



Comprehensive Annual Financial Report

City of Gainesville, Florida

Fiscal Year Ended
September 30, 2011

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
City of Gainesville, Florida
Fiscal Year Ended September 30, 2011**

**Prepared By
The Budget & Finance Department**

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

<i>Craig Lowe</i>	<i>Mayor</i>
<i>Jeanna Mastrodicasa</i>	<i>Mayor-Commissioner Pro-Tem</i>
<i>Susan Bottcher</i>	<i>Commissioner</i>
<i>Thomas Hawkins</i>	<i>Commissioner</i>
<i>Randy Wells</i>	<i>Commissioner</i>
<i>Scherwin Henry</i>	<i>Commissioner</i>
<i>Todd Chase</i>	<i>Commissioner</i>

APPOINTED OFFICIALS

<i>Russ Blackburn</i>	<i>City Manager</i>
<i>Robert Hunzinger</i>	<i>General Manager for Utilities</i>
<i>Marion Radson</i>	<i>City Attorney</i>
<i>Kurt M. Lannon</i>	<i>Clerk of the Commission</i>
<i>Brent Godshalk</i>	<i>City Auditor</i>
<i>Cecil Howard</i>	<i>Equal Opportunity Director</i>

BUDGET & FINANCE PROGRAM STAFF

<i>Mark S. Benton</i>	<i>Finance Director</i>
<i>April Shuping</i>	<i>Assistant Finance Director</i>
<i>Daniel Smierciak</i>	<i>Accounting Supervisor</i>
<i>Alisa Tolbert</i>	<i>Grants Fiscal Coordinator</i>
<i>Lynn Thigpen</i>	<i>Property Control Specialist</i>
<i>Sandra Frankenberger</i>	<i>Accountant II</i>
<i>Karen Ward</i>	<i>Accountant II</i>
<i>Belinda Morris</i>	<i>Account Clerk, Sr.</i>

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CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

March 26, 2012

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

Dear Mayor, Commissioners, and Citizens:

Formal Transmittal of the Comprehensive Annual Financial Report

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Gainesville, Florida for the fiscal year ended September 30, 2011. The report fulfills the requirements set forth in the *City Code of Ordinances*, Section 2-433; *Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the City Code of Ordinances, and the Government Finance Officers Association.

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

Florida Statutes and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed jointly by Carr, Riggs & Ingram and Ernst & Young. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2011, 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, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the City

The **City of Gainesville** is the most populous city in and serves as the county seat of Alachua County. The City also serves as the cultural, educational and commercial center for the North Central Florida region. Gainesville is located midway between the Gulf of Mexico and the Atlantic Ocean and halfway between Miami and Pensacola. There are approximately 60 square miles of land included within the corporate boundaries of the City. As of April 1, 2011, the official population estimate was 124,379.

The City was established in 1854, incorporated in 1869 and has operated under a Commission-Manager form of government since 1927. The City Commission consists of seven elected officials (the Mayor and six Commissioners) who are responsible for enacting the ordinances and resolutions which govern the City. In March of 1998, City voters elected a Mayor for the first time in more than 70 years. The elected Mayor serves a three-year term and presides over public meetings and ceremonial events. The Commission appoints the City Manager, General Manager for Utilities, City Auditor, City Attorney, Clerk of the Commission and Equal Opportunity Director. As chief executive officers, the City Manager and General Manager for Utilities are charged with the enforcement of all ordinances and resolutions passed by the Commission. They accomplish this task through the selection and supervision of two Assistant City Managers, an Administrative Services Director, Assistant General Manager for Utilities, and numerous department heads.

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

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

Internal support services include the following:

- **accounting and reporting**
- **accounts payable and payroll**
- **billing & collections**
- **budgeting and budget monitoring**
- **cash management**
- **City-wide management**
- **computer systems support**
- **debt management**
- **equal opportunity**
- **fleet maintenance**
- **facilities maintenance**
- **human resources**
- **information systems**
- **investment management**
- **labor relations**
- **mail services**
- **property control**
- **purchasing**
- **risk management**
- **strategic planning**

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

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

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

Factors Affecting the City's Financial Condition

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

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

The City's unemployment rate is 8.1%, which is significantly lower than the state and national averages and is a slight decrease from 8.3% at the same time last year, which remains an elevated rate for our area due to the national economic downturn. Enrollment at the University of Florida, the engine for the area's economy, has remained steady with a 2011 fall enrollment of 48,653 students.

The General Fund's main revenue sources include Property Tax, Utility Tax, State Revenue Sharing & Half-Cent Sales Tax, and the transfer from the Utility. The Florida legislature and electorate have passed two initiatives which have resulted in reduced property tax revenues. This has been exacerbated by the recession which has caused the decline or stagnation of the other major revenue sources. The City has responded to this trend by diversifying the revenue base by adding a Fire Assessment Fee and with significant cuts in expenditure budgets during the four year period spanning fiscal years 2007 through 2010.

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

- Construction and remediation of the Depot Park Downtown Stormwater Basin.
- Construction of a centralized fleet garage for use by both General Government and the Utility.
- Renovation and relocation of an existing fire station (#1).
- Construction of a one-stop homeless center.
- Fleet Maintenance Facility for the Regional Transit System (RTS).
- Renovation of the Police Department's administrative building.
- Land acquisition and park improvements related to the Wild Spaces Public Places initiative.
- Implementation of recurring annual funding for three new areas:
 - Equipment replacement internal service fund
 - Facilities maintenance internal service fund
 - Road resurfacing funds
- The Utility currently forecasts the need for a new electric supply by about 2022. Details on this project can be found in the accompanying Management's Discussion and Analysis on page MDA-11

Financial policies. The City has adopted and complied with the following financial policies:

- **General Fund Reserve Policy** – The unassigned fund balance of the General Fund will be at least 8.33% of the proposed General Fund revenue budget.
- **General Insurance Fund Reserve Policy** – The General Insurance Fund will maintain fiscal year-end current assets equal to current liabilities.
- **Budget Administration Policy** – Systematic procedures that are used in the development, review, adoption, monitoring, and revision of the budget.
- **Debt Management Policy** – Outlines allowable debt issuance purposes, debt structure, limitations on debt levels, allowable types of debt, promotes sound financial management and enhances the City's credit rating.
- **Capital Improvement Planning Policy** – Requires a fully funded five-year Capital Improvement Plan and Capital Budget.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. 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, 2010. The City of Gainesville has received this award consecutively since the fiscal year beginning October 1, 1984. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

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

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

Respectfully submitted,



Russ Blackburn
City Manager



Becky Rountree, CPA
Administrative Services Director



Mark S. Benton
Finance Director



April Shuping, CPA
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

City of Gainesville

2011 Organization Chart



CITY OF
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every path starts with passion

FLORIDA

Independent Auditors' Report

Honorable Mayor and City Commissioners
City of Gainesville, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Gainesville, Florida (the "City"), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Utility Fund, a major fund, which represent 96 percent and 90 percent, respectively, of the assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Utility Fund, are based on the report of the other auditors.

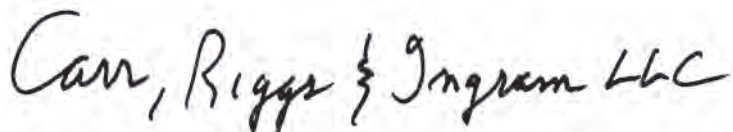
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City as of September 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

March 26, 2012
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, 2011. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi - xii of this report, and the City's financial statements which begin on page 1.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$750,094,214 (*net assets*). Of this amount, \$120,002,401 (*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 \$56,181,819 as a result of fiscal year 2011 operations.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$102,906,782, an increase of \$2,256,046 in comparison with the prior year. Of the total ending fund balances, \$28,618,552 is available for spending at the City's discretion (*committed, assigned and unassigned fund balances*).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$16,433,938.
- The City's total bonded debt increased by \$94 million (8.65%) during the current fiscal year. The components of this change are discussed in detail in the bonded debt section below.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains six enterprise funds to account for the following operations: electric power generation, transmission and distribution, natural gas distribution, water and wastewater treatment, telecommunications, refuse collection, golf course, stormwater management, building code enforcement, and mass transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains three internal service funds to account for fleet management operations, general insurance, and employee health insurance programs. Because these services benefit governmental more than business-type functions, they have been included within *governmental activities* in the government-wide financial statements, however in the government-wide financial statements, a certain portion of the net income of the internal service funds each year is reported in the business-type activities. This amount is allocated based on percentage of service charges.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund, which is considered to be a major fund of the City. Data from the other five proprietary funds are combined into a single, aggregated presentation. The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds as well as for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with its General Fund budget and the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 57-63 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 64-133 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$750,094,214 at the close of the most recent fiscal year. Approximately 64% of the City's net assets reflect its investment in capital assets (e.g., land, utility plant and equipment, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	City of Gainesville's Net Assets					
	Governmental Activities		Business-type Activities		Total	
	FY11	FY10	FY11	FY10	FY11	FY10
Current and other assets	\$ 212,254,104	\$ 214,905,867	\$ 568,064,868	\$ 427,090,774	\$ 780,318,972	\$ 641,996,641
Capital assets	169,924,047	157,511,401	1,215,600,102	1,132,274,331	1,385,524,149	1,289,785,732
Total assets	382,178,151	372,417,268	1,783,664,970	1,559,365,105	2,165,843,121	1,931,782,373
Long-term liabilities						
outstanding	156,676,067	165,697,933	1,016,511,951	911,938,445	1,173,188,018	1,077,636,378
Other liabilities	14,232,792	15,872,418	228,328,097	144,361,182	242,560,889	160,233,600
Total liabilities	170,908,859	181,570,351	1,244,840,048	1,056,299,627	1,415,748,907	1,237,869,978
Net assets:						
Invested in capital assets,						
net of related debt	127,383,906	116,698,998	350,932,231	373,193,617	478,316,137	489,892,615
Restricted	66,834,959	63,393,549	84,940,717	74,411,130	151,775,676	137,804,679
Unrestricted	17,050,427	10,754,370	102,951,974	55,460,731	120,002,401	66,215,101
Total net assets	\$ 211,269,292	\$ 190,846,917	\$ 538,824,922	\$ 503,065,478	\$ 750,094,214	\$ 693,912,395

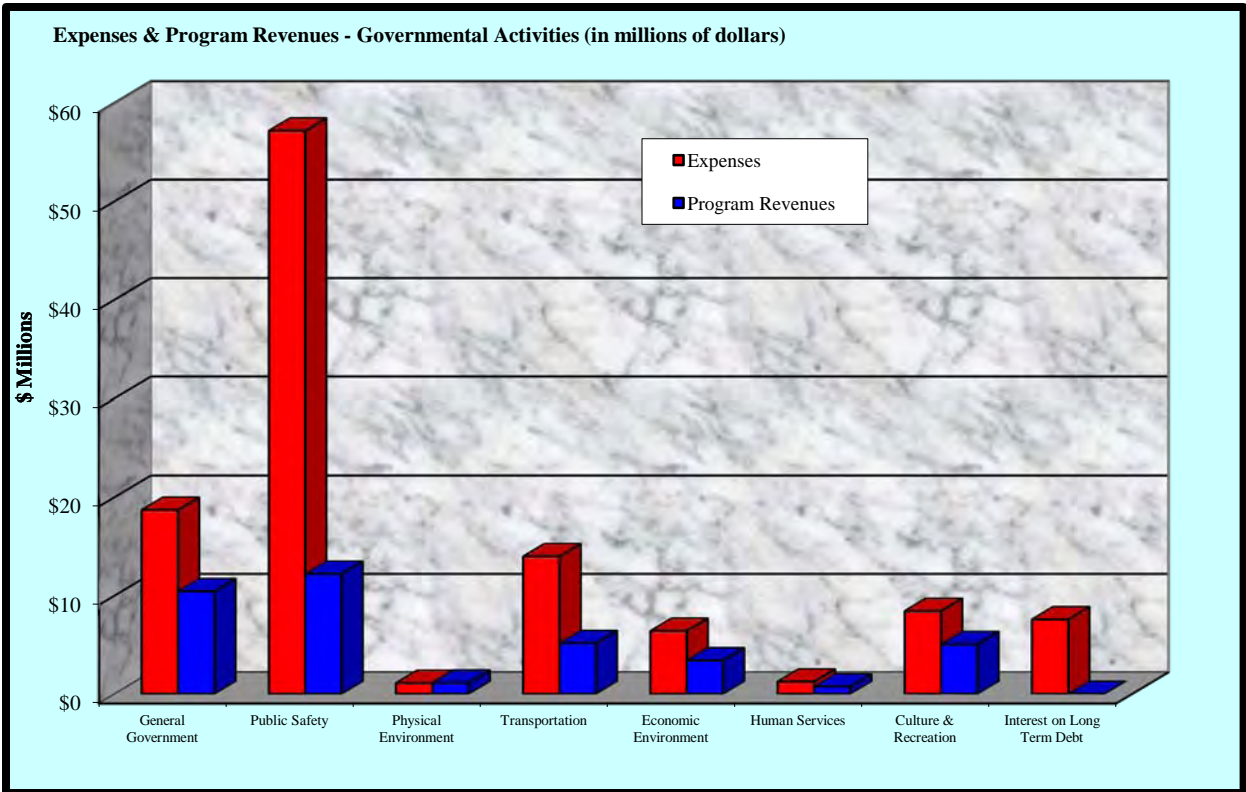
An additional portion of the City's net assets -- \$151,775,676 or 20% -- represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* - - \$120,002,401) -- may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net assets increased by \$56,181,819 during the current fiscal year. This increase is explained further in the following sections.

