND	POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND	TOTALS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,222,850	\$ 1,407,847	\$ 3,630,697
Equity in Pooled Cash and Investments	3,548,843	1,243,572	4,792,415
Investments, at fair value	129,978,987	61,733,237	191,712,224
Receivables	-	735	735
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	135,750,680	64,385,391	200,136,071
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	<hr/> 25,468	<hr/> 13,697	<hr/> 39,165
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<hr/> \$ 135,725,212	<hr/> \$ 64,371,694	<hr/> \$ 200,096,906

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	EMPLOYEES PENSION FUND	POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND	TOTALS
ADDITIONS:			
Contributions:			
Employer Contributions	\$ 3,032,698	\$ 2,307,196	\$ 5,339,894
Employee Contributions	3,466,751	2,861,969	6,328,720
State Contributions	-	976,448	976,448
Total Contributions	6,499,449	6,145,613	12,645,062
Investment Income:			
Net Depreciation in Fair Value of Investments	(11,656,640)	(5,019,323)	(16,675,963)
Dividends & Interest	4,214,568	1,590,680	5,805,248
Broker Refunds	6,676	-	6,676
Total Investment Income	(7,435,396)	(3,428,643)	(10,864,039)
Less Investment Expense	1,011,680	483,405	1,495,085
Net Investment Income	(8,447,076)	(3,912,048)	(12,359,124)
TOTAL ADDITIONS	(1,947,627)	2,233,565	285,938
DEDUCTIONS:			
Benefit Payments	8,529,410	6,688,346	15,217,756
Refunds of Contributions	368,291	153,678	521,969
Administrative Expenses	233,095	169,057	402,152
TOTAL DEDUCTIONS	9,130,796	7,011,081	16,141,877
CHANGE IN NET ASSETS	(11,078,423)	(4,777,516)	(15,855,939)
NET ASSETS - beginning as restated	146,803,635	69,149,210	215,952,845
NET ASSETS - ending	\$ 135,725,212	\$ 64,371,694	\$ 200,096,906

CITY OF GAINESVILLE, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
SEPTEMBER 30, 2002

CAPITAL ASSETS

Land	\$ 14,421,621
Buildings	28,904,752
Improvements	5,851,646
Equipment	12,634,515
Infrastructure	121,239,847
Construction in Progress	<u>2,898,391</u>
	185,950,772
Accumulated Depreciation	<u>(99,900,078)</u>

CAPITAL ASSETS, NET **\$ 86,050,694**

INVESTMENT IN CAPITAL ASSETS

General Obligation Bonds	\$ 3,391,870
Revenue Certificates/Notes	10,249,822
General Fund	135,821,031
Gifts and Miscellaneous	7,289,082
County Grants	483,563
State Grants	1,580,588
Federal Grants	8,343,631
Federal Revenue Sharing Funds	2,851,401
Promissory Notes	15,906,255
Lease/Purchases	19,548
Stormwater Fees	<u>13,981</u>
	185,950,772
Accumulated Depreciation	<u>(99,900,078)</u>

INVESTMENT IN CAPITAL ASSETS, NET **\$ 86,050,694**

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in certain internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF GAINESVILLE, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2002

<u>FUNCTION/ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>INFRASTRUCTURE</u>
GENERAL GOVERNMENT						
Clerk of the Commission	\$ 254,507	\$ -	\$ -	\$ -	\$ 254,507	\$ -
City Manager	7,599	-	-	-	7,599	-
City Attorney	84,705	-	-	-	84,705	-
Computer Services	1,785,627	-	-	-	1,785,627	-
Finance	1,607,715	-	-	-	1,607,715	-
Equal Opportunity	4,470	-	-	-	4,470	-
Community Development	3,346,374	2,700,814	499,451	20,910	125,199	-
Building Inspections	84,329	-	-	-	84,329	-
Human Resources	43,598	-	-	-	43,598	-
Facilities Management	13,646,681	793,305	11,905,939	140,470	806,967	-
Management and Budget	16,554	-	-	-	16,554	-
Surplus Items	603,019	-	-	-	603,019	-
TOTAL GENERAL GOVERNMENT	21,485,178	3,494,119	12,405,390	161,380	5,424,289	-
PUBLIC SAFETY						
Police Department	8,329,738	352,366	4,083,479	318,382	3,575,511	-
Fire Department	3,979,135	215,993	1,508,836	37,819	2,216,487	-
TOTAL PUBLIC SAFETY	12,308,873	568,359	5,592,315	356,201	5,791,998	-
TRANSPORTATION						
Public Works	125,686,518	2,549,429	936,784	167,837	792,621	121,239,847
Fleet Management	383,245	-	157,210	204,656	21,379	-
TOTAL TRANSPORTATION	126,069,763	2,549,429	1,093,994	372,493	814,000	121,239,847
ECONOMIC ENVIRONMENT						
Economic Development	2,861,380	199,777	2,657,604	-	3,999	-
Small Business Development	6,285	-	-	-	6,285	-
TOTAL ECONOMIC ENVIRONMENT	2,867,665	199,777	2,657,604	-	10,284	-
CULTURE AND RECREATION						
Cultural Affairs	4,385,682	677,537	2,813,213	762,412	132,520	-
Recreation	15,935,220	6,932,400	4,342,236	4,199,160	461,424	-
TOTAL CULTURE AND RECREATION	20,320,902	7,609,937	7,155,449	4,961,572	593,944	-
TOTAL GOVERNMENTAL FUNDS						
CAPITAL ASSETS ALLOCATED TO FUNCTIONS						
	\$ 183,052,381	\$ 14,421,621	\$ 28,904,752	\$ 5,851,646	\$ 12,634,515	\$ 121,239,847
CONSTRUCTION IN PROGRESS	2,898,391					
	185,950,772					
ACCUMULATED DEPRECIATION	(99,900,078)					
CAPITAL ASSETS, NET	\$ 86,050,694					