City of Gainesville Changes in Net Assets						
	Governmental activities		Business-type activities		Total	
	FY11	FY10	FY11	FY10	FY11	FY10
Revenues:						
Program revenues:						
Charges for services	\$ 22,559,409	\$ 17,246,314	\$ 381,788,696	\$ 386,202,240	\$ 404,348,105	\$ 403,448,554
Operating grants and contrib.	8,405,085	6,817,388	5,886,603	11,661,662	14,291,688	18,479,050
Capital grants and contrib.	7,130,480	8,224,492	5,146,531	3,554,922	12,277,011	11,779,414
General revenues:						
Property taxes	26,833,852	29,016,964	-	-	26,833,852	29,016,964
Other taxes	25,444,169	27,865,426	-	-	25,444,169	27,865,426
State revenue sharing	3,653,017	3,487,190	-	-	3,653,017	3,487,190
Interest	2,317,663	2,706,332	9,242,257	7,176,761	11,559,920	9,883,093
Other revenues	3,082,853	3,593,703	19,357,072	15,231,842	22,439,925	18,825,545
Total revenues	99,426,528	98,957,809	421,421,159	423,827,427	520,847,687	522,785,236
Expenses:						
General government	18,698,649	18,762,647	-	-	18,698,649	18,762,647
Public safety	57,166,952	56,238,741	-	-	57,166,952	56,238,741
Physical environment	1,116,462	1,510,055	-	-	1,116,462	1,510,055
Transportation	13,982,396	14,089,516	-	-	13,982,396	14,089,516
Economic environment	6,402,656	7,239,951	-	-	6,402,656	7,239,951
Human services	1,250,715	593,420	-	-	1,250,715	593,420
Culture & recreation	8,433,374	8,713,366	-	-	8,433,374	8,713,366
Interest on long-term debt	7,580,944	7,632,165	-	-	7,580,944	7,632,165
Electric	-	-	228,544,484	234,835,876	228,544,484	234,835,876
Gas	-	-	24,336,197	24,599,071	24,336,197	24,599,071
Water	-	-	22,945,996	22,290,808	22,945,996	22,290,808
Wastewater	-	-	27,068,964	24,925,561	27,068,964	24,925,561
GRUCom	-	-	10,907,359	10,719,866	10,907,359	10,719,866
Regional transit system	-	-	20,196,358	20,299,166	20,196,358	20,299,166
Stormwater	-	-	5,030,742	5,486,082	5,030,742	5,486,082
Ironwood	-	-	1,419,653	1,304,741	1,419,653	1,304,741
Florida building code enf.	-	-	2,263,325	2,362,379	2,263,325	2,362,379
Solid waste	-	-	7,320,642	7,101,229	7,320,642	7,101,229
Total expenses	114,632,148	114,779,861	350,033,720	353,924,779	464,665,868	468,704,640
Increase(Decrease) in net assets						
before special items & transfers	(15,205,620)	(15,822,052)	71,387,439	69,902,648	56,181,819	54,080,596
Special item	-	-	-	(5,269,115)	-	(5,269,115)
Transfers	35,627,995	33,984,760	(35,627,995)	(33,984,760)	-	-
Increase in net assets	20,422,375	18,162,708	35,759,444	30,648,773	56,181,819	48,811,481
Net assets - October 1	190,846,917	172,684,209	503,065,478	472,416,705	693,912,395	645,100,914
Net assets - September 30	\$ 211,269,292	\$ 190,846,917	\$ 538,824,922	\$ 503,065,478	\$ 750,094,214	\$ 693,912,395

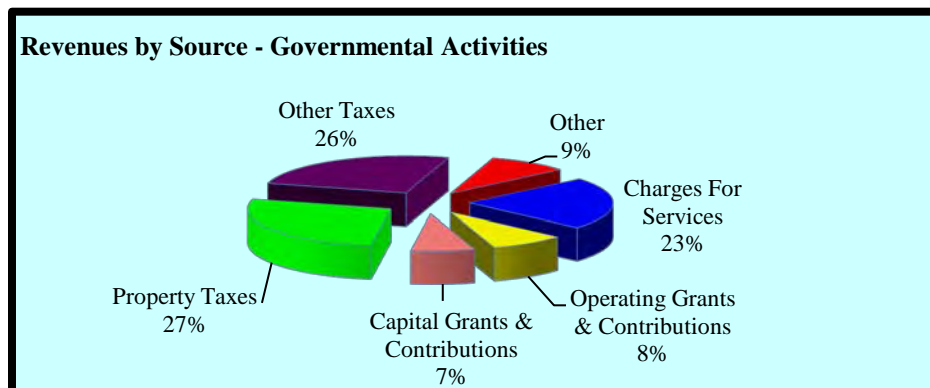
Governmental activities. Governmental activities' expense had a very small decrease of \$147,713 or 0.1%. Although the expense level remained basically flat, increases were seen in public safety and human services which were offset by decreases in all other areas, as shown below:

- Due to the recession, the City continued to make significant cuts in spending, including \$3.6 million of spending reductions and the elimination of 36.5 positions in the General Fund.
- The savings from those decrements were partially offset by a significant increase in the City's pension contribution rate. For the General Plan, City contribution rate increased from 5.48% in FY10 to 11.14% in FY11 of covered payroll.
- The \$928,211 (1.6%) increase in public safety expenses is primarily due to the addition of 13 firefighters related to the opening of Fire Station 8. Additionally, the City's pension contribution rate for the Consolidated Plan increased from 6.10% in FY 10 to 9.08% in FY11.



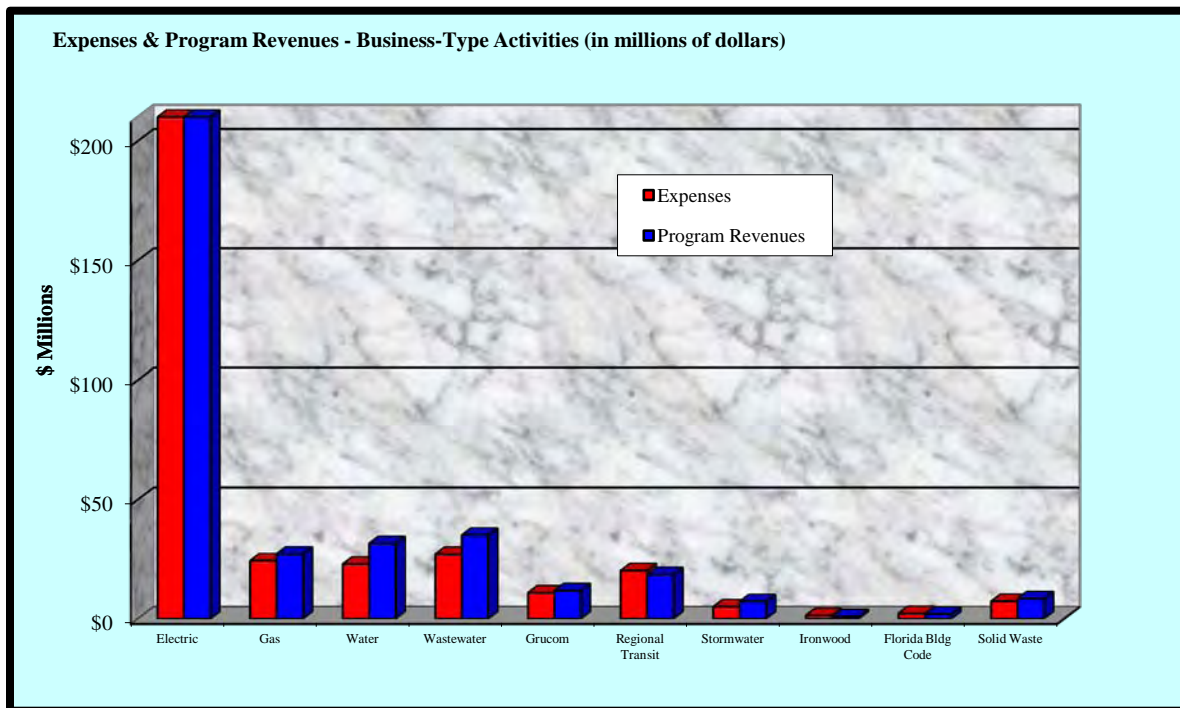
Key elements of governmental activities revenues are as follows:

- Property taxes fell due to the decrease in the millage rate from 4.3963 to 4.2544 along with a 4.75% reduction in property values experienced locally.
- Charges for Services increased due to the implementation of a Fire Assessment Fee, totaling just under \$5 million, during fiscal year 2011.



Business-type activities. Business-type activities' key elements for fiscal year 2011 are as follows:

- Utilities operating sales revenue decreased \$2 million, or approximately 0.5%. This decrease is the result of lower consumption offset by rate increases, offset by rate increases, along with a decrease in fuel costs of approximately \$12.3 million. Fuel costs are passed directly through to customers as part of a fuel adjustment charge, which is recorded as revenue.
- The number of customers for electric decreased 0.2%, while water and wastewater services increased 0.2%, and 0.3% respectively in FY11.
- Gainesville Regional Utilities is in the process of remediation efforts at a former manufactured gas plant site. The costs incurred to date total \$23.6 million and the total costs of the project are estimated at \$25.9 million. However, to date, the Utility has recovered \$3.3 million from insurance. After recognizing collection fees paid, a net recovery of \$2.2 million has been realized which will directly reduce the amount to be recovered through customer billings. A regulatory asset and liability have been accrued to account for the cost and cost recovery, which is being amortized as costs are incurred and customer revenues are received. The City's Stormwater Fund is also participating in the remediation of this property.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$102,906,782, an increase of \$2,256,046 in comparison with the prior year adjusted balance. Approximately 3% (\$3,474,278) of this total amount constitutes *nonspendable fund balance*, which are amounts that are not in spendable form, primarily constituted of long-term receivables. An additional 69% (\$70,813,952) is *restricted*, indicating that funds can only be spent for specific purposes stipulated by external entities.

Approximately 12% (\$782,237 and \$11,431,665, respectively) are *committed and assigned* for spending at the government's discretion. The remaining 16% (\$16,404,650) of fund balance is *unassigned* to indicate that it has no internal or external restrictions or commitments.

The general fund is the chief operating fund of the City. At the end of the current fiscal year there was \$16,433,938 unassigned fund balance of the general fund, while total fund balance was \$20,968,888. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance is 16.78% of total expenditures and transfers, while total fund balance represents 21.41% of that same amount.

The fund balance of the City's general fund increased by \$5,652,226 during the current fiscal year. The key factor in this increase from the prior year is that departments and management monitored the budget projections regularly during the year, and made spending adjustments to compensate for reduced revenue receipts. This resulted in total expenditures ending the year at \$3.5 million under budgeted amounts. The original budget included a budgeted surplus of \$1.13 million.

The special revenue funds have a total fund balance of \$24,066,040, which represents an increase of \$989,808 from last year's balance. The debt service funds have a total fund balance of \$553,673. The net decrease in fund balance for the current year for these funds was \$411,583. Fund balance in the capital projects funds decreased by \$3,974,405 to end the fiscal year at \$57,318,181. This decrease is primarily due to the planned expenditures of bond funds on capital projects.

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

General Fund Budgetary Highlights

The difference between the original and final revenue budget was approximately \$88,000 or 0.1%. The difference between the original and final general fund budget for expenditures was approximately \$175,000, or 0.2%. Accordingly, there are no significant revenue or expenditure budget amendments to discuss.

The only significant variance between the final budget and actual results for general fund revenues occurred in intergovernmental revenues. The variance in intergovernmental revenue was due to the increases in state revenue sharing and sales taxes due to the stabilization of the economy, resulting in higher levels of consumer spending.

The most significant variances between final budget and actual expenditures are found in general government and public safety. Due to regular budget monitoring and continuation of soft freezes on hiring for vacant positions, most departments ended the fiscal year with expenditures below budgeted amounts.

The largest savings were realized by Public Works (\$300 thousand), Police (\$900 thousand) and Fire (\$500 thousand). In addition, the shared Combined Communications Center ended the year approximately \$488 thousand under budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2011 totals \$1,385,524,149 (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:

- Approximately \$2.3 million in road maintenance, repair and construction.
- Acquisition of about \$1.9 million in vehicles for the fleet. \$500,000 of that total was spent on new, more fuel efficient police cruisers.
- \$2.4 million to complete the synchronized traffic management system
- \$2.7 million to complete the construction of Fire Station #8
- Over \$4 million to complete construction of the senior recreation center.
- Parks and recreation projects totaling \$2.5 million.
- Regional Transit System expended approximately \$1.8 million for new buses.
- Construction for GRU's Eastside Operations facility was nearly completed with construction costs of \$56.3 million in FY11. The total project cost, including all overheads and related charges, will be more than \$70 million when completed in FY12.
- Electric transmission and distribution expansion was \$16.2 million, of which, \$5.9 million was pertaining to underground system improvements.
- Gas distribution plant was expanded \$3.2 million.
- Telecommunication fiber cable expansion was \$2.8 million
- Energy supply capital expenses included approximately \$6.6 million for the Deerhaven 2 turbine upgrades to be installed, and \$4.9 million for the installation of Low NOx burners at Deerhaven 2. An expenditure of \$2.8 million completed the multiyear \$150 million Deerhaven 2 Air Quality Control System project.

	Governmental activities		Business-type activities		Total	
	FY11	FY10	FY11	FY10	FY11	FY10
Land	\$ 28,536,867	\$ 27,586,849	\$ 5,163,458	\$ 5,093,244	\$ 33,700,325	\$ 32,680,093
Utility P&E	-	-	876,492,514	862,301,454	876,492,514	862,301,454
Buildings	29,369,743	27,715,523	5,072,851	4,170,781	34,442,594	31,886,304
Improvements	4,942,549	4,513,754	2,254,594	1,121,164	7,197,143	5,634,918
Mach & equip	11,123,667	12,402,811	15,949,812	16,872,414	27,073,479	29,275,225
Infrastructure	61,224,340	62,439,230	9,010,318	8,354,235	70,234,658	70,793,465
Const in prog	34,726,881	22,853,234	301,656,555	234,361,039	336,383,436	257,214,273
Total	<u>\$ 169,924,047</u>	<u>\$ 157,511,401</u>	<u>\$ 1,215,600,102</u>	<u>\$ 1,132,274,331</u>	<u>\$ 1,385,524,149</u>	<u>\$ 1,289,785,732</u>

Additional information on the City's capital assets can be found in Note 6 on pages 50-51 of this report.

Bonded debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,180,884,771. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds and notes) and excludes issuance premiums and discounts.

City of Gainesville's Outstanding Bonded Debt			
	Governmental activities	Business-type activities	Total
Pension and OPEB obligation bonds	\$ 100,162,113	\$ -	\$ 100,162,113
Revenue bonds & notes	<u>51,852,402</u>	<u>1,028,870,256</u>	<u>1,080,722,658</u>
Total	<u>\$ 152,014,515</u>	<u>\$ 1,028,870,256</u>	<u>\$ 1,180,884,771</u>

The City's total bonded debt decreased by approximately \$94 million, or 8.65% during the current fiscal year. In addition to the scheduled pay down of existing debt, the prominent components of this change were:

- In November 2010, the Utility issued three series of 2010 Utilities System Revenue Bonds. The 2010 Series A Bonds – Federally Taxable in the amount of \$12.9 million and the 2010 Series B Bonds – Federally Taxable in the amount of \$132.4 million were issued to provide funds for the payment of the cost of acquisition and construction of certain improvements to the system. The 2010 Series C Bonds in the amount of \$16.4 million were issued to refund \$5.9 million of the 2003 Series A Bonds and to refund \$10.5 million of the 2008 Series A Bonds.

The City's utility system debt is rated Aa2 and AA by Moody's Investors Services and Standard & Poor's, respectively for its revenue bonds. The utility system has ratings of A-1+ and P-1 for its commercial paper. The Moody's underlying rating on the General Government First Florida Governmental Financing Commission Loans are A2.

The Fitch rating on the City's pension and OPEB bonds was increased in fiscal year 2005 from A to A+ and the City's implied underlying general obligation bond rating was also increased from A+ to AA-.

Additional information on the City's long-term debt can be found in Note 5 on pages 40-49 of this report.

Economic Factors and Next Year's Budgets and Rates

Some of the significant factors considered in preparing the City's fiscal year 2012 budget were:

- The transfer to the General Fund from the Utility accounts for approximately 35% of General Fund revenues, and is based on formulas approved by the City Commission. The former transfer formula allowed for variability related to the effectiveness of the Utility's demand-side management efforts and the lagging economy, which combined to significantly reduce the projected growth of the transfer. To provide budgetary stability and cash-flow certainty, the transfer was set at fixed amounts for FY 2011 through FY 2014, with an average growth rate of 2.84% over that period. Any difference greater than \$500,000 in either direction between the previous formula amount and the fixed dollar transfer will be shared equally by the Utility and General Government.
- Property tax revenues have flattened due to a combination of legislative action and a soft real estate market, which have reduced taxable property values by approximately 3.6% from FY 2011 to FY 2012. The City Commission also approved maintaining the millage rate at 4.2544.
- Two significant revenues which are expected to stabilize are State Revenue Sharing and Half Cent Sales Tax which combined are projected to generate slightly more revenue in FY2012.

- The City Commission maintained the fire assessment, which was added in FY 2011, bringing needed diversification to the revenue base during a period of generally flat revenue growth. Gainesville has the highest percentage of property off the tax roll of any municipality in Florida, with 56% of the value of property exempt. The fire assessment broadens the base of those who pay for services delivered by the City. This is expected to generate approximately \$5 million in FY 2012.
- Pension liabilities are long-term in nature and the investment plan and asset allocation strategy to fund these liabilities should be long-term as well. To that end, approximately 70% of the plan assets of the City's two defined benefit pension plans are invested in equities. The financial market turbulence experienced in 2008 and 2009 resulted in losses to the plans, which will impact the FY 2012 budget in the form of increased employer contributions to the plan. The City is in negotiations with its union representatives to modify the pension provisions to moderate the growth in this cost.
- In order to balance the 2011 budget, the City Commission approved \$3.6 million in expenditure cuts for the General Fund, including the elimination of 36.5 full time equivalent positions. As planned when the City approved the biennial budget, the cuts implemented in FY 2011 were sufficient to also balance the FY 2012 budget without the need for additional revenues or cuts.
- Despite the current economic downturn, the FY 11-15 capital improvement plan includes over \$68.8 million to address infrastructure and other capital needs.
- Two of every three area jobs are supplied by the government, education and health services sectors. Such an economic structure tends to mitigate the impact of external economic stimuli. Gainesville's economy does not rise as much as the national average during economic expansions, nor fall as much during economic declines.
- This area's primary economic engine, the University of Florida (UF) has a number of ambitious expansion plans in progress which will contribute to long-term growth for the City:
 - The UF Health Science Center and Shands Healthcare have announced a five-year, \$580 million plan with the goal of adding 300 faculty positions. This will result in the infusion of new jobs and the expansion of physical facilities, expanding the local economy.
 - Ground was broken on the Florida Innovation Hub (the Hub) at UF in June 2010. The Hub is a 45,000 square foot "super incubator" to be constructed on the existing Shands AGH site that has the capacity to house 15-20 startup technology companies and six to eight service providers. In addition to tech startups, the Hub is home to UF's Office of Technology Licensing and UF Tech Connect. Both assist with getting emerging technologies on the market. This project is projected to drive job creation and economic development as well as functioning as a bridge between downtown Gainesville and the UF campus along 2nd Avenue. It is expected to produce 3,000 jobs in growing industries such as health technologies and green energy.

Utility highlights for the 2012 fiscal year budget are as follows:

- The primary factors affecting the utility industry include environmental regulations, restructuring of the wholesale energy market, the formation of independent bulk power transmission systems and the increasing strategic and price differences among various types of fuels.
- Utilities, and particularly electric utilities, are subject to increasing federal, state and local statutory and regulatory requirements with respect to the location and licensing of facilities, safety and security, air and water quality, land use and other environmental factors.
- EPA's Cross State Air Pollution Rule has been stayed pending litigation, which has resulted in the reinstatement of the Clean Air Interstate Rule (CAIR). Facilities are currently in place at the Deerhaven and JR Kelly generating stations, which will enable them to comply with these rules at a known cost for operations and reagents. EPA has recently promulgated the Mercury Air Toxics Rule (MATS). The potential effect of this rule on the capital, operating and reagent costs for the Deerhaven 2 plant are pending the results for operational testing of the co-benefits of the new air quality control systems at Deerhaven 2. These are scheduled in the second quarter of FY 2012, and costs for additional mercury control may be significant.
- Restructuring of wholesale markets and the formation of independent transmission systems has slowed considerably. No state legislation is pending or proposed at this time for retail

competition in Florida. Any such restructuring of the Florida retail electric utility industry would be expected to affect the Utility. Currently, there is no initiative concerning retail electric deregulation in Florida or nationwide.

- Legislation and regulation at a federal level has been proposed to mandate the use of renewable energy and to constrain the emission of greenhouse gases. GRU's institution of a solar feed-in-tariff and intention to purchase power from a 100 MW biomass fueled power plant will hedge against these uncertainties as well as achieve other local policy objectives.
- On October 1, 2011, the Utility implemented a 1.72% revenue requirement increase in the electric system to be recovered across the residential rate classes. The customer charge for non-residential general service non-demand and demand customers did not increase. The Utility also increased the revenue requirement by 8.41% for the water system and 4.40% for the wastewater system. There was no increase for the gas system.
- To meet increased costs of service, the Utility increased water connection fees 0.40% and wastewater connection fees 16.13%.
- The Utility's long term energy supply strategy is to aggressively pursue the maximum cost effective energy conservation and renewable energy while managing potential regulatory requirements. Based on the most recent forecasts, which include the effects of aggressive conservation programs, the Utility has adequate reserves of generating capacity to meet forecasted loads plus a 15% reserve margin through 2022. This forecast incorporates additional generation capacity, new population forecasts, and changed economic circumstances. Additional capacity includes 12.4 megawatts (MW) of distributed generation (4.0 mu combined heat and power and 8.4 mu renewable), and 2.5 megawatts of additional nuclear capacity due to Progress Energy Florida's planned upgrade of the Crystal River 3 nuclear unit (of which the Utility owns a small share). GRU implemented the first Solar Feed-In-Tariff in the United States in 2009, under which solar developers own and install solar systems that feed directly to GRU's grid. The Utility purchases the power under a 20-year contract and GRU retains all of the renewable energy credits accrued by the system. The program allows for additional capacity of up to 4 MW per year and has been a resounding success, receiving commitment from developers for the full 4 MW of capacity in each year through 2016, adding a growing renewable resource to the Utility's supply portfolio. Management bases its forecast of future energy needs upon the population forecast for Gainesville produced annually by the Bureau of Economic and Business Research at the University of Florida. GRU management, with the approval of the City Commission, has negotiated a long term contract to secure the output from a 100 megawatt biomass fueled power plant. The proposed facility will be located on a portion of land leased from the Utility's Deerhaven power plant site, but owned by a third party. Construction of the plant is scheduled to be completed by the end of 2013, with GRU using 50 MW of the output and reselling the remaining 50 MW to other utilities until the capacity is needed by GRU. The project is expected to provide a long term hedge against volatile fossil fuel costs and potential federal and state renewable energy requirements and/or carbon regulations.
- The Utility has a possible environmental liability related to an oil contamination at the Kelly Generating Station. In July of 2006, the Utility was notified by the Florida Department of Environmental Protection (FDEP) that provisions of Chapter 62-780, F.A.C. must be complied with on this site. This Rule is currently being utilized to establish a process and time schedule for assessment and remediation of the site. The Utility's liability utilizing this Rule is unknown and cannot be reasonably estimated at this time.

Requests for Information

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

CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	GEZDA	CRA
ASSETS					
Cash and cash equivalents	\$ 150,486	\$ 4,975	\$ 155,461	\$ -	\$ -
Equity in pooled cash and investments	115,678,651	42,729,431	158,408,082	4,888	326,565
Investments	1,252,054	-	1,252,054	-	-
Receivables	15,180,132	53,616,452	68,796,584	-	202
Internal balances	(6,222,742)	6,222,742	-	-	-
Inventories	133,586	20,134,987	20,268,573	-	-
Prepays	8,893	-	8,893	-	-
Assets held for evidence	147,033	-	147,033	-	-
Deferred charges and other assets	1,945,160	33,513,053	35,458,213	-	-
Deferred outflows of resources	-	77,730,079	77,730,079	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	334,113,149	334,113,149	-	-
Negative net pension obligation asset	64,331,877	-	64,331,877	-	-
Negative net OPEB obligation asset	19,648,974	-	19,648,974	-	-
Capital assets (net of accumulated depreciation):					
Utility plant and equipment	-	876,492,514	876,492,514	-	-
Buildings	29,369,743	5,072,851	34,442,594	-	-
Improvements other than buildings	4,942,549	2,254,594	7,197,143	-	-
Machinery and equipment	11,123,667	15,949,812	27,073,479	-	-
Infrastructure	61,224,340	9,010,318	70,234,658	-	-
Capital Assets (not depreciated):					
Land	28,536,867	5,163,458	33,700,325	-	-
Construction in progress	34,726,881	301,656,555	336,383,436	-	-
Total assets	<u>\$ 382,178,151</u>	<u>\$ 1,783,664,970</u>	<u>\$ 2,165,843,121</u>	<u>\$ 4,888</u>	<u>\$ 326,767</u>
LIABILITIES					
Accounts payable	\$ 11,234,095	\$ 15,435,381	\$ 26,669,476	\$ -	\$ 1,942
Accounts payable - payroll	1,883,674	2,401,695	4,285,369	-	23,659
Accrued interest payable	428,984	-	428,984	-	-
Unearned revenue	686,039	32,592,185	33,278,224	-	-
Liabilities payable from restricted assets:					
Accrued interest payable	-	22,027,069	22,027,069	-	-
Other liabilities payable from restricted assets	-	80,936,168	80,936,168	-	-
Long-term debt due within one year	10,059,321	121,577,771	131,637,092	-	217,151
Long-term debt due in more than one year	146,616,746	894,934,180	1,041,550,926	-	3,398,029
Fair value of derivative instruments	-	74,935,599	74,935,599	-	-
Total liabilities	<u>\$ 170,908,859</u>	<u>\$ 1,244,840,048</u>	<u>\$ 1,415,748,907</u>	<u>\$ -</u>	<u>\$ 3,640,781</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$ 127,383,906	\$ 350,932,231	\$ 478,316,137	\$ -	\$ -
Restricted for:					
Debt service	-	31,957,129	31,957,129	-	-
Capital projects	47,411,074	-	47,411,074	-	-
Utility plant improvement	-	42,431,680	42,431,680	-	-
Nuclear decommissioning reserve	-	10,083,308	10,083,308	-	-
Tax increment zones	11,175,336	-	11,175,336	-	-
Federal and state grants	6,835,256	-	6,835,256	-	-
Cemetery care	1,338,743	-	1,338,743	-	-
Other purposes	74,550	468,600	543,150	-	-
Unrestricted	17,050,427	102,951,974	120,002,401	4,888	(3,314,014)
Total net assets	<u>\$ 211,269,292</u>	<u>\$ 538,824,922</u>	<u>\$ 750,094,214</u>	<u>\$ 4,888</u>	<u>\$ (3,314,014)</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, 2011