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in certain internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	CAPITAL ASSETS OCTOBER 1, 2001	ADDITIONS	DEDUCTIONS	CAPITAL ASSETS SEPTEMBER 30, 2002
<u>GENERAL GOVERNMENT</u>				
City Commission	\$ 3,938	\$ -	\$ 3,938	\$ -
Clerk of the Commission	268,876	-	14,369	254,507
City Manager	7,599	-	-	7,599
City Attorney	84,705	-	-	84,705
Computer Services	2,875,485	220,521	1,310,379	1,785,627
Finance	1,541,601	66,114	-	1,607,715
Equal Opportunity	4,425	45	-	4,470
Community Development	3,398,842	108,221	160,689	3,346,374
Building Inspections	60,254	24,075	-	84,329
Human Resources	59,927	3,589	19,918	43,598
Facilities Management	13,574,967	78,549	6,835	13,646,681
Management and Budget	16,554	-	-	16,554
Surplus Items	70,679	2,211,440	1,679,100	603,019
TOTAL GENERAL GOVERNMENT	21,967,852	2,712,554	3,195,228	21,485,178
<u>PUBLIC SAFETY</u>				
Police Department	8,688,647	274,207	633,116	8,329,738
Fire Department	3,710,792	284,650	16,307	3,979,135
TOTAL PUBLIC SAFETY	12,399,439	558,857	649,423	12,308,873
<u>TRANSPORTATION</u>				
Public Works	120,571,104	5,797,760	682,346	125,686,518
Fleet Management	310,037	75,908	2,700	383,245
TOTAL TRANSPORTATION	120,881,141	5,873,668	685,046	126,069,763
<u>ECONOMIC ENVIRONMENT</u>				
Economic Development	2,858,364	3,016	-	2,861,380
Small Business Development	-	6,285	-	6,285
TOTAL ECONOMIC ENVIRONMENT	2,858,364	9,301	-	2,867,665
<u>CULTURE AND RECREATION</u>				
Cultural Affairs	4,141,662	244,020	-	4,385,682
Recreation	14,482,289	1,499,513	46,582	15,935,220
TOTAL CULTURE AND RECREATION	18,623,951	1,743,533	46,582	20,320,902
<u>CONSTRUCTION IN PROGRESS</u>				
	2,140,407	2,432,991	1,675,007	2,898,391
	178,871,154	13,330,904	6,251,286	185,950,772
ACCUMULATED DEPRECIATION	(96,637,530)	(4,977,431)	(1,714,883)	(99,900,078)
CAPITAL ASSETS, NET	\$ 82,233,624	\$ 8,353,473	\$ 4,536,403	\$ 86,050,694

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in certain internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
GOVERNMENT-WIDE REVENUES AND EXPENSES

GOVERNMENT-WIDE EXPENSES BY FUNCTION

	FY 2002
General Government	\$ 17,122,419
Public Safety	39,240,517
Physical Environment	4,036,034
Transportation	8,846,755
Economic Environment	3,127,631
Human Services	256,864
Culture & Recreation	4,247,853
Interest on Long-Term Debt	1,668,424
Electric	131,212,687
Gas	14,287,385
Water	13,874,410
Wastewater	17,157,698
Telecommunications	6,549,990
Regional Transit System	11,636,440
Stormwater Management	4,031,510
Ironwood Golf Course	1,542,185
Solid Waste	<u>5,204,119</u>
 Total government-wide expenses by function	 <u><u>\$ 284,042,921</u></u>

GOVERNMENT-WIDE REVENUES

Program Revenues

Charges for Services	\$ 224,493,044
Operating Grants & Contributions	10,012,177
Capital Grants & Contributions	12,543,540

General Revenues

Taxes:	
Property taxes	13,713,591
Franchise & utility taxes	5,633,281
Communications services tax	5,257,926
Half cent sales tax	5,297,964
State revenue sharing	2,809,984
Interest	9,147,714
Other	<u>7,268,346</u>

Total government-wide revenues	<u><u>\$ 296,177,567</u></u>
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CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF GENERAL FUND SOURCE USES OF FUNDS
(in dollars)

Sources (Revenues & Transfers)

FY	REAL	OTHER	LICENSES	FEDERAL	STATE	COUNTY	UTILITY	FINES	CHARGES	OTHER	TOTAL
	PROPERTY		& PERMITS		CONTRIBUTIONS	FOR SVCS	REVENUES &		TRANSFERS		
	TAX	TAXES	(1)	(4)	(5)		(6)		(2)		
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
02	13,042,431	11,601,025	1,787,686	-	7,134,494	-	25,694,788	1,148,623	6,202,562	2,523,468	69,135,077

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)						
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
02	17,014,680	35,079,142	1,922,139	6,460,423	66,928	-	3,654,723	4,624,353	68,822,388

Note:

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

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
PER CAPITA GENERAL FUND REVENUES AND EXPENDITURES
HISTORICAL AND CONSTANT DOLLAR AMOUNTS

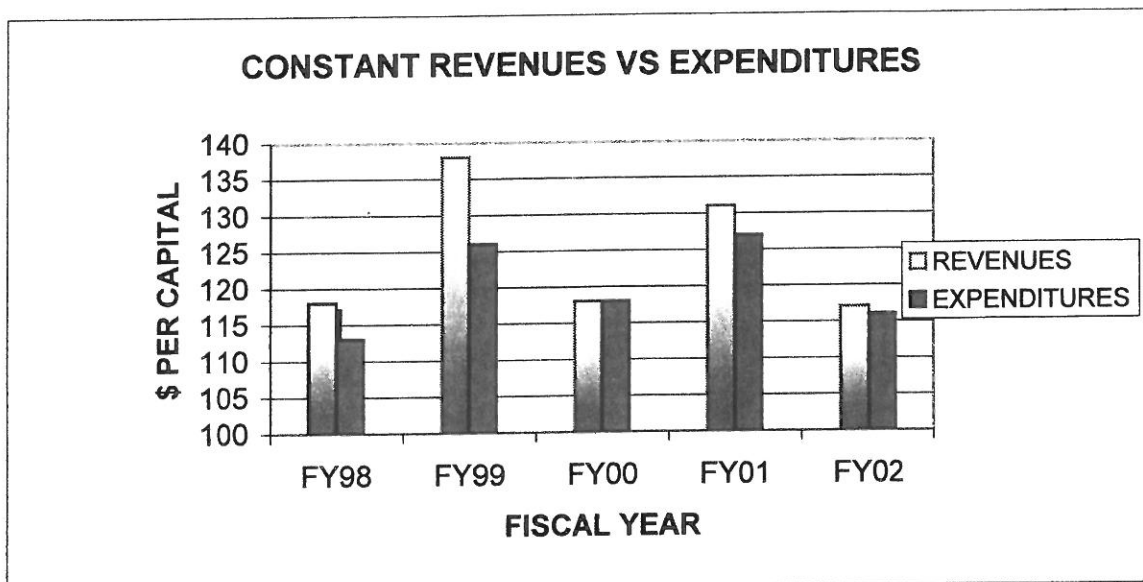
PER CAPITA REVENUES

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Historical Dollars	\$ 578.18	\$ 696.12	\$ 615.40	\$ 697.11	\$ 621.58
% Change Over Previous Year	3.49%	16.94%	-13.12%	11.72%	-12.15%
Constant Dollars*	\$ 117.95	\$ 138.11	\$ 118.03	\$ 131.20	\$ 116.98
% Change Over Previous Year	3.09%	14.60%	-17.01%	10.04%	-12.16%