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET(EXPENSE)REVENUE AND CHANGES IN NET ASSETS			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	GEZDA	CRA
					Governmental Activities	Business-type Activities			
PRIMARY GOVERNMENT									
Governmental activities:									
General government	\$ 18,698,649	\$ 10,434,927	\$ 5,615	\$ -	\$ (8,258,107)	\$ -	\$ (8,258,107)	\$ -	\$ -
Public safety	57,166,952	8,696,812	3,435,826	62,874	(44,971,440)	-	(44,971,440)	-	-
Physical environment	1,116,462	57,461	95,717	989,523	26,239	-	26,239	-	-
Transportation	13,982,396	1,599,997	757,257	2,795,272	(8,829,870)	-	(8,829,870)	-	-
Economic environment	6,402,656	542,774	2,865,116	-	(2,994,766)	-	(2,994,766)	-	-
Human services	1,250,715	-	741,333	-	(509,382)	-	(509,382)	-	-
Culture & recreation	8,433,374	1,227,438	504,221	3,282,811	(3,418,904)	-	(3,418,904)	-	-
Interest on long-term debt	7,580,944	-	-	-	(7,580,944)	-	(7,580,944)	-	-
Total governmental activities	<u>114,632,148</u>	<u>22,559,409</u>	<u>8,405,085</u>	<u>7,130,480</u>	<u>(76,537,174)</u>	<u>-</u>	<u>(76,537,174)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Electric	228,544,484	250,057,292	-	-	-	21,512,808	21,512,808	-	-
Gas	24,336,197	27,153,898	-	-	-	2,817,701	2,817,701	-	-
Water	22,945,996	29,846,372	-	1,749,030	-	8,649,406	8,649,406	-	-
Wastewater	27,068,964	32,258,966	-	2,806,730	-	7,996,732	7,996,732	-	-
GRUCom	10,907,359	11,841,664	-	-	-	934,305	934,305	-	-
Regional Transit System	20,196,358	12,530,142	5,886,603	181,330	-	(1,598,283)	(1,598,283)	-	-
Stormwater Management	5,030,742	6,814,457	-	393,447	-	2,177,162	2,177,162	-	-
Ironwood Golf Course	1,419,653	947,474	-	15,994	-	(456,185)	(456,185)	-	-
Florida Building Code Enforcement	2,263,325	1,886,656	-	-	-	(376,669)	(376,669)	-	-
Solid Waste	7,320,642	8,451,775	-	-	-	1,131,133	1,131,133	-	-
Total business-type activities	<u>350,033,720</u>	<u>381,788,696</u>	<u>5,886,603</u>	<u>5,146,531</u>	<u>-</u>	<u>42,788,110</u>	<u>42,788,110</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 464,665,868</u>	<u>\$ 404,348,105</u>	<u>\$ 14,291,688</u>	<u>\$ 12,277,011</u>	<u>(76,537,174)</u>	<u>42,788,110</u>	<u>(33,749,064)</u>	<u>-</u>	<u>-</u>
COMPONENT UNITS									
Gainesville Enterprise Zone Development Agency	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
Community Redevelopment Agency	1,954,633	-	-	-	-	-	-	-	(1,954,633)
Total component units	<u>\$ 1,954,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,954,633)</u>
General revenues:									
Property taxes					26,833,852	-	26,833,852	-	-
Franchise & utility taxes					11,155,355	-	11,155,355	-	-
Communications services tax					5,216,204	-	5,216,204	-	-
Half cent sales tax					6,275,308	-	6,275,308	-	-
Additional half cent sales tax - wild spaces/public places					2,797,302	-	2,797,302	-	-
State revenue sharing (unrestricted)					3,653,017	-	3,653,017	-	-
Gain on sale of capital assets					13,264	48,605	61,869	-	-
Other unrestricted general revenues					3,069,589	19,308,467	22,378,056	-	1,720,189
Interest					2,317,663	9,242,257	11,559,920	83	4,561
Transfers					35,627,995	(35,627,995)	-	-	-
Total general revenues and transfers					<u>96,959,549</u>	<u>(7,028,666)</u>	<u>89,930,883</u>	<u>83</u>	<u>1,724,750</u>
Change in net assets					20,422,375	35,759,444	56,181,819	83	(229,883)
Net assets - beginning of year					190,846,917	503,065,478	693,912,395	4,805	(3,084,131)
Net assets - ending					<u>\$ 211,269,292</u>	<u>\$ 538,824,922</u>	<u>\$ 750,094,214</u>	<u>\$ 4,888</u>	<u>\$ (3,314,014)</u>

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

CITY OF GAINESVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 62,486	\$ 62,486
Equity in pooled cash and investments	9,846,216	79,159,822	89,006,038
Investments	-	1,252,054	1,252,054
Receivables	7,511,277	7,025,901	14,537,178
Due from other funds	7,225,158	1,359,370	8,584,528
Inventories	11,915	-	11,915
Assets held for evidence	-	147,033	147,033
Total assets	<u>\$ 24,594,566</u>	<u>\$ 89,006,666</u>	<u>\$ 113,601,232</u>
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	\$ 3,098,444	\$ 1,652,818	\$ 4,751,262
Due to other funds	-	4,777,492	4,777,492
Deferred revenue	527,234	638,462	1,165,696
Total liabilities	<u>3,625,678</u>	<u>7,068,772</u>	<u>10,694,450</u>
Fund balances:			
Nonspendable Fund Balance	3,474,278	-	3,474,278
Restricted Fund Balance	-	70,813,952	70,813,952
Committed Fund Balance	-	782,237	782,237
Assigned Fund Balance	1,060,672	10,370,993	11,431,665
Unassigned Fund Balance	16,433,938	(29,288)	16,404,650
Total fund balances	<u>20,968,888</u>	<u>81,937,894</u>	<u>102,906,782</u>
Total liabilities and fund balances	<u>\$ 24,594,566</u>	<u>\$ 89,006,666</u>	<u>\$ 113,601,232</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, 2011

Total fund balances: governmental funds balance sheet		\$ 102,906,782
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$306,871,205 and the accumulated depreciation is \$145,477,709. This excludes internal service fund capital assets which are included in the internal service fund adjustment below.		161,393,496
Long term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the fund financial statements. Long-term liabilities of internal service funds are included in the internal service fund adjustment below. Other governmental long-term liabilities at year end consist of:		
Bonds and promissory notes payable	152,014,515	
Capital lease payable	594,846	
Compensated absences	3,665,479	(156,274,840)
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.		1,945,158
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.		(428,984)
In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing sources and uses. In the government-wide statements, discounts and premiums are applied against bonds payable.		
Discounts	88,031	
Premiums	(370,246)	(282,215)
Liabilities for earned but unavailable revenues are reported in the funds, but not in the statement of net assets.		479,657
Negative net pension obligation and OPEB obligation assets created through treatment of Taxable Pension Obligation Bonds and Taxable OPEB Obligation Bonds as employer contribution to defined benefit pension plans are not recognized in the funds.		
Negative net pension obligation asset	64,331,877	
Negative net OPEB obligation asset	19,648,974	83,980,851
Internal service funds are used by management to charge the costs of fleet management, general insurance, employees health insurance, and retirees health insurance. The assets and liabilities of the internal service funds, including net capital assets of \$8,530,551 and compensated absences liabilities of \$119,012, are included in governmental activities in the statement of net assets.		17,549,387
Net assets of governmental activities		\$ 211,269,292

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, 2011

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Taxes	\$ 41,328,516	\$ 8,453,318	\$ 49,781,834
Licenses and permits	832,814	-	832,814
Intergovernmental	10,947,687	17,717,346	28,665,033
Charges for services	12,265,520	1,110,014	13,375,534
Fines and forfeitures	1,264,961	1,364,545	2,629,506
Miscellaneous	1,202,558	2,734,336	3,936,894
Total revenues	<u>67,842,056</u>	<u>31,379,559</u>	<u>99,221,615</u>
EXPENDITURES			
Current:			
General government	14,392,665	314,992	14,707,657
Public safety	50,594,944	3,490,629	54,085,573
Physical environment	171,302	575,160	746,462
Transportation	10,386,864	2,778,659	13,165,523
Economic environment	209,759	8,830,929	9,040,688
Human services	96,176	1,027,266	1,123,442
Culture and recreation	6,488,087	1,195,674	7,683,761
Debt service:			
Principal	-	9,192,493	9,192,493
Interest and fiscal charges	-	7,489,706	7,489,706
Capital outlay	-	15,369,816	15,369,816
Total expenditures	<u>82,339,797</u>	<u>50,265,324</u>	<u>132,605,121</u>
Excess of revenues over(under) expenditures	<u>(14,497,741)</u>	<u>(18,885,765)</u>	<u>(33,383,506)</u>
OTHER FINANCING SOURCES(USES)			
Transfers in	35,734,833	18,337,790	54,072,623
Transfers out	(15,584,866)	(2,848,205)	(18,433,071)
Total other financing sources(uses)	<u>20,149,967</u>	<u>15,489,585</u>	<u>35,639,552</u>
Net change in fund balances	5,652,226	(3,396,180)	2,256,046
Fund balances - beginning	<u>15,316,662</u>	<u>85,334,074</u>	<u>100,650,736</u>
Fund balances - ending	<u>\$ 20,968,888</u>	<u>\$ 81,937,894</u>	<u>\$ 102,906,782</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, 2011

Net changes in fund balances - total governmental funds	\$	2,256,046
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay recorded in the current period, excluding internal service fund activity.</p>		
		19,875,457
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense recorded in the current period, excluding internal service fund activity.</p>		
		(7,455,402)
<p>In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability.</p>		
		(133,342)
<p>Proceeds of pension obligation bonds issued during FY2003 and other post-employment benefit obligation bonds issued during FY2005 were contributed to the pension plans and the OPEB plan to retire the unfunded obligations. Governmental funds report such outlays as expenditures. However, the outlay is reported as an asset on the Statement of Net Assets. The impact on the Statement of Activities is the amortization of the Negative NPO and Negative Net OPEB Obligation during the current fiscal year.</p>		
Amortization of Negative Net Pension Obligation	(3,979,252)	
Amortization of Negative Net OPEB Obligation	<u>(1,187,325)</u>	(5,166,577)
<p>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.</p>		
		9,192,493
<p>Governmental funds report the effect of bond premiums and discounts when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the effect of the difference in treatment of bond premiums and discounts.</p>		
Amortization of bond premiums	53,988	
Amortization of bond discounts	<u>(6,948)</u>	47,040
<p>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.</p>		
Amortization of debt issuance costs	(164,920)	
Deferral of current year debt issuance costs	<u>-</u>	(164,920)
<p>Governmental funds do not recognize expenditures for the long-term accrued liability associated with compensated absences. This is the amount of the change in the liability account, excluding the amount attributable to internal service funds, which is included in the internal service fund adjustment below.</p>		
		(202,786)
<p>Governmental funds do not recognize expenditures for the liability associated with accrued interest payable on long-term debt. This is the amount of the change in the liability account.</p>		
		26,642
<p>Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. A portion of the net revenue of certain activities of internal service funds is reported in governmental activities.</p>		
		<u>2,147,724</u>
Change in net assets of governmental activities	\$	<u>20,422,375</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	Utility	Other Enterprise Funds	Totals	ACTIVITIES - Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 4,975	\$ 4,975	\$ 88,000
Equity in pooled cash and investments	32,310,955	10,418,476	42,729,431	26,672,613
Receivables	47,629,219	5,987,233	53,616,452	642,954
Due from other funds	649,755	6,975,371	7,625,126	243,163
Inventories	19,333,469	801,518	20,134,987	121,671
Prepaid expenses	-	-	-	8,893
Deferred charges	3,307,381	-	3,307,381	-
Restricted assets - cash and investments	224,018,237	-	224,018,237	-
Total current assets	327,249,016	24,187,573	351,436,589	27,777,294
Noncurrent assets:				
Restricted assets - cash and investments	110,094,912	-	110,094,912	-
Other noncurrent assets	30,205,672	-	30,205,672	-
Capital assets (net of accumulated depreciation):				
Utility plant & equipment	876,492,514	-	876,492,514	-
Buildings	-	5,072,851	5,072,851	13,025
Improvements other than buildings	-	2,254,594	2,254,594	-
Machinery and equipment	-	15,949,812	15,949,812	6,530,569
Infrastructure	-	9,010,318	9,010,318	-
Capital assets (not depreciated):				
Land	-	5,163,458	5,163,458	1,738,292
Construction in progress	295,108,907	6,547,648	301,656,555	248,665
Total capital assets	1,171,601,421	43,998,681	1,215,600,102	8,530,551
Total noncurrent assets	1,311,902,005	43,998,681	1,355,900,686	8,530,551
Deferred outflows of resources:				
Accumulated decrease in fair value of hedging derivatives	77,730,079	-	77,730,079	-
Total assets	1,716,881,100	68,186,254	1,785,067,354	36,307,845
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	14,489,691	945,690	15,435,381	8,266,588
Accounts payable - payroll	1,790,956	610,739	2,401,695	99,917
Due to other funds	5,161,983	5,869,544	11,031,527	643,798
Current portion of long-term debt	149,100	373,671	522,771	4,578
Deferred credits	13,985,877	-	13,985,877	-
Current liabilities payable from restricted assets:				
Rate stabilization deferred credit	66,230,719	-	66,230,719	-
Accrued interest payable	22,027,069	-	22,027,069	-
Current portion of long-term debt	121,055,000	-	121,055,000	-
Other liabilities payable from restricted assets	14,705,449	-	14,705,449	-
Total current liabilities	259,595,844	7,799,644	267,395,488	9,014,881
Noncurrent liabilities:				
Long-term debt	891,053,316	3,880,864	894,934,180	114,434
Fair value of derivative instruments	74,935,599	-	74,935,599	-
Other noncurrent liabilities	18,606,308	-	18,606,308	-
Total noncurrent liabilities	984,595,223	3,880,864	988,476,087	114,434
Total liabilities	1,244,191,067	11,680,508	1,255,871,575	9,129,315
NET ASSETS				
Invested in capital assets, net of related debt	309,898,040	41,034,191	350,932,231	8,530,551
Restricted for:				
Debt service	31,957,129	-	31,957,129	-
Utility plant improvement	42,431,680	-	42,431,680	-
Other purposes	10,083,308	468,600	10,551,908	-
Unrestricted	78,319,876	15,002,955	93,322,831	18,647,979
Total net assets	\$ 472,690,033	\$ 56,505,746	\$ 529,195,779	\$ 27,178,530

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Total net assets of Enterprise Funds on the statement of net assets of proprietary funds	\$ 529,195,779
 Internal service funds are used by management to charge the costs of fleet management, general insurance, and employee health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
 Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.	 <u>9,629,143</u>
Net assets of business-type activities	 <u><u>\$ 538,824,922</u></u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			GOVERNMENTAL
	<u>Utility</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	ACTIVITIES - Internal Service Funds
Operating revenues:				
Sales and service charges	\$ 351,158,192	\$ 30,630,504	\$ 381,788,696	\$ 18,721,010
Employer contributions	-	-	-	10,038,772
Employee contributions	-	-	-	5,195,031
Other operating revenues	17,313,001	220,990	17,533,991	359,082
Total operating revenues	<u>368,471,193</u>	<u>30,851,494</u>	<u>399,322,687</u>	<u>34,313,895</u>
Operating expenses:				
Operations and maintenance	184,238,962	30,338,225	214,577,187	9,935,996
Administrative and general	38,468,609	3,007,752	41,476,361	1,955,691
Depreciation and amortization	49,684,507	3,499,860	53,184,367	1,881,297
Benefits paid and other expenses	-	-	-	16,919,699
Total operating expenses	<u>272,392,078</u>	<u>36,845,837</u>	<u>309,237,915</u>	<u>30,692,683</u>
Operating income (loss)	<u>96,079,115</u>	<u>(5,994,343)</u>	<u>90,084,772</u>	<u>3,621,212</u>
Nonoperating revenues (expenses):				
Investment income	9,246,810	(4,553)	9,242,257	338,255
Interest expense	(42,859,851)	(175,625)	(43,035,476)	-
Gain on disposal of capital assets	-	48,605	48,605	-
Local option gas tax	-	1,774,475	1,774,475	-
Operating grants	-	5,886,603	5,886,603	-
Total nonoperating revenue(expenses)	<u>(33,613,041)</u>	<u>7,529,505</u>	<u>(26,083,536)</u>	<u>338,255</u>
Income before capital contributions and transfers	62,466,074	1,535,162	64,001,236	3,959,467
Capital contributions	4,555,760	590,771	5,146,531	439,486
Transfers in	-	1,612,901	1,612,901	115,575
Transfers out	(35,232,540)	(2,008,356)	(37,240,896)	(127,132)
Change in net assets	<u>31,789,294</u>	<u>1,730,478</u>	<u>33,519,772</u>	<u>4,387,396</u>
Total net assets - beginning of year	<u>440,900,739</u>	<u>54,775,268</u>	<u>495,676,007</u>	<u>22,791,134</u>
Total net assets - ending	<u>\$ 472,690,033</u>	<u>\$ 56,505,746</u>	<u>\$ 529,195,779</u>	<u>\$ 27,178,530</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, 2011

Change in net assets - Enterprise Funds	\$ 33,519,772
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. A portion of the net revenue of certain activities of internal service funds is reported in business-type activities.

Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.	<u>2,239,672</u>
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Change in net assets of business-type activities	<u><u>\$ 35,759,444</u></u>
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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, 2011

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	ENTERPRISE FUNDS			ACTIVITIES
	UTILITY	OTHER	TOTAL	INTERNAL
	FUND	ENTERPRISE	ENTERPRISE	SERVICE
		FUNDS	FUNDS	FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 351,122,072	\$ 30,926,420	\$ 382,048,492	\$ 33,629,209
Cash Paid to Suppliers	(163,257,041)	(18,597,448)	(181,854,489)	(27,022,149)
Cash Paid to Employees	(53,927,127)	(15,028,439)	(68,955,566)	(2,626,793)
Cash Paid for Operating Transactions with Other Funds	(9,449,615)	-	(9,449,615)	-
Other Operating Receipts	17,313,001	-	17,313,001	41,830
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	141,801,290	(2,699,467)	139,101,823	4,022,097
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Local Option Gas Tax	-	1,774,475	1,774,475	-
Operating Grants	-	5,295,832	5,295,832	-
Interest Paid	-	(106,266)	(106,266)	-
Transfers from Other Funds	-	1,612,901	1,612,901	115,575
Transfers to Other Funds	(35,232,540)	(2,008,356)	(37,240,896)	(127,132)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	(35,232,540)	6,568,586	(28,663,954)	(11,557)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Principal Repayments on Long-Term Debt	(58,285,000)	(345,910)	(58,630,910)	-
Proceeds from Sale of Capital Assets	155,352	48,605	203,957	-
Interest Paid on Long-term Debt	(39,660,622)	(175,625)	(39,836,247)	-
Capital Contributions	-	590,771	590,771	-
Proceeds from Interest Rebate-Build America Bonds	5,362,729	-	5,362,729	-
Acquisition and Construction of Capital Assets	(121,372,640)	(3,275,014)	(124,647,654)	(1,434,399)
Proceeds from Debt Issued	161,740,000	-	161,740,000	-
Capitalized Connection Fees	1,824,449	-	1,824,449	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(50,235,732)	(3,157,173)	(53,392,905)	(1,434,399)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Received	2,688,769	101,713	2,790,482	338,255
Purchase of Investments	(904,040,741)	(6,687,620)	(910,728,361)	(17,121,151)
Investment in The Energy Authority	(1,463,669)	-	(1,463,669)	-
Distributions from The Energy Authority	1,677,043	-	1,677,043	-
Proceeds from Investment Maturities	835,168,800	1,767,549	836,936,349	4,371,511
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(65,969,798)	(4,818,358)	(70,788,156)	(12,411,385)
NET INCREASE (DECREASE) IN CASH	(9,636,780)	(4,106,412)	(13,743,192)	(9,835,244)
CASH - OCTOBER 1	26,974,514	7,842,243	34,816,757	19,474,706
CASH - SEPTEMBER 30	\$ 17,337,734	\$ 3,735,831	\$ 21,073,565	\$ 9,639,462

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, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	UTILITY FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING INCOME (LOSS)	\$ 96,079,115	\$ (5,994,343)	\$ 90,084,772	\$ 3,621,212
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation and Amortization	49,684,507	3,499,860	53,184,367	1,881,297
(Increase)/Decrease in Receivables	(208,364)	74,926	(133,438)	(642,856)
(Increase)/Decrease in Due from Other Funds	-	(776,299)	(776,299)	153,123
(Increase)/Decrease in Inventories	855,923	(64,707)	791,216	(14,659)
(Increase)/Decrease in Prepaid Expenses	(292,003)	-	(292,003)	9,430
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	2,021,917	(36,568)	1,985,349	(1,629,248)
Increase/(Decrease) in Due to Other Funds	(289,496)	597,664	308,168	643,798
Increase/(Decrease) in Deferred Credits	14,506,577	-	14,506,577	-
(Increase)/Decrease in Deferred Debits	(20,729,130)	-	(20,729,130)	-
Increase/(Decrease) in Utility Deposits	172,244	-	172,244	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 141,801,290	\$ (2,699,467)	\$ 139,101,823	\$ 4,022,097
 RECONCILIATION OF CASH TO STATEMENT OF NET ASSETS				
Cash	\$ 17,337,734	\$ 3,735,831	\$ 21,073,565	\$ 9,639,462
Accrued Interest	264,045	-	264,045	-
CR3 Decommissioning Reserve	10,083,308	-	10,083,308	-
Investments	338,739,017	6,687,620	345,426,637	17,121,151
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 366,424,104	\$ 10,423,451	\$ 376,847,555	\$ 26,760,613
 NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES				
Contribution of Capital Assets	\$ 4,555,760	\$ -	\$ 4,555,760	\$ 439,486

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

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	<u>PENSION AND OPEB TRUST FUNDS</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 7,502,705
Equity in Pooled Cash and Investments	3,215,012
Receivables	1,182,142
Investments, at fair value:	
Equities	329,226,422
Real Estate	28,602,729
Alternative Investments	43,000,569
Fixed Income:	
Government Bonds	3,066,139
Corporate Bonds	8,329,170
Mortgage & Asset Backed Securities	<u>7,475,627</u>
Total Investments, at fair value	419,700,656
Investment Adjustments:	
Dividends Receivable	163,775
Interest Receivable	132,824
Receivable for Investments Sold	628,194
Payable for Investments Purchased	<u>(708,349)</u>
Total Investment Adjustments	<u>216,444</u>
TOTAL ASSETS	<u>431,816,959</u>
 <u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	<u>203,639</u>
TOTAL LIABILITIES	<u>203,639</u>
 NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS	 <u>\$ 431,613,320</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, 2011

	<u>PENSION AND OPEB TRUST FUNDS</u>
<u>ADDITIONS:</u>	
Contributions:	
Employer Contributions:	
Required	\$ 13,598,342
State on Behalf Payments, through General Fund	<u>1,182,142</u>
Total Employer Contributions	14,780,484
 Employee Contributions	 <u>13,286,497</u>
Total Contributions	<u>28,066,981</u>
Investment Income:	
Net Depreciation in Fair Value of Investments	(9,847,700)
Dividends & Interest	<u>6,081,275</u>
Total Investment Income	(3,766,425)
 Less Investment Expense	 <u>2,944,563</u>
Net Investment Income	<u>(6,710,988)</u>
 TOTAL ADDITIONS	 <u>21,355,993</u>
 <u>DEDUCTIONS:</u>	
Benefit Payments	42,444,550
Refunds of Contributions	411,932
Administrative Expenses	<u>968,472</u>
TOTAL DEDUCTIONS	<u>43,824,954</u>
 CHANGE IN NET ASSETS	 (22,468,961)
 NET ASSETS - beginning	 <u>454,082,281</u>
 NET ASSETS - ending	 <u>\$ 431,613,320</u>

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

CITY OF GAINESVILLE, FLORIDA

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September 30, 2011

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CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(A) Reporting Entity

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

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

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

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

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

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

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

The only joint venture in which the City participated in fiscal year 2011 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in Note 12.

(B) Government-wide and Fund Financial Statements

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

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

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

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

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

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

- Enterprise Funds
- Internal Service Funds

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

- Pension and Other Post-Employment Benefit (OPEB) Trust Funds

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

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

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

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

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

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

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

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

The City reports one major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all resources traditionally associated with governments except those accounted for in another fund.

The City reports one major proprietary fund:

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

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

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

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

(D) Deposits with Financial Institutions and Investments

Deposits and Investments

Deposits and investments as of September 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and cash equivalents	\$ 155,461
Equity in pooled cash and investments	158,408,082
Investments	1,252,054
Restricted cash and cash equivalents	334,113,149

Statement of fiduciary net assets:

Cash and cash equivalents	7,502,705
Equity in pooled cash and investments	3,215,012
Investments:	
Equities	329,226,422
Real Estate	28,602,729
Alternative Investments	43,000,569
Government Bonds	3,066,139
Corporate Bonds	8,329,170
Mortgage & Asset Backed Securities	7,475,627

Total cash and investments	<u><u>\$ 924,347,119</u></u>
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Deposits and investments as of September 30, 2011 consist of the following:

Defined benefit pension:

Deposits with financial institutions	\$ 7,393,648
Investments	378,789,620

Other post employment benefit (OPEB):

Deposits with financial institutions	3,324,069
Investments	40,911,036

Other than defined benefit pension and OPEB:

Deposits with financial institutions	17,337,734
Investments	466,243,659
Utilities CR3 decommissioning reserve	10,083,308
Accrued interest receivable	264,045

Total cash and investments	<u><u>\$ 924,347,119</u></u>
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Investment Policies

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

Defined Benefit Pension Investments

These funds represent investments administered by the City's Defined Benefit Pension Fund Investment Managers. They comprise \$378,789,620 of the City's total fair value of investments, and are exclusive of the \$7,393,648 held in cash by the Trustees.

These investments are reported at fair value. The fair value of this plan is derived through valuation efforts done by our investment managers in conjunction with our plan custodian. The fair values for the vast majority of these assets are readily available. For those assets whose fair value is less verifiable, the best available information is used.