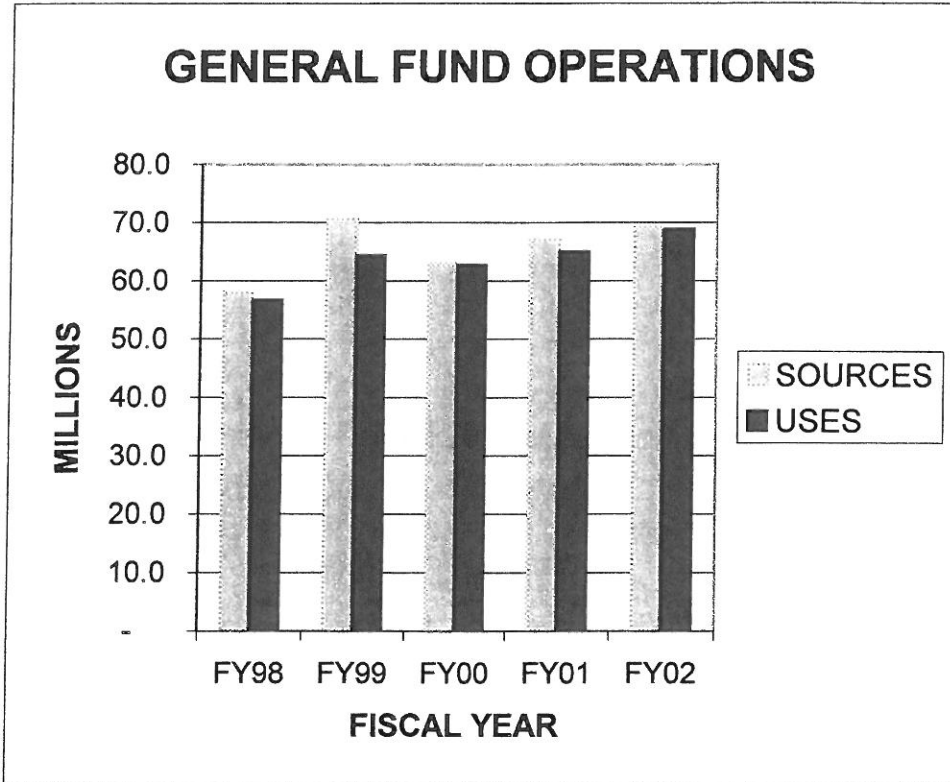
PER CAPITA EXPENDITURES

Historical Dollars	\$ 564.86	\$ 633.81	\$ 613.44	\$ 673.61	\$ 618.77
% Change Over Previous Year	2.86%	10.88%	-3.32%	8.93%	-8.86%
Constant Dollars*	\$ 112.70	\$ 125.75	\$ 117.66	\$ 126.77	\$ 116.45
% Change Over Previous Year	2.20%	10.38%	-6.88%	7.19%	-8.86%

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



CITY OF GAINESVILLE, FLORIDA
FY 02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
RATIO OF GENERAL FUND SURPLUS (DEFICIT) TO TOTAL REVENUES



Ratio of Revenues Less Expenditures to Total Revenues

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
0.022	0.089	0.003	0.033	0.004

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
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF LOCAL AD VALOREM TAX RATES AND TAX LEVIES

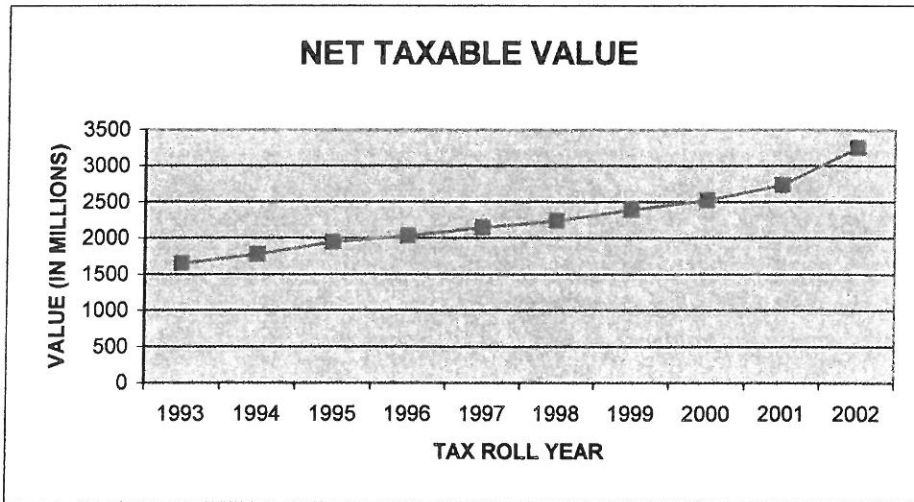
TAX ROLL YEAR	CITY FISCAL YEAR	NET TAXABLE VALUE FOR LOCAL LEVIES	TAX RATES (MILLS)		LOCAL PROPERTY TAX LEVIES		
			BONDS AND INTEREST	GENERAL GOVERNMENT	BONDS AND INTEREST	GENERAL GOVERNMENT	TOTAL TAXES LEVIED
(1)	(2)	(3)	(4 & 6)	(4)			(5)
1993	1993-94	\$ 1,650,314,370	0.0764	5.3995	\$ 126,343	\$ 8,928,623	\$ 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
2002	2002-03	3,252,819,147	-	4.9416	-	16,073,799	16,073,799

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 110 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
FY02 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
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
2002	7,047,490,127	3,794,670,980	3,252,819,147



CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF LOCAL AD VALOREM TAX COLLECTIONS

<u>CITY FISCAL YEAR</u>	<u>TOTAL PROPERTY TAXES LEVIED</u> (1)	<u>ADJUSTMENTS & PENALTIES AFTER LEVY</u> (2)	<u>TAXES CERTIFIED FOR COLLECTION</u> (3)	<u>CURRENT TAXES COLLECTED</u> (4)	<u>COLLECTIONS AS A PERCENT OF CERTIFIED</u>	<u>DELINQUENT TAXES COLLECTED</u>	<u>TOTAL PROPERTY TAXES COLLECTED</u> (5)
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	12,925,315	95.5%	117,116	13,042,431
2002-03	16,073,799	21,833	16,095,632	for information only; collections begin November 1, 2002			

Notes:

- (1) See page 108 for basis of Taxes levied for Operations and Debt retirement.
- (2) Additions, deletions and adjustments to the net taxable value (page 109) 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.
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
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY TAX LEVIES COMPARED WITH COLLECTIONS

<u>TAX ROLL YEAR</u>	<u>TOTAL TAX LEVIED</u>	<u>CURRENT TAX COLLECTION</u>	<u>OUTSTANDING PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>TOTAL COLLECTED AS A % OF CURRENT LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>DELINQUENT TAXES AS A % OF CURRENT LEVY</u>	
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	12,925,315	95.6%	117,116	13,042,431	96.5%	118,120	0.87%	
2002	16,073,799	for information only; collections begin November 1, 2002							

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY TAX RATES AND TAX LEVIES
ALL DIRECT OVERLAPPING GOVERNMENTS APPLICABLE TO THE CITY OF GAINESVILLE

<u>TAX ROLL YEAR</u>	<u>CITY OF GAINESVILLE</u>	<u>COUNTY OF ALACHUA</u> (1)	<u>ALACHUA COUNTY SCHOOL DISTRICT</u>	<u>ST. JOHNS WATER MGMT DISTRICT</u>	<u>ALACHUA COUNTY LIBRARY DISTRICT</u>	<u>TOTAL ALL DIRECT & OVERLAPPING GOVERNMENTS</u>
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Tax Rate (mills) (Including Debt Service)

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
2002	4.9416	8.9887	10.4660	0.4620	1.6632	26.5215

Tax Levies (Including Debt Service)

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	24,619,002	28,544,246	1,263,649	4,592,079	72,535,096
2002	16,073,799	29,238,019	34,043,311	1,502,772	5,409,978	86,267,879

Note:

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

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SPECIAL ASSESSMENTS FUND
(Street, Sidewalk and Ditch Improvement Fund)

<u>FISCAL YEAR</u>	<u>OUTSTANDING ASSESSMENTS AT BEGINNING OF YEAR</u>	<u>CURRENT ASSESSMENTS LEVIED</u>	<u>TOTAL ASSESSMENTS</u>	<u>ASSESSMENTS COLLECTED</u>	<u>PERCENTAGE OF COLLECTIONS TO TOTAL DUE</u>
1992-93	\$ 60,159	\$ -	\$ 60,159	\$ 14,603 (1)	24.3%
1993-94	45,556	-	45,556	9,096 (2)	20.0%
1994-95	36,460	-	36,460	3,135 (3)	8.6%
1995-96	33,325	-	33,325	7,249 (4)	21.8%
1996-97	26,077	-	26,077	2,692 (5)	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%
2001-02	13,178	18,476	31,654	7,466	23.6%

Notes:

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

CITY OF GAINESVILLE, FLORIDA
FY02 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

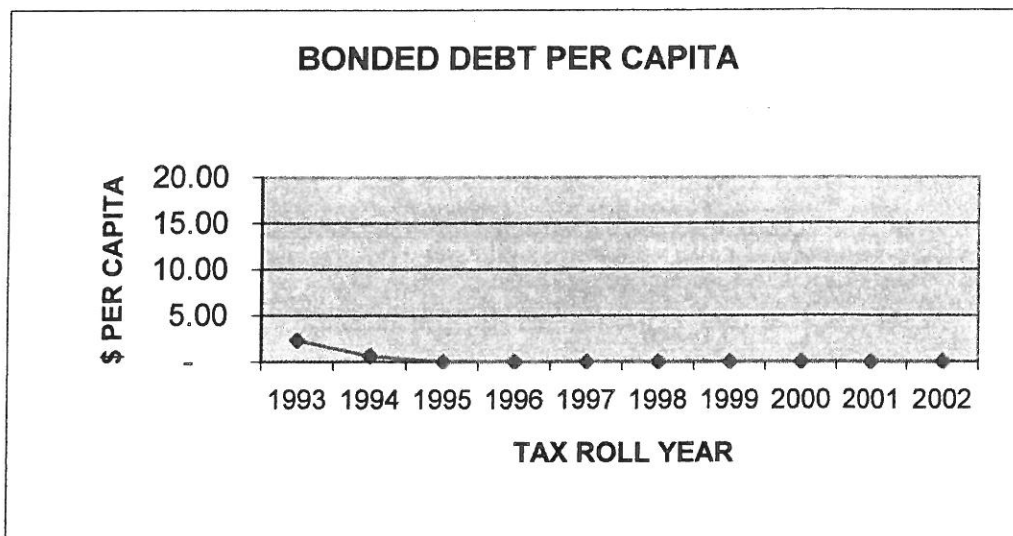
Taxable Value = \$3,252,819,147

Legal Debt Limit = None (1)

<u>TAX ROLL YEAR</u>	<u>TAXABLE VALUE (JANUARY 1)</u>	<u>BONDED DEBT (SEPTEMBER 30)</u>	<u>BONDED DEBT RATIO</u>	<u>CITY POPULATION (APRIL 1)</u>	<u>BONDED DEBT PER CAPITA</u>
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	-
2002	3,252,819,147	-	-	111,224	-

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
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT

<u>TAXING AUTHORITY</u>	<u>TAXABLE PROPERTY VALUE (2)</u>	<u>GENERAL OBLIGATION BONDED DEBT (3)</u>	<u>PERCENT OF DEBT APPLICABLE TO CITY</u>	<u>CITY'S SHARE OF DEBT (4)</u>
City of Gainesville	\$ 3,252,819,147	\$ -	100.00%	\$ -
Alachua County	7,143,329,037	-	45.54%	-
Alachua County Schools	7,151,495,817	<u>78,120,000</u>	<u>45.48%</u>	<u>35,528,976</u>
		<u>\$ 78,120,000</u>	45.51%	<u>\$ 35,528,976</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.

<u>TAXING AUTHORITY</u>	<u>SELF SUPPORTING</u>	<u>NON-SELF SUPPORTING</u>	<u>TOTALS</u>
Alachua County	\$ -	\$ 49,970,000	\$ 49,970,000
Alachua County Schools	-	-	-
City of Gainesville:			
Utilities	421,609,239	-	421,609,239
Other than Utilities	<u>-</u>	<u>41,696,789</u>	<u>41,696,789</u>
	<u>\$ 421,609,239</u>	<u>\$ 91,666,789</u>	<u>\$ 513,276,028</u>

CITY OF GAINESVILLE, FLORIDA
FY02 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
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	-	-	-	-	-
2001-02	-	-	-	-	-

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 105. Debt service expenditures are included within those total uses under "General Government".

CITY OF GAINESVILLE, FLORIDA
FY02 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		
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
2001-02	475,000	623,641	1,098,641	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
FY02 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
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
2001-02	2,190,000	1,575,315	3,765,315	5.45	5.47

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 105. 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
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SCHEDULE OF UTILITY REVENUE DEBT SERVICE COVERAGE RATIO

<u>FISCAL YEAR</u>	<u>DEBT REQUIREMENTS (1)</u>	<u>NET UTILITY REVENUES (2)</u>	<u>DEBT SERVICE COVERAGE RATIO</u>
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
2001-02	34,097,931	90,462,263	2.65

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
FY02 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
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
2001-02	34,097,931	90,462,263	2.65

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
FY02 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	59,633
Number of Voter Turnout in Last City General Election (Includes split City/County Precincts)	31,104 (52%)

LOCATION (1)

Area	53.55 square miles
Latitude	82.16' West
Longitude	29.41' North
Elevation	165 feet

<u>Distance & Direction to Major Cities:</u>	<u>Highway Miles</u>		<u>Average Air Minutes</u>
Jacksonville	78	NE	20
Tallahassee	129	NW	25
Tampa/St. Petersburg	127	South	30
Orlando	115	SE	30
Miami	335	South	60
Atlanta	328	North	60

CLIMATE (1)

Average Annual Temperature	Maximum 79.9 Minimum 57.2
Average Hours of Sunshine	2,800
Average Annual Precipitation	48.36
Growing Season	255 days

PUBLIC SAFETY

Gainesville Police Department	273 Sworn Personnel 89 Civilian Personnel
Gainesville Fire-Rescue	142 Sworn Personnel 8 Civilian Personnel

Sources: (1) Gainesville Area Chamber of Commerce

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EDUCATION

Public Schools: (1)

Elementary Schools	24 schools, enrollment 11,642
Middle Schools	8 schools, enrollment 6,739
High Schools	7 schools, enrollment 8,555
Special Schools	7 schools, enrollment 523
Charter Schools	10 schools, enrollment 767
Teacher Certification	State requirement
Public School Teachers	1,958
Student Membership	28,226