The City maintains separate investment managers for its equity and fixed income portfolios. The managers are required to comply with Florida statutes, City ordinances, other applicable laws and with the fiduciary standards set

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

forth in the Employees Retirement Income Security Act of 1974 at 29 U.S.C. Section 1140(a)(1)(A)(C). The managers of these funds are permitted to invest in the following instruments:

Equity Funds (domestic)

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

Equity Funds (international)

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

Fixed Income Funds (domestic)

- Must have a rating of investment grade (BBB/Baa) or better
- United States Treasury and Agency Securities
- Commercial Paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1 and a maturity of 270 days or less
- Certificates of Deposit up to FDIC or FSLIC insurance coverage or any amount fully collateralized by United States Government Securities or issued by an institution which is a qualified public depository within the State of Florida
- Corporate Bonds, Mortgage Backed Securities, or Asset Backed Securities
- Yankee Bonds
- Convertible Securities
- Money Market or Cash Equivalent Securities

Fixed Income Funds (international)

- Investment Grade Sovereign Issued Debt
- Investment Grade Corporate Bonds and Commercial Paper

Cash Equivalents

- Certificates of Deposit, Commercial Paper, Direct Obligations of the U.S. Government, Repurchase Agreements, Bankers Acceptances, Custodian STIFs, and other appropriate liquid short-term investments

Real Estate and Alternative Assets

- Discretionary commingled vehicles such as insurance company separate accounts, open-end or closed-end funds and real estate investment trusts (REITS) holding either leveraged or unleveraged positions in real property and real property related assets
- All must be of institutional investment quality and must be diversified by property type and geographic location

Pooled or Commingled Funds

- The fund may invest in commingled vehicles such as mutual funds, LLCs or common trust funds that are invested in substantially the same manner and same investments as stated above

Derivatives

- No use of leverage
- No use of "linked" securities that have the principal value or interest rate tied to anything not specifically allowed as permissible investments in these guidelines
- Any structured note must maintain a constant spread relationship with its underlying acceptable index

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

- Collateralized mortgage obligations cannot be more sensitive to interest-rate changes than the underlying mortgage-backed security

Restricted Direct Investments – Prohibited

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

Other Post Employment Benefit (OPEB) Investments

These funds represent investments administered by the City's OPEB Fund Investment Managers. They comprise \$40,911,036 of the City's total fair value of investments, and are exclusive of the \$3,324,069 held in cash by the Trustees. These investments are reported at fair value. The fair value of this plan is derived through valuation efforts done by the City's investment managers in conjunction with the plan custodian. The fair values for the vast majority of these assets are readily available. For those assets whose fair value is less verifiable, the best available information is used.

The City maintains separate investment managers for its equity and fixed income portfolios. The managers of these funds are permitted to invest in the following:

Equity Funds (domestic)

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

Equity Funds (international)

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

Fixed Income Funds (domestic)

- Must have a rating of investment grade (BBB/Baa) or better
- United States Treasury and Agency Securities
- Commercial Paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1 and a maturity of 270 days or less
- Certificates of Deposit up to FDIC or FSLIC insurance coverage or any amount fully collateralized by United States Government Securities or issued by an institution which is a qualified public depository within the State of Florida
- Corporate Bonds, Mortgage Backed Securities, or Asset Backed Securities
- Yankee Bonds
- Convertible Securities
- Money Market or Cash Equivalent Securities

Fixed Income Funds (international)

- Investment Grade Sovereign Issued Debt

CITY OF GAINESVILLE, FLORIDA
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- Investment Grade Corporate Bonds and Commercial Paper

Cash Equivalents

- Certificates of Deposit, Commercial Paper, Direct Obligations of the U.S. Government, Repurchase Agreements, Bankers Acceptances, Custodian STIFs, and other appropriate liquid short-term investments

Real Estate and Alternative Assets

- Discretionary commingled vehicles such as insurance company separate accounts, open-end or closed-end funds and real estate investment trusts (REITS) holding either leveraged or unleveraged positions in real property and real property related assets
- All must be of institutional investment quality and must be diversified by property type and geographic location

Pooled or Commingled Funds

- The fund may invest in commingled vehicles such as mutual funds, LLCs or common trust funds that are invested in substantially the same manner and same investments as stated above

Derivatives

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

Restricted Direct Investments – Prohibited

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

The City also imposes the following limitations on its investment managers:

Equity Managers

- The equity portion of each portfolio manager shall not be more than 10% invested in the securities of any one company at fair value.
- The portfolio manager shall not make short sales or use margin or leverage.
- The portfolio manager shall not be invested in commodities, private real estate, or investment art objects.
- The portfolio manager shall not invest in options, including the purchase, sale or writing of options unless options are “covered” by the corresponding security.
- The portfolio manager shall not invest in warrants, although warrants issued in connection with stocks held by the fund may be sold, held, or converted by the investment manager at its discretion.

Fixed Income Managers

- Security ratings reduced beneath the three highest classifications after purchase should be sold by the portfolio manager within a reasonable period of time.
- Except for treasury and agency obligations, the debt portion of the OPEB fund shall contain no more than 10% of a given issuer irrespective of the number of differing issues.
- If commercial paper is used, it must be only of the highest quality (A-1 or P-1).
- Private placement debt is not permissible.

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Other than Defined Benefit Pension and OPEB Investments

These funds comprise \$466,243,659 of the City's total fair value of investments. This figure excludes \$17,337,734 of deposits with financial institutions.

Deposits The institutions in which the City's monies were deposited were certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. Additionally, under the terms of the Gainesville Regional Utilities bond resolution, the depository is restricted to be a bank, savings and loan association or trust company of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$10 million.

Investments The City's other investments are reported at fair value in accordance with *GASB Statement No. 31*. Fair value is based on market values.

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

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

The City has a contractual relationship with a Qualified Public Depository in the State of Florida. Under the terms of the contract, essentially all bank balances are transferred into a sweep account at the close of each business day. The money market account underlying securities are AAA obligations of the United States Government and Corporations with maturities not exceeding 365 days.

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

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Custodial Credit Risk - Deposits

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

All deposits of the City are either covered by depository insurance or are collateralized by the pledging financial institution's trust department or agent in the City's name. Detailed information on the City's policies on custodial credit risk for deposits is described above in the subsection titled "Investment Policies", separately for each major investment category.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterparty or by the counterparty's trust department or agent but not in the government's name.

All identifiable investment securities of the City are either insured or are registered in the Custodian's Street name for the benefit of the City and are held by the counterparty's trust department or agent. Detailed information on the City's policies on custodial credit risk for investments is described above in the subsection titled "Investment Policies", separately for each major investment category.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by a rating by a nationally recognized statistical rating organization.

The City has separate investment policies for its major investment categories. Detailed information on the City's policies on credit risk for investments is described above in the subsection titled "Investment Policies", separately for each major investment category. Guidelines for the credit ratings of specific types of investments are listed within each major investment category's investment policy description.

Presented below is the rating as of year end for each investment type.

Defined Benefit Pension Investments

Investment Type	Fair Value	Unrated/ Exempt	AAA	AA	A	BBB
Common Stock	\$ 194,861,214	\$ 194,861,214	\$ -	\$ -	\$ -	\$ -
Mutual Funds	169,783,890	169,783,890	-	-	-	-
Real Estate Inv Trust	1,661,807	1,661,807	-	-	-	-
US Government Bonds	1,385,367	1,119,385	201,719	64,263	-	-
Corporate Bonds	8,329,170	-	78,344	912,365	5,540,499	1,797,962
Mortgage & Asset Backed	<u>2,768,172</u>	<u>424,202</u>	<u>2,343,970</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 378,789,620</u>	<u>\$ 367,850,498</u>	<u>\$ 2,624,033</u>	<u>\$ 976,628</u>	<u>\$ 5,540,499</u>	<u>\$ 1,797,962</u>

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OPEB Investments

Investment Type	Fair Value	Exempt from Disclosure	AAA
Common Stock	\$ 34,522,809	\$ 34,522,809	\$ -
US Government Bonds	1,680,772	-	1,680,772
Mortgage & Asset Backed	<u>4,707,455</u>	<u>-</u>	<u>4,707,455</u>
Totals	<u>\$ 40,911,036</u>	<u>\$ 34,522,809</u>	<u>\$ 6,388,227</u>

Other than Defined Benefit Pension and OPEB Investments – Governmental Activities

Investment Type	Fair Value	Exempt from Disclosure	AAA	AA	A
Money Market	\$ 32,787,482	\$ -	\$ 32,787,482	\$ -	\$ -
Mutual Funds	1,252,054	1,252,054	-	-	-
US Government Bonds	80,440,350	-	-	80,440,350	-
Corporate Bonds	<u>2,606,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,606,280</u>
Totals	<u>\$ 117,086,166</u>	<u>\$ 1,252,054</u>	<u>\$ 32,787,482</u>	<u>\$ 80,440,350</u>	<u>\$ 2,606,280</u>

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

Investment Type	Fair Value	AAA	A-1
Money Market	\$ 10,418,476	\$ 10,418,476	\$ -
Commercial Paper	234,744,577	-	234,744,577
Government Agencies	87,851,293	87,851,293	-
Government Bonds	7,365,084	7,365,084	-
Corporate Bonds	<u>8,778,063</u>	<u>8,778,063</u>	<u>-</u>
Totals	<u>\$ 349,157,493</u>	<u>\$ 114,412,916</u>	<u>\$ 234,744,577</u>

Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of the City's investments are reported below. This is presented by the three major categories described above, and is additionally shown using governmental and business type categories. The City's investment policies do not specifically restrict the concentration allowed to be held with any individual issuer, except that the equity portion of each portfolio manager shall not be more than 10% invested in the securities of any one company at fair value. Investments that represent 5% or more by each category are shown below by issuer and percent of total investments.

Defined Benefit Pension Investments

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

OPEB Investments

No investment in any one issuer exceeds 5% of total OPEB investments.

Other than Defined Benefit Pension and OPEB Investments – Governmental Activities

Issuer	Investment Type	Fair Value	%
Federal Farm Credit Bureau	Federal Agency Securities	\$ 9,989,900	8.5%
Federal Home Loan Bank	Federal Agency Securities	15,089,650	12.9%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	40,061,700	34.2%
Federal National Mortgage Association	Federal Agency Securities	15,299,100	13.1%

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

Issuer	Investment Type	Fair Value	%
Federal National Mortgage Association	Federal Agency Securities	\$ 46,689,758	13.8%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. The City's investment policies do not provide specific restrictions as to maturity length of investments. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided below, using the segmented time distribution method:

Defined Benefit Pension Investments

Investment Type	Fair Value	< 2 years	2-5 years	5-10 yrs	> 10 yrs
Common Stock *	\$ 194,861,214	\$ -	\$ -	\$ -	\$ -
Mutual Funds *	169,783,890	-	-	-	-
Real Estate Inv Trust *	1,661,807	-	-	-	-
US Government Bonds	1,385,367	33,962	50,654	145,599	1,155,152
Corporate Bonds	8,329,170	917,078	2,587,075	3,263,446	1,561,571
Mortgage & Asset Backed	2,768,172	2,113	-	349,664	2,416,395
Totals	<u>\$ 378,789,620</u>	<u>\$ 953,153</u>	<u>\$ 2,637,729</u>	<u>\$ 3,758,709</u>	<u>\$ 5,133,118</u>

* Included but not required to be presented by maturity date

OPEB Investments

Investment Type	Fair Value	n/a	< 5 years	5-10 years	> 10 years
Common Stock	\$ 34,522,809	\$ 34,522,809	\$ -	\$ -	\$ -
US Government Bonds	1,680,772	-	700,872	979,900	-
Mortgage & Asset Backed Securities	4,707,455	-	17,522	496,397	4,193,536
Totals	<u>\$ 40,911,036</u>	<u>\$ 34,522,809</u>	<u>\$ 718,394</u>	<u>\$ 1,476,297</u>	<u>\$ 4,193,536</u>

Other than Defined Benefit Pension and OPEB Investments – Governmental Activities

Investment Type	Fair Value	n/a	< 1 year	1-5 years	> 5 years
Money Market	\$ 32,787,482	\$ 32,787,482	\$ -	\$ -	\$ -
Mutual Funds	1,252,054	1,252,054	-	-	-
US Government Bonds	80,440,350	-	-	5,007,800	75,432,550
Corporate Bonds	2,606,280	-	-	-	2,606,280
Totals	<u>\$ 117,086,166</u>	<u>\$ 34,039,536</u>	<u>\$ -</u>	<u>\$ 5,007,800</u>	<u>\$ 78,038,830</u>

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

Investment Type	Fair Value	n/a	< 1 year	1-5 years
Money Market	\$ 10,418,476	\$ 10,418,476	\$ -	\$ -
Commercial Paper	234,744,577	-	234,744,577	-
US Agencies	87,851,293	-	-	87,851,293
US Government Bonds	7,365,084	-	-	7,365,084
Corporate Bonds	8,778,063	-	2,000,000	6,778,063
Totals	<u>\$ 349,157,493</u>	<u>\$ 10,418,476</u>	<u>\$ 236,744,577</u>	<u>\$ 101,994,440</u>

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(E) Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of the interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. For the most part, receivables and the related revenues are recognized when determined and billed - either for services rendered, grant entitlements, or reimbursements due, or otherwise measurable and available. Utilities service receivables are recorded at year end for services rendered but unbilled. They are calculated by prorating cycle billings subsequent to September 30, 2011 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, 2011, the allowance was \$645,395 for the General Fund and \$925,598 for Enterprise Funds.

(F) Inventories

The City accounts for its General Fund inventory using the “consumption method”; that is, inventory is budgeted and recorded as items are consumed. Except for inventories of the General Fund, inventories are stated at the lower of cost or market. Cost is determined using the weighted average unit cost method except for fuel in Enterprise Funds, which is determined using the last-in, first-out (LIFO) method. Obsolete and unusable items are reduced to estimated salvage values. The cost of fuel used for electric generation is charged to expense as consumed. Inventory in the General Fund is recorded at cost. Such inventory is written down to a lower market value if the inventory is affected by physical deterioration or obsolescence.