University of Florida:

Enrollment	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
	2002	47,373
Faculty	2,955 full-time, 180 part-time	
Degrees Offered	107 Undergraduate	
	224 Graduate	
	5 Professional (Law, Veterinary Medicine, Medicine, Pharmacy, Dentistry)	
	12 Specialist	
	15 Engineer	

Santa Fe Community College:

Enrollment	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
	2002	14,047
Faculty	264 full-time, 276 part-time	
Degrees Offered	45 Associate of Arts	
	27 Associate of Science and Applied Science	
	25 Certificate of Training	
	18 Technical Certificate	

(1) Source: School Board of Alachua County

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

TRANSPORTATION

FY 2001-02 AIR TRAFFIC VOLUME
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT (1)

	<u>Enplanements</u>	<u>Deplanements</u>
October	8,952	9,051
November	9,813	10,247
December	9,801	10,057
January	8,674	8,816
February	9,948	10,055
March	12,237	13,604
April	12,992	11,860
May	12,274	12,293
June	11,319	11,581
July	11,271	10,916
August	10,429	11,493
September	<u>10,241</u>	<u>10,387</u>
TOTAL	127,951	130,360

MAIN BUS RIDERSHIP (2)
REGIONAL TRANSIT SYSTEM
FY2000 - FY2002

	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
October	558,248	708,973	893,404
November	473,821	576,412	708,084
December	269,268	279,650	338,750
January	442,155	594,639	722,371
February	562,753	671,754	741,828
March	469,525	536,325	585,063
April	449,763	551,094	697,940
May	264,765	322,747	350,068
June	264,005	306,840	290,095
July	275,911	350,192	401,104
August	440,038	586,880	510,628
September	<u>705,838</u>	<u>817,786</u>	<u>954,657</u>
TOTAL	5,176,090	6,303,292	7,193,992

MOTOR FREIGHT SERVICE (4) 31 common carriers
HIGHWAY ROUTES (3) Interstate 75, U.S. Highways 441, 301, 41, and 27 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
(4) U.S. Census Bureau

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

GENERAL DEMOGRAPHICS

<u>YEAR</u>	<u>POPULATION</u>	<u>BUILDING PERMITS</u>	<u>VALUE OF CONSTRUCTION</u>	<u>BANK DEPOSITS</u>	<u>TELEPHONE SERVICES</u>
	(1)	(2)	(2)	(3)	(4 & 5)
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	-
2002	111,224	2,033	141,585,566	-	-

- 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;
1997-02 Suntrust Banks of Florida Marketing Department
2002 information is not yet available.
(4) Southern Bell
(5) Information is no longer available from local exchange.

MEDICAL FACILITIES

Hospitals - Acute Care	6: Total Beds 1,878
Nursing Home Care	6
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 56,000
Radio Stations	2AM, 12FM
Television Stations	4

Source: Gainesville Area Chamber of Commerce

CITY OWNED PARKING FACILITIES

On street metered spaces	268
Off street metered spaces	90
Permit parking spaces	59
Non-metered spaces, central City district	399
Handicapped, off street not metered	15
Handicapped, central City district	13
Reserved, central City district	329
Loading, central City district	12

Source: City of Gainesville Traffic Engineering Division

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>
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%
2002	2.62%

Source: United States Department of Labor

Gainesville MSA Total Non-agricultural Employment:

Manufacturing	3.73%
Trade	20.97%
Services	30.85%
Government	33.65%
Transportation & Public Utilities	1.98%
Construction	3.58%
Finance, Insurance & Real Estate	5.24%

Source: United States Department of Labor

Ten Largest Employers:

<u>Firm</u>	<u>Product/Business</u>	<u>Employees</u>
University of Florida	Education	11,870
Shands Hospital	Health Care	7,986
School Board of Alachua County	Education	4,209
Florida Department of Children and Families	State Family Services	2,089
City of Gainesville	Municipal Government	1,863
Veterans Affairs Medical Center	Health Care	1,627
Nationwide Insurance Company	Insurance	1,065
North Florida Regional Medical Center	Health Care	900
Santa Fe Community College	Education	800
Alachua County	County Government	783

Source: Council for Economic Outreach

CITY OF GAINESVILLE, FLORIDA
FY02 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>
U.S. Postal Service	Government	638
Gator Dining Services	Food Service	500
Dollar General Distribution Center	Retail Sales	445
Bellsouth Telecommunications, Inc.	Telecommunication	430
Meridien Health Care	Health Care	400
Tower Hill Insurance Group	Insurance	400
Regeneration Technologies, Inc.	Biotechnical R&D & Manufacturing	400
AvMed Health Plan	Health Care	372
CH2M Hill Southeast, Inc	Engineering Consultants	300
Medical Manager	Computer Software	295
UF Athletic Association	Inter-Collegiate Athletics	264
Florida Farm Bureau	Insurance	205
The Gainesville Sun	Newspaper	202
Clariant LMS	Manufacturer	200
Performance Food Group	Food Service	190
Cox Communications	Telecommunication	180
Driltech	Manufacturer	172
North American Archery Group	Manufacturer	151
Exactech, Inc.	Manufacturer	150
Bank of America	Financial Institution	145

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	\$ 69,790,780	2.55%
Oaks Mall Gainesville Ltd Partnership	Retail Sales	43,450,400	1.59%
Florida Power Corporation	Utility	34,907,820	1.28%
Cox Cable University City, Inc.	Telecommunications	28,897,760	1.06%
HCA Health Services of Florida	Health Care	26,806,700	0.98%
Metal Container Corporation	Manufacturing	20,732,070	0.76%
Clariant Life Science, Molecules	Manufacturing	18,668,550	0.68%
North Florida Regional Hospital	Health Care	14,422,560	0.53%
Congregate Care Asset III. Ltd.	Congregate Care	12,509,400	0.46%
Industrial Plants Corp.	Manufacturing	9,730,200	0.36%
All Others	-	<u>2,730,890,146</u>	<u>89.75%</u>
TOTAL ALL TAXPAYERS		<u><u>\$ 3,010,806,386</u></u>	<u><u>100.00%</u></u>

Source: Alachua County Property Appraiser

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

TREND IN SALES OF UTILITY SERVICES (1)

Sales by Type of Service	2001-02		2000-01		1999-00	
	NUMBER OF SERVICES	TOTAL REVENUE	NUMBER OF SERVICES	TOTAL REVENUE	NUMBER OF SERVICES	TOTAL REVENUE
Electricity:						
Residential	73,522	\$ 45,762,959	71,975	\$ 45,603,957	70,796	\$ 44,288,788
General Service	8,736	32,864,868	8,556	33,282,098	8,408	32,562,768
Large Power	18	5,201,815	17	5,309,904	17	5,357,960
Traffic & Street Lights	9	1,777,099	9	1,651,751	9	1,622,632
Rental Lights	2,854	1,448,262	2,798	1,340,698	2,767	1,265,571
Bulk & Economy Sales	3	12,135,854	3	17,446,472	7	15,391,591
Fuel Adjustment (Revenue)	-	38,816,221	-	45,036,029	-	38,975,261
	<u>85,142</u>	<u>\$ 138,007,078</u>	<u>83,358</u>	<u>\$ 149,670,909</u>	<u>82,004</u>	<u>\$ 139,464,571</u>
Gas:						
Residential	27,880	\$ 8,429,717	27,243	\$ 11,697,095	26,555	\$ 7,956,943
Interruptible/Commercial	1,596	6,818,280	1,602	9,300,554	1,611	6,686,254
Liquid Propane	6	665,740	95	62,227	146	71,147
	<u>29,482</u>	<u>\$ 15,913,737</u>	<u>28,940</u>	<u>\$ 21,059,876</u>	<u>28,312</u>	<u>\$ 14,714,344</u>
Water:						
General Customers	55,125	\$ 10,408,448	58,791	\$ 10,139,709	57,998	\$ 9,700,240
University of Florida	5,168	616,061	51	617,090	49	622,596
Fire Hydrants	7	1,060,038	7	995,232	7	989,702
Electric Plants	4	34,669	4	27,560	3	42,504
	<u>60,304</u>	<u>\$ 12,119,216</u>	<u>58,853</u>	<u>\$ 11,779,591</u>	<u>58,057</u>	<u>\$ 11,355,042</u>
Wastewater Service Fees:						
Customer Billings	<u>53,419</u>	<u>\$ 14,576,585</u>	<u>52,260</u>	<u>\$ 14,362,202</u>	<u>51,526</u>	<u>\$ 14,100,390</u>
GRUCom:						
Internet Sales (GRUnet)	5,921	\$ 938,363	4,250	\$ 649,942	2,837	\$ 432,305
Tower Leasing	13	1,033,609	11	973,927	10	869,984
	<u>5,934</u>	<u>\$ 1,971,972</u>	<u>4,261</u>	<u>\$ 1,623,869</u>	<u>2,847</u>	<u>\$ 1,302,289</u>

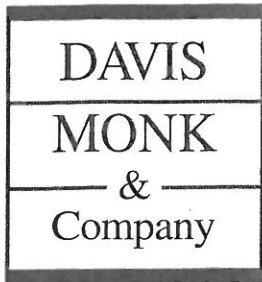
Notes:

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

CITY OF GAINESVILLE, FLORIDA
FY02 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

CULTURAL AND RECREATION

- Art Galleries:** Center for Modern Art, Focus Gallery, Gainesville Artisans' Guild Gallery, Grinter Gallery, Samuel P. Harn Museum of Art, Santa Fe Gallery, The Thomas Center Galleries, University Gallery
- Dance:** Dance Alive!, Dance Theatre of Santa Fe, Danscompany of Gainesville, DuncanWorks Children's Dance Theatre, Floridance, Gainesville Ballet Theatre, Grand Squares Square Dance Club, Greenwood Morris Dancers and the - Maypole, Lavern Porter Dance Company, Society for the Preservation of Oriental - Folkloric Dance & Cultural, Sahnobar Dance Ensemble, SoundStage American Dance Company
- Music:** Academy of Music & Art, Alachua County Youth Orchestra, BarberGators, Gainesville Chamber Orchestra, Gainesville Civic Chorus, Gainesville Community Band, Gainesville Friends of Jazz & Blues, Gainesville Sweet Adelines, Santa Fe Brass Ensemble, Thirsty Ear Concerts, UF University Choir, UF Chamber Singers, UF Men's Glee Club, UF Women's Chorale, UF Gospel Choir, University Symphonic Band, Willis Bodine Chorale, World Harmony Project
- Museums:** EXPO-The Children's Museum of Gainesville, Florida Museum of Natural History, Fred Bear Museum, Matheson Historical Center, Micanopy Historical Society Museum, Theatre of Memory
- Theatre:** Acrosstown Repertory Theatre, All Children's Theatre, Center for the Performing Arts, Constans Theatre, The Fable Factory, Gainesville Community Playhouse, High Springs Community Theatre, Hippodrome State Theatre, Theatre Santa Fe
- Libraries:** Alachua County Library District Public Library, University of Florida Library, Santa Fe Community College Library
- Art Shows/Festivals:** Art in Thornebrook Village, Downtown Festival & Art Show, Downtown Jazz & Blues Festival, Festival of Lights, Blizzard Bash, Hoggetowne Medieval Festival, Kanapaha Spring Garden Festival, SFCC Spring Arts Festival, Fifth Avenue Arts Festival
- Parks:** 30 Parks and playgrounds
- Other Area Attractions:** Bivens Arm Nature Park, Morningside Nature Center, Devil's Millhopper State Geological Site, Kanapaha Botanical Gardens, Paynes Prairie State Preserve, Santa Fe Community College Teaching Zoo, The Hawthorne Trail
- Sources:** Gainesville Area Chamber of Commerce, City of Gainesville Department of Cultural Affairs, City of Gainesville Recreation and Parks Department



MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Gainesville, Florida:

Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
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We have audited the basic financial statements of the City of Gainesville, Florida (the City), as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated December 11, 2002. Our report on the basic 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. 34. The other auditors issued a separate management letter dated October 25, 2002. 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:

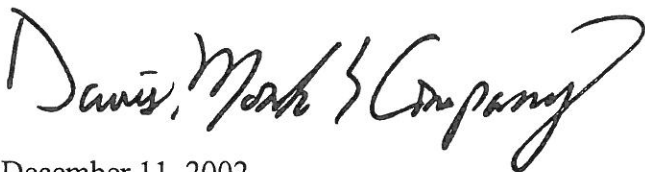
- As required by the Rules of the Auditor General, we determined that the annual financial report for the City, for the fiscal year ended September 30, 2002, was filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit 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 basic financial statements do not include the Gainesville Housing Authority in the financial reporting entity.
- The scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, *Determination of Financial Emergency*. 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, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.
- As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.
- The Rules of the Auditor General stipulate that auditors should review the status of prior-audit findings. There was one finding reported in the City's Schedule of Findings and Questioned Costs for the year ended September 30, 2001. That finding is not repeated in the accompanying Schedule of Findings and Questioned Costs.

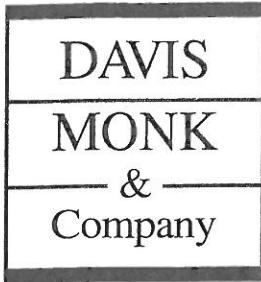
Following this letter are our reports on compliance and on internal control relative to financial reporting and financial assistance programs. Also, other auditors have issued a separate management letter relative to Gainesville Regional Utilities. The comments in those documents should be considered 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 oversight audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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



December 11, 2002
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 basic financial statements of the City of Gainesville, Florida (the City), as of and for the year ended September 30, 2002, and have issued our report thereon dated December 11, 2002. Our report on the basic 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. 34. 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 basic 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 opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Honorable Mayor and City Commissioners
City of Gainesville, Florida

Page Two

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 October 25, 2002.