(G) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bikepaths, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than those recorded in the Utility fund, are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Utility fund capital assets are defined as assets with an initial, individual cost of more than \$2,500 and a useful life in excess of more than one year.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings -----	20 to 50 years
Improvements other than Buildings -----	20 to 30 years
Infrastructure – Roads, curb & gutter-----	50 years
Infrastructure – Roads, non curb & gutter- ---	25 years
Infrastructure - Sidewalks-----	50 years
Infrastructure – Bikepaths-----	25 years
Equipment -----	5 to 20 years
Stormwater system -----	50 years
Streetscape -----	25 years

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Depreciation of utility plant is computed using the straight-line method over estimated service lives ranging from 6 to 50 years. The overall depreciation rate was 3.14% in fiscal 2011.

The City has elected to report infrastructure acquired prior to October 1, 1979, in addition to complying with the requirement to report infrastructure acquired subsequent to that date.

City-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in the Crystal River Unit 3 (CR3) nuclear power plant operated by Progress Energy. Depreciation expense includes a provision for decommissioning costs related to the jointly-owned nuclear power plant. The cost of nuclear fuel, including estimated disposal cost, is amortized to fuel expense based on the quantity of heat produced for the generation of electric energy in relation to the quantity of heat expected to be produced over the life of the nuclear fuel core. These costs are charged to customers through the fuel adjustment clause. See Note 13 for more detail on the CR3 agreement.

The average cost and related accumulated depreciation of proprietary fund assets are removed from the accounts upon disposal or retirement, with any resulting gain or loss recognized as nonoperating income or expense. The average cost of depreciable utility plant retired is eliminated from the plant accounts and charged to accumulated depreciation. The associated cost of removal, net of salvage, is charged to depreciation expense as incurred. The Utilities fund has a capitalization threshold of \$2,500 for general plant assets.

The costs of capital assets for the Utilities include material, labor, vehicle and equipment usage, related overhead items, capitalized interest, and certain administrative and general expenses. When units of depreciable property are retired, the original cost and removal cost, less salvage, are charged to accumulated depreciation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. An allowance for interest on borrowed funds used during construction of \$1.4 million is included in construction in progress for the Utilities Fund and as a corresponding reduction in interest expense. It is computed by applying the effective interest rate on the funds borrowed to finance the projects to the monthly balance of projects under construction. The effective interest rate was approximately 3.09%. For assets constructed with governmental fund resources, interest during construction is not capitalized.

(H) Long-term Obligations

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

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

(I) Amortization and Deferred Charges/Credits

Currently, GRU prepares its financial statements in accordance with GASB No. 62, paragraphs 476.500, Regulated Operations, and records various regulatory assets and liabilities. For a government to report under GASB No. 62, the Utility's rates must be designed to recover its costs of providing services, and the Utility must be able to collect those rates from customers. If it were determined, whether due to competition or regulatory action, that these standards no longer applied, GRU could be required to write off its regulatory assets and liabilities. Management believes that GRU currently meets the criteria for continued application of GASB No. 62, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

Deferred charges are presented on the balance sheets under current assets and other noncurrent assets.

CITY OF GAINESVILLE, FLORIDA
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Unamortized bond issuance costs of approximately \$7.0 million at September 30, 2011 are included in deferred charges. These costs are being amortized straight-line over the life of the bonds, which approximates the effective interest method.

Electric distribution plant acquisition costs of \$2.3 million for September 30, 2011 are being amortized over the expected life of the acquired assets. Of the amount \$0.2 million is recorded in deferred charges at September 30, 2011 with the remaining portion included in noncurrent assets.

Deferred credits are presented on the balance sheet under current liabilities and other noncurrent liabilities.

The deferred credit for estimated environmental costs is \$5.9 million at September 30, 2011, and is recorded as a noncurrent liability. See Note 11 for details on the manufactured gas plant remediation portion of this item.

Accrued electric fuel adjustment was a deferred credit of \$9.1 million at September 30, 2011. See Note 1 (N) "Revenue Recognition" for details on GRU's policy regarding fuel adjustment.

(J) Compensated Absences

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

(K) Risk Management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a General Insurance Fund (an Internal Service Fund) to account for some of its uninsured risk of loss. Under the current program, the City is self-insured for workers' compensation, auto, and general liability. Third-party coverage is currently maintained for workers' compensation claims in excess of \$350,000. Settlements have not exceeded insurance coverage for each of the last three years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs), and are shown at current dollar value.

All funds other than the Utility Fund participate in the general insurance program. Risk management/ insurance related activities of the Utility fund are accounted for within the Utility Fund. The Utility Fund purchases plant and machinery insurance from a commercial carrier. There have been no significant reductions in insurance coverage from that in the prior year and settlements have not exceeded insurance coverage for the past three years. In addition, an actuarially computed liability of \$3,337,000 is recorded in the Utility Fund as a fully amortized deferred credit. The present value calculation assumes a rate of return of 4.5% with a confidence level of 75%. All claims for fiscal year 2011 were paid from current year's revenues.

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

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2010-2011	\$3,337,000	\$1,241,943	\$1,241,943	\$3,337,000
2009-2010	\$3,337,000	\$1,237,502	\$1,237,502	\$3,337,000

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There is a claims liability of \$6,854,000 included in the General Insurance Fund as the result of actuarial estimates. Changes in the General Insurance Fund's claims liability were:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2010-2011	\$6,854,000	\$2,706,870	\$2,706,870	\$6,854,000
2009-2010	\$6,854,000	\$2,804,312	\$2,804,312	\$6,854,000

The City is also self-insured for its Employee Health and Accident Benefit Plan (the Plan). The Plan is accounted for in an Internal Service Fund and is externally administered, for an annually contracted amount that is based upon the volume of claims processed. Contributions for City employees and their dependents are shared by the City and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$180,000 per individual. No claims have exceeded insurance coverage in the last three years. Changes in claims liability for the last two years are as follows:

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2010-2011	\$1,076,187	\$14,692,609	\$14,720,410	\$1,048,386
2009-2010	\$1,423,030	\$17,320,626	\$17,667,469	\$1,076,187

These claims liability amounts are all considered to be due within one year and are classified as current liabilities in the accompanying financial statements.

(L) Interfund Activity

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

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

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

(M) Property Taxes

Ad valorem property tax revenue is recognized as revenue in the fiscal year for which taxes are levied, measurable and available. Only property taxes collected within 60 days after year end are recognized as revenue. The total millage levy is assessed at **4.2544 mills**. Taxes are levied and collected according to Florida State Statutes under the following calendar:

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

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

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(N) Revenue Recognition

Revenue is recorded as earned. GRU accrues for services rendered but unbilled, which amounted to approximately \$16.2 million for fiscal year 2011. Fuel Adjustment revenue is recognized based on the actual fuel costs. Amounts charged to customers for fuel are based on estimated costs, which are adjusted for any differences between the actual and estimated costs once actual fuel costs are known. If the amount recovered through billings exceeds actual fuel costs, GRU records deferred fuel as a liability. If the amount recovered through billings is less than actual fuel costs, GRU records deferred fuel as an asset, for amount to be collected through future rates. As of September 30, 2011, deferred costs were a liability of \$9.1 million. The deferred fuel balances are reported as part of current deferred charges on the balance sheet.

(O) Budgetary Information

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

(P) Statement of Cash Flows

For purposes of the Statement of Cash Flows, cash equivalents are defined as all liquid investments with an original maturity of three months or less.

(Q) Enterprise Activities

For its enterprise activities, the City applies all applicable GASB pronouncements. In accordance with the Utilities System Revenue Bond Resolution as Supplemented and Amended (Bond Resolution), utility rates are designed to cover operating and maintenance expense, debt service and other revenue requirements, which exclude depreciation expense and other noncash expense items. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes. The effects of these differences are recognized in the determination of operating income in the period that they occur, in accordance with the Utility's accounting policies. The Utility has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and substantially all provisions of the National Association of Regulatory Utility Commissioners (NARUC). Rates for the Utility Fund are approved annually by the City Commission.

(R) Futures and Options Contracts

GRU records derivative instruments in accordance with GASB No. 53, *Accounting and Reporting for Financial and Derivative Instruments*. For effective hedging transactions, hedge accounting is applied and fair market values changes are recorded on the balance sheet as either a deferred inflow of resources or a deferred outflow of resources until such time that the transaction ends. Per GASB No. 53, the changes in value of ineffective hedging instruments are required to be recognized in investment income. However, GRU follows GASB No. 62, paragraph 476-500, Regulated Operations, which permits the deferral of recognition of certain costs that would otherwise be charged to expense. Accordingly, GRU has deferred the changes in value of the ineffective instruments, which is consistent with its rate-setting model. The related settled gains and losses from these transactions are recognized as fuel expense on the statement of revenues, expenses and changes in net assets.

(S) Rates and Regulation

GRU's rates are established in accordance with the Utilities System Bond Resolution and the Utilities System Subordinated Bond Resolution as adopted and amended. Under these documents, rates are set to recover Operation and Maintenance Expenses, Debt Service, Utility Plant Improvement Fund contributions, and costs for any other lawful purpose such as the General Fund Transfer.

Each year during the budgeting process, and at any other times necessary, the City Commission approves rate changes and other changes to GRU's charges.

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GRU's cost of fuel for the electric and natural gas systems is passed directly through to its customers. Each month, GRU staff estimates the cost of fuel and the consumption for both the electric and natural gas systems. These estimates are combined with a true-up for actual costs from previous months into a current-month electric fuel adjustment and natural gas purchased gas adjustment. Amounts over- or under- collected are passed along to customers and are either accrued or deferred at year-end.

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

GRU prepares its financial statements in accordance with GASB No. 62, paragraphs 476-500, Regulated Operations, and records various regulatory assets and liabilities. For a government to report under GASB No. 62, the utilities' rates must be designed to recover its costs of providing services, and the utilities must be able to collect those rates from customers. If it were determined, whether due to competition or regulatory action, that these standards no longer applied, GRU could be required to write off its regulatory assets and liabilities. Management believes that GRU currently meets the criteria for continued application of GASB No. 62, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

(T) Fund Balance Reporting

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. As of September 30, 2011, fund balances for government funds are comprised of the following:

- Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term note receivables.
- Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource provider.
- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, an ordinance adopted by the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally.
- Assigned Fund Balance – comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by a body (for example a budget or finance committee) or official to whom the City's Commission has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Unassigned Fund Balance also includes the negative fund balance of Special Revenue Funds due to expenditures incurred exceeding the amounts restricted, committed and assigned.

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

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Fund balances for all the major and nonmajor governmental funds as of September 30, 2011 are classified as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable			
Inventory	\$ 11,915	\$ -	\$ 11,915
Long-term receivable	3,462,363	-	3,462,363
	<u>3,474,278</u>	<u>-</u>	<u>3,474,278</u>
Restricted for:			
General Government	-	730,195	730,195
Public Safety	-	5,040,806	5,040,806
Physical Environment	-	1,309,247	1,309,247
Transportation	-	2,054,302	2,054,302
Economic Environment	-	12,897,061	12,897,061
Culture and Recreation	-	1,936,576	1,936,576
Capital Outlay	-	46,845,765	46,845,765
	<u>-</u>	<u>70,813,952</u>	<u>70,813,952</u>
Committed for:			
General Government	-	71,201	71,201
Capital Outlay	-	711,036	711,036
	<u>-</u>	<u>782,237</u>	<u>782,237</u>
Assigned for:			
General Government	484,672	-	484,672
Public Safety	576,000	-	576,000
Physical Environment	-	55,940	55,940
Debt Service	-	553,673	553,673
Capital Outlay	-	9,761,380	9,761,380
	<u>1,060,672</u>	<u>10,370,993</u>	<u>11,431,665</u>
Unassigned	<u>16,433,938</u>	<u>(29,288)</u>	<u>16,404,650</u>
Total	<u>\$ 20,968,888</u>	<u>\$ 81,937,894</u>	<u>\$ 102,906,782</u>

Encumbrances for major and nonmajor governmental funds as of September 30, 2011 are classified as follows:

	General Fund	Nonmajor Governmental Funds	Total
General Government	\$ 23,987	\$ -	\$ 23,987
Public Safety	5,315	-	5,315
Physical Environment	-	50,130	50,130
Transportation	5,660	2,995,596	3,001,256
Economic Environment	-	2,363,906	2,363,906
Human Services	-	78,967	78,967
Culture and Recreation	-	111,330	111,330
Capital Outlay	-	9,818,917	9,818,917
	<u>\$ 34,962</u>	<u>\$ 15,418,846</u>	<u>\$ 15,453,808</u>

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Restricted Net Assets.

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

The composition of net assets "restricted for other purposes", based on third party external restrictions, at September 30, 2011 is:

Governmental activities

Royal Village	\$ <u>74,550</u>
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Business-type activities

Regional Transit Capital Acquisition Reserve	\$ <u>468,600</u>
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The government-wide statement of net assets reports \$151,775,676 of restricted net assets, of which \$55,742,468 is restricted by enabling legislation.

Reserve Policy On September 12, 2005 the City Commission adopted the General Fund Reserve Policy to ensure General Government's orderly provision of services to its citizens, availability of adequate working capital, plan for contingencies, and retain the City's good standing with the rating agencies and the credit markets.

For each fiscal year, the unassigned Fund Balance of the General Fund will be at least 8.33% (one month) of the Proposed General Fund Revenue Budget (excluding one-time appropriations from fund balance). This balance is to provide for the following:

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

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

That portion of the General Fund unassigned fund balance that exceeds the minimum required level of 8.33% may be appropriated as needed and expended. No amount of the minimum required level of the General Fund unassigned fund balance may be expended unless it meets the purposes stated above and until appropriated by the City Commission, except as provided below for anticipated emergencies.