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

Davis, Month & Company

December 11, 2002
Gainesville, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
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>			
Block Grant – Entitlement	14.218	\$1,586,201	
Supportive Housing	14.235	81,578	
Supportive Housing – VETSPACE	14.235	104,076	\$ 185,654
Home Investment Partnership Grant	14.239	629,927	
Depot Avenue Project	14.246	3,000	
Cedar Grove Housing Project	14.XXX	48,231	
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Federal Transit Administration - Operating and Capital Assistance	20.507	2,746,637	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Florida Department of Education: Summer Nutrition Program	10.559	180,983	
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Gainesville Regional Juvenile Assessment Center	16.541	66,746	
Comprehensive Juvenile Justice Crime Prevention	16.541	7,294	74,040
Byrne Youth Alcohol/Party Patrol Program	16.579	90,367	
Local Law Enforcement Block Grant 5	16.592	160,341	
Local Law Enforcement Block Grant 6	16.592	17,671	178,012
Weed & Seed 4	16.595	8,259	
Weed & Seed 5	16.595	133,261	
DEA Cost Reimbursement Year 4	16.595	11,708	
DEA Cost Reimbursement Year 5	16.595	26,911	180,139
COPS in School	16.710	97,043	
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Wetlands Protection State Development	66.461	2,176	
Water Quality Program Special Project	66.606	86,910	
Brownfield Pilot Cooperative Agreements	66.811	43,846	
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$6,133,166</u>	

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF GAINESVILLE, FLORIDA**

<u>State Grantor/ Program Title</u>	<u>State CSFA Number</u>	<u>Expenditures</u>	<u>Project Total</u>
<u>FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR</u>			
Brownfield Redevelopment Grants	31.011	\$ 218,703	
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>			
FRDAP Sweetwater Park	37.017	6,508	
FRDAP T.B. McPherson Park	37.017	45,561	\$ 52,069
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>			
St. John's River Water Management District Stormwater Cost Share	42.017	32,500	
<u>DEPARTMENT OF STATE</u>			
Local Arts Agency Grant 2001	45.005	17,820	
Local Arts Agency Grant 2002	45.005	6,380	24,200
Historic Preservation Grant for Hippodrome	45.031	6,854	
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>			
Municipal Comprehensive Grant	52.008	35,444	
Florida Communities Trust - Front Porch/Duval	52.009	6,000	
RCMPLMI Retrofit	52.016	10,000	
SHIP 1999/2000	52.901	208,523	
SHIP 2000/2001	52.901	456,903	
SHIP 2001/2002	52.901	285,744	951,170
<u>DEPARTMENT OF TRANSPORTATION</u>			
Highway Beautification	55.003	127,929	
Regional Transit System Improvement Program:			
Commuter Assistance Funding FY 01/02	55.007	89,170	
Service Development Funding for Campus Circulation	55.007	2,242	91,412
Block Grant Operating Assistance FY 01/02	55.010	861,002	
Service Development Agreement	55.012	96,773	
Corridor Development Assistance – Tower Road	55.013	18,149	
Corridor Development Assistance – Night Services	55.013	107,384	125,533
Intermodal Development Program	55.014	151,783	
Comprehensive Operational Analysis	55.XXX	96,721	
<u>DEPARTMENT OF HEALTH</u>			
EMS '01 Pass-Through From County	64.005	14,642	
EMS '02 Pass-Through From County	64.005	29,517	44,159
<u>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</u>		<u>\$2,932,252</u>	

See Accompanying Notes.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2002
CITY OF GAINESVILLE, FLORIDA**

Note 1. Basis of Presentation

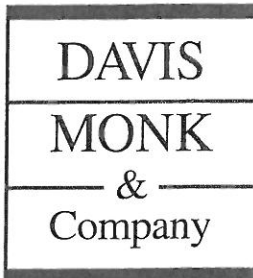
The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Gainesville, Florida and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit 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 basic 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	\$800,000

The City did not provide state awards to subrecipients.



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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, 2002. 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.

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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, 2002.

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.

We noted a matter involving the internal control over compliance 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 compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program or state project in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 02-1.

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 the 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. Our consideration of the internal control over compliance 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 a material weakness.

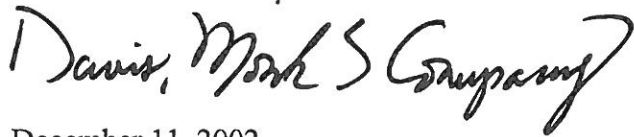
Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the City as of and for the year ended September 30, 2002, and have issued our report thereon dated December 11, 2002. Our report on the basic 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. 34. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Honorable Mayor and City Commissioners
City of Gainesville, Florida

Page Three

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

A handwritten signature in black ink that reads "Davis, Mark S Gumpert". The signature is written in a cursive style with a large initial "D" and "G".

December 11, 2002
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF GAINESVILLE, FLORIDA**

Part I - Summary of Auditors' Results

1. The auditors' report on the basic financial statements was unqualified.
2. No reportable conditions in internal control over financial reporting were disclosed by the audit.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. A reportable condition in internal control over major federal programs and state projects was disclosed by the audit. The reportable condition was considered to be a material weakness.
5. The auditors' report on compliance for the major federal programs and state projects was unqualified.
6. The audit disclosed one finding 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>
Community Development Block Grant-Entitlement	14.218
Federal Transit Administration – Formula Grants	20.507
<u>State Projects</u>	<u>CSFA No.</u>
State Housing Initiatives Partnership Program (SHIP)	52.901
Public Transit Block Grant Program	55.010

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, 2002
CITY OF GAINESVILLE, FLORIDA**

Part II - Financial Statement Findings

No matters were disclosed by the audit.

Part III - Findings and Questioned Costs – Federal Programs

Questioned
Costs

02-1 *Condition and Criteria:* Internal controls were not sufficient to ensure that financial reports to grantors were accurately prepared for the Community Development Block Grant (CFDA No. 14.218) and Federal Transit Administration Formula Grant (CFDA No. 20.507). We noted instances where costs associated with financial assistance programs were not accurately reported in the City's reports to grantors.

Effect: No excess funds were received by the City as a result of this condition. The City has submitted revised reports to the grantors, where applicable.

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Recommendation: Internal controls should be strengthened over the preparation of financial reports to grantors. Internal control activities should include approval of financial reports by a responsible party and agreement of amounts reported to amounts recorded in the general ledger.

Part IV - Findings and Questioned Costs – State Projects

Finding 02-1 above is also applicable to SHIP (CSFA No. 52.901) and Public Transit Block Grant Program (CSFA No. 55.010).

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CITY OF GAINESVILLE

Finance Department

Summary Schedule of Prior Audit Findings

There were no prior year single audit findings, so this is not applicable.

Administration

Station 8 • P.O. Box 490 • Gainesville, FL 32602-0490
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CITY OF GAINESVILLE

Finance Department

In connection with our September 30, 2002 financial statement audit and single audit, our external auditors listed a finding as set forth below. We have developed a plan for corrective action on this finding as follows. This plan 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. 02-1

Condition and Criteria: Internal controls were not sufficient to ensure that financial reports to grantors were accurately prepared for the Community Development Block Grant (CFDA No. 14.218) and the Federal Transit Administration Formula Grant (CFDA No. 20.507). This finding is also applicable to SHIP (CSFA No. 52.901) and Public Transit Block Grant Program (CSFA No. 55.010). We noted instances where costs associated with financial assistance programs were not accurately reported in the City's reports to grantors.

Effect: No excess funds were received by the City as a result of this condition. The City has submitted revised reports to the grantors, where applicable.

Recommendation: Internal controls should be strengthened over the preparation of financial reports to grantors. Internal control activities should include approval of financial reports by a responsible party and agreement of amounts reported to amounts recorded in the general ledger.

CORRECTIVE ACTION PLAN:

The internal control procedures related to the preparation, review, and submission of financial reports to grantors will be reviewed and strengthened. This procedural review will address preparation of the reports, review and approval by a separate responsible party prior to submission, as well as verification of reported amounts to the City's general ledger.

Administration

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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, 2002, 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.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

The statuses of recommendations made in the preceding year management letter are included in the Status of Prior Year's Recommendations and Management's Responses (Appendix A).

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Financial Reporting and Accounting

Financial Statement Close Process

We commend GRU for attempting to accelerate and improve the financial statement close process, and therefore the timeliness of issuance of its external financial statements, during the same year that implementation of the new reporting model was required. However, we noted opportunities for improvement in the financial statement closing process, which, if effectively addressed, should lead to timelier external financial reporting under accounting principles generally accepted in the United States (GAAP), a more effective year-end audit process, and more opportunity for financial analysis in connection with the reporting process. Specifically, we noted the following issues related to the current process: 1) financial data maintained in GRU's general ledger system were not easily convertible to GAAP presentation requirements, requiring a significant amount of manual "work-arounds" by accounting department personnel, 2) information initially gathered during the closing process is often incomplete resulting in several revisions to trial balances and numerous post-closing adjustments, 3) the closing process is not completely formalized through documented closing instructions and the like, and 4) the nature of the current process provides less time to analyze reporting issues, such as classification of net assets and the restricted nature of certain accounts.

To facilitate effective completion of the year-end closing process and to ensure sufficient time for reporting and account analysis in light of City reporting deadlines, we recommend that formal closing instructions and related accounting practices be more clearly documented and maintained. In addition, management should begin to work with IT department resources and/or

software vendors, in the near term, to solve system reporting issues and ensure that properly formatted system-generated reports are available to facilitate a more efficient closing process. Further, as part of addressing these recommendations, we recommend that accounting department personnel carefully analyze the GAAP classification of its balance sheet accounts (e.g., restricted versus unrestricted) in light of bond resolution requirements and interpretive guidance, and that management also consider the current accounting practices related to rate stabilization funds and similar items given GRU's current application of regulatory accounting provisions.

Management's Response

Management agrees with the need to more completely formalize in writing its year-end closeout procedures. Management also agrees to seek improvements in its GAAP-formatted financial reporting, through vendor and internal application software changes.

Management agrees that it would prefer to minimize the adjustments required during the audit phase of the closing process. The effort this year to accelerate the year-end process to more quickly produce annual reports caused the excessive number of adjustments generated this year. We do not anticipate the same situation next year.

Management will also continue to monitor GAAP-related balance sheet activity in line with bond ordinance and accounting standards requirements.

Utility Plant Projects

Based on our discussions with management and the results of our capital asset testing procedures, we noted that in certain cases Project Managers are keeping capital jobs open past their completion dates, even though the jobs have been finished and the assets have been installed and are being used. This practice results in capital assets that are not being depreciated consistently with the time they are placed into service, and effects capitalized interest computations and other unitization procedures. To ensure the proper accounting for plant assets, we recommend that GRU engineering areas perform periodic reviews of all open jobs and ensure that if construction is completed, the jobs are promptly closed. Such a process should be formalized and should include the preparation of written status reports for significant projects.

Management's Response

Management fully agrees with this recommendation. GRU has made a continuous effort to improve the timeliness of closing capital projects and, in this past year, has made significant progress towards that goal; however, we still need to work on this task. Management supports the audit recommendation to formally require our engineering areas to perform periodic review of all open capital projects and to report periodically to management.

Information Technology Observations

Accounting Software Installations

In performing our audit procedures related to capital assets, we noted that several journal entries had been posted to correct data that had apparently been corrupted in connection with a recent software upgrade. Upon our inquiry, we were informed that the software update that had been installed and caused the data errors had actually been designed for another utility company, and erroneously provided to GRU by the vendor. While we recognize that GRU's IT department does have a process for evaluating and testing software updates, we recommend that the process be enhanced to improve its functionality through the use of regression testing and other procedures, in order to avoid similarly disruptive events in the future.

Management's Response

Management agrees with the recommendation. Although GRU has a test and development environment in place to evaluate software updates, a change was needed to improve identification of affected programs where regression testing was appropriate. That change has already been incorporated into GRU's process. This change has resulted in improved installation of software update integrity and has minimized risk to business data affected by vendor software enhancements.

System Security – Programmer Access to Production

During our review, we noted that Computer Project Leaders are responsible for migrating program changes to production in the CBIS environment; potentially violating proper segregation of duties. We noted that GRU's program change methodology properly requires that System Integration Analysts review all program changes, however, Computer Project Leaders can override this function if so desired, but is not commonly practiced.

Considering the size of the IT staff, it is not unusual for there to be less segregation of duties than would be present in a larger IT department. In this environment, the periodic review of change control software logs is critical to maintaining a controlled IT environment. The failure to establish strong change management controls could result in unauthorized or inadvertent modifications to production data or the migration of unauthorized or untested program changes into the production environment.

Gainesville Regional Utilities should require periodic, independent reviews of changes to production data and programs to identify unauthorized changes. The policy should include procedures for reporting violations to upper management.

Management Response -

GRU agrees that limiting access to production systems is important and should be monitored to ensure compliance. No unauthorized breach of CBIS system security has been detected by staff to this date. The systems Programmers/Administrators monitor access to the production server and are instructed to report anything unusual or questionable. IT Staff will review and develop a process in which periodic, independent reviews can be performed.

System Security - Terminated Employees

Gainesville Regional Utilities does not have documented policies and procedures over communication of employee terminations to the CBIS application administrator. During our review, we noted several active user accounts belonging to employees no longer requiring system access.

As employees leave the organization or transfer departments, it should be required that user IDs be removed from the application in a timely manner. Untimely removal of terminated or transferred employees significantly increases the risk of unauthorized access.

We recommend that Gainesville Regional Utilities develop formal policies and procedures for communicating employee terminations. Once a termination notification is received, the employee's ID should be removed immediately, unless otherwise authorized. In addition, to verify user IDs are being removed, management should establish a procedure for verifying current IDs including contractor and vendor access lists as appropriate in order to maintain rights as appropriate.

Management Response -

Management agrees with the recommendation and is in the process of developing processes to ensure employee terminations are communicated to appropriate administrative personnel.

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

October 25, 2002