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

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

Upon completion of the audited financial statements, the Finance Director will review the final year-end results. If the General Fund unassigned fund balance falls below the required 8.33% minimum, the shortfall, if less than five percent, will be budgeted in its entirety in the succeeding budget year.

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

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

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

U) Derivative Instruments

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, to address the recognition, measurement and disclosure of information for derivative instruments. This statement is effective for periods beginning after June 15, 2009 and GRU retroactively adopted GASB No. 53 in fiscal year 2010. The annual changes in the fair value of effective hedging instruments are required to be deferred and are reported as deferred inflows or outflows of resources on the balance sheet. Deferral of changes in fair value generally last until the transaction involving the hedged item ends. The annual changes in fair value of ineffective hedging instruments are required to be reported in investment income. GRU has elected to defer the ineffective portions as regulatory assets in accordance with GASB No. 62, paragraphs 476-500, Regulated Operations. GRU currently has two types of hedging instruments, interest swap agreements and commodity futures contracts. Each has been associated with an item that is eligible to be hedged. Of the interest rate swap agreements, three have been determined to be effective, while four have been deemed ineffective. Of the commodity futures contracts, all have been determined to be effective. At September 30, 2011, deferred outflows of \$74.9 million have been recorded for interest rate swap agreements in accumulated decrease in fair value of hedging derivatives on the balance sheet.

NOTE 2 - RETIREMENT PLANS

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

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

(A) Defined Benefit Plans

Employees' Plan:

Plan Description. The Employees' Plan is a contributory defined benefit pension plan that covers all permanent employees of the City, except certain personnel who elected to participate in the Defined Contribution Plan and who were grandfathered into that plan, and police officers and firefighters who participate in the Consolidated Plan. The Employees' Plan provides retirement and death benefits to plan members and beneficiaries. The pension plan's basis of accounting is accrual; the policy is to recognize costs of the plan under accrual. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. The costs of administering the plan, like other plan costs, are captured within the plan itself and financed through contribution and investment income, as appropriate. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville. In October 2002, the Board of Trustees approved allowing participants to buy back City years of service at its actuarial valuation. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Employees' Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602 or by calling (352)334-5054.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission. Plan members are required to contribute 5% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2011 for retirement and death benefits was 11.14% of covered payroll. This rate was brought about through the issuance of the Taxable Pension Obligation Bonds, Series 2003A. The proceeds from this issue were utilized to retire the

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
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unfunded actuarial accrued liability in the Employees' Plan. Administrative costs are financed through investment earnings.

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

Annual required contribution	\$ 9,873,340
Interest on net pension obligation	(2,751,640)
Adjustment to annual required contribution	3,012,255
Annual Pension Cost	\$ 10,133,955
Contributions Made	8,837,192
Change in net pension obligation	\$ 1,296,763
Net Pension Obligation (Asset), beginning of year	(30,987,798)
Net Pension Obligation(Asset), end of year	\$ (29,691,035)

The annual required contribution for the current year was determined as part of the September 30, 2010 actuarial valuation using the Individual Entry Age Actuarial Cost method. The actuarial assumptions included (a) 8.50% investment rate of return (net of administrative expenses) and (b) projected salary increases of 3.75%-7% per year, based on years of service. Both (a) and (b) included an inflation component of 3.75%. The assumptions include post-retirement benefit increases for those retirees who meet eligibility criteria. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Any unfunded actuarial accrued liability is traditionally amortized as a level percentage of projected payroll on a closed basis. The amortization period at September 30, 2011 was 30 years.

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/09	\$ 3,437,526	\$ 3,279,364	95.4%	\$ (31,563,864)
09/30/10	5,007,546	4,431,480	88.5%	(30,987,798)
09/30/11	10,133,955	8,837,192	87.2%	(29,691,035)

Funded Status.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
9/30/2011	\$ 271,957,000	\$ 388,365,000	\$ 116,408,000	70.03%	\$ 81,386,000	143.03%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Disability Plan:

Plan Description. The Disability Plan is a contributory defined benefit plan that covers all permanent employees of the City, except police officers and firefighters whose disability plan is incorporated in the Consolidated Plan. The Disability Plan provides disability benefits to plan members and beneficiaries. The Disability Plan's basis of accounting is accrual; the policy is to recognize costs of the plan under accrual. Benefits are recognized when due

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and payable in accordance with the terms of the plan. The costs of administering the plan, like other plan costs, are captured within the plan itself and financed through contribution and investment income, as appropriate. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Disability Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602 or by calling (352)334-5054.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2011 for disability benefits was 0.60% of covered payroll. Administrative costs are financed through investment earnings.

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

Annual required contribution	\$ 514,257
Interest on net pension obligation	(12,093)
Adjustment to annual required contribution	13,239
Annual Pension Cost	\$ 515,403
Contributions Made	482,331
Change in net pension obligation	\$ 33,072
Net Pension Obligation (Asset), beginning of year	(142,273)
Net Pension Obligation(Asset), end of year	\$ (109,201)

Annual Contribution: The annual contribution for the current year was determined as part of the September 30, 2010 actuarial valuation using the individual entry age actuarial cost method. The actuarial assumptions included (a) 8.50% investment rate of return (net of administrative expenses) and (b) projected salary increase of between 3.75% and 7% per year, based on years of service. Both (a) and (b) included an inflation component of 3.75%. The actuarial value of assets was set at market value. Any unfunded actuarial accrued liability is traditionally amortized as a level percentage of projected payroll on a closed basis. The amortization period at September 30, 2011 was 15 years.

Fiscal Year	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/09	\$ 467,388	\$ 487,901	104.4%	\$ (155,011)
09/30/10	490,853	478,115	97.4%	(142,273)
09/30/11	515,403	482,331	93.6%	(109,201)

Funded Status.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/11	\$ 5,653,722	\$ 2,716,699	\$ (2,937,023)	208.11%	\$ 81,446,055	-3.61%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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Consolidated Plan:

Plan Description. The Consolidated Plan is a contributory defined benefit pension plan that covers City sworn police officers and firefighters. The Consolidated Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The basis of accounting for the Consolidated Plan is accrual. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. The costs of administering the plan, like other plan costs, are captured within the plan itself and financed through contribution and investment income, as appropriate. This plan and any amendments were adopted through a City Ordinance by the Commission of the City of Gainesville in accordance with State Statute. The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602 or by calling (352)334-5054.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission in accordance with applicable State Statute. Plan members are required to contribute 7.50% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2011 was 9.08% of covered payroll. This rate was brought about through the issuance of the Taxable Pension Obligation Bonds, Series 2003B. In addition, State contributions, which totaled \$1,182,142, are also made to the plan on behalf of the City. These State contributions are recorded as revenue and personnel expenditures in the City's General Fund before they are recorded as contributions in the Consolidated Pension Fund. Administrative costs are financed through investment earnings.

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	\$ 3,521,663
Interest on net pension obligation	(3,356,549)
Adjustment to annual required contribution	5,965,889
Annual Pension Cost	\$ 6,131,003
Contributions Made	3,481,586
Change in net pension obligation	\$ 2,649,417
Net Pension Obligation (Asset), beginning of year	(37,181,058)
Net Pension Obligation(Asset), end of year	\$ (34,531,641)

The annual required contribution for the current year was determined as part of the September 30, 2010 actuarial valuation using the Entry Age Normal Cost method. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 0% for fiscal year 2011 and then 4% thereafter per year, based on years of service. Both (a) and (b) included an inflation component of 3.75%.

The assumptions include post-retirement benefit increases for those retirees meeting eligibility criteria. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Any unfunded actuarial accrued liability is traditionally amortized as a level percentage of projected payroll on a closed basis. The amortization period at September 30, 2011 was 30 years.

<u>Year</u>	<u>Pension</u>		<u>of APC</u>	<u>Pension</u>
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contribution</u>	<u>Contributed</u>	<u>Obligation (Asset)</u>
09/30/09	\$ 4,131,257	\$ 2,576,458	62.4%	\$ (39,226,873)
09/30/10	4,832,779	2,786,964	57.7%	(37,181,058)
09/30/11	6,131,003	3,481,586	56.8%	(34,531,641)

Benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plan. Costs of administering the pension plans are financed through contributions and/or investment income, as appropriate.

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Funded Status.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
10/01/10	\$ 177,250,288	\$ 199,836,557	\$ 22,586,269	88.70%	\$ 24,342,597	92.78%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

(B) Defined Contribution Pension Plan

Plan Description. As noted above, the Defined Contribution Pension Plan is open to certain existing City professional and managerial employees. It is no longer available to newly hired professional and managerial employees. The Commission of the City of Gainesville adopted this plan and related amendments through a City Ordinance.

The plan is qualified under the provisions of Section 401A of the Internal Revenue Code. Assets of the Defined Contribution Plan are self-directed, and investment results are reported to employees quarterly. The City does not have fiduciary accountability for the Defined Contribution Pension Plan and, accordingly, the Plan is not reported in the accompanying financial statements.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Ordinance approved by the City Commission in accordance with applicable State Statute. Plan members are required to contribute 5.0% of their annual covered salary. The City is required to contribute 10% of covered payroll. During fiscal year 2011, plan members contributed \$237,612 and the City contributed \$260,459.

NOTE 3 – OTHER POST-EMPLOYMENT BENEFITS PLAN

Plan Description. By ordinance enacted by the City Commission, the City has established the Retiree Health Care Plan (RHCP), providing for the payment of a portion of the health care insurance premiums for eligible retired employees. The RHCP is a single-employer defined benefit healthcare plan administered by the City which provides medical insurance benefits to eligible retirees and their beneficiaries.

The City of Gainesville issues a publicly available financial report that includes financial statements and required supplementary information for the RHCP. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32602 or by calling (352)334-5054.

The RHCP has 1,064 retirees, spouses and dependents receiving benefits and has a total of 1,700 active participants. Of that total, 1,340 are not yet eligible to receive benefits. Ordinance 991457 of the City of Gainesville assigned the authority to establish and amend benefit provisions to the City Commission.

Annual OPEB Cost and Net OPEB Obligation. For fiscal year 2011, the City’s annual OPEB cost for the RHCP was \$3,166,700. The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended September 30, 2011 were as follows:

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Annual required contribution	\$ 3,012,092
Interest on net OPEB obligation	(1,632,390)
Adjustment to annual required contribution	1,786,998
Annual OPEB cost	\$ 3,166,700
Contributions made	1,979,375
Change in net OPEB obligation (asset)	\$ 1,187,325
Net OPEB obligation (asset), beginning of year	(20,836,299)
Net OPEB obligation(asset), end of year	\$ (19,648,974)

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation (Asset)
09/30/09	\$ 3,466,806	\$ 1,919,088	55.36%	\$ (21,510,420)
09/30/10	2,894,863	2,220,742	76.71%	(20,836,299)
09/30/11	3,166,700	1,979,375	62.51%	(19,648,974)

Fiscal year 2005 was the year of implementation of GASB 43 and 45 and the City elected to implement prospectively. The City's contributions include \$1,557,264, \$1,793,845 and \$1,341,535 in payments made by the City for the implicit rate subsidy included in the blended rate premiums for active employees which fund the implicit rate subsidy discount provided to the retirees for fiscal years 2011, 2010, and 2009, respectively.

Funding Policy. In 1995, the City instituted a cost sharing agreement with retired employees for individual coverage only, based on a formula taking into account age at the time the benefit is first accessed and service at time of retirement. The contribution requirements of plan members and the City are established and may be amended by the City Commission. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Administrative costs are financed through investment earnings.

RHCP members receiving benefits contribute a percentage of the monthly insurance premium. Based on this plan, the RHCP pays up to 50% of the individual premium for each insured according to the age/service formula factor of the retiree. Spouses and other dependents are eligible for coverage, but the employee is responsible for the entire cost, there is no direct RHCP subsidy. The employee contributes the premium cost each month, less the RHCP subsidy calculated as a percentage of the individual premium.

The State of Florida prohibits the City from separately rating retirees and active employees. The City therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP require the actuarial figures presented above to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. However, the City has elected to contribute to the RHCP at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged to the RHCP.

In July 2005, the City issued \$35,210,000 Taxable Other Post Employment Benefit (OPEB) bonds to retire the unfunded actuarial accrued liability then existing in the RHCP Trust Fund. This allowed the City to reduce its contribution rate. The City's actual regular contribution was less than the annual required contribution calculated using the age-adjusted premiums instead of the blended rate premiums. The difference between the annual required calculation and the City's actual regular contribution was due to two factors. The first is the amortization of the negative net OPEB obligation created in fiscal year 2005 by the issuance of the OPEB bonds. The other factor is that the City has elected to contribute based on the blended rate premium instead of the age-adjusted premium, described above as the implicit rate subsidy.

In September 2008, the City approved Ordinance 0-08-52, terminating the existing program and trust and creating a new program and trust, effective January 1, 2009. This action changed the benefits provided to retirees, such that the City will contribute towards the premium of those who retire after August 31, 2008 under a formula that provides ten dollars per year of credited service, adjusted for age at first access of the benefit. Current retirees receive a similar benefit, however the age adjustment is modified to be set at the date the retiree first accesses the benefit or

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January 1, 2009, whichever is later. For current retirees that are 65 or older as of January 1, 2009, the City's contribution towards the premium will be the greater of the amount calculated under this method or the amount provided under the existing Ordinance. The City's contribution towards the premium will be adjusted annually at the rate of 50% of the annual percentage change in the individual premium compared to the prior year.

Actuarial Methods and Assumptions. Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2010, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used included a 8.5% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend rate of 6% is the ultimate rate. The select rate was 12% but was decreased to the ultimate rate in 2002. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 3.75%. The actuarial valuation of RHCP assets was set at fair market value of investments as of the measurement date.

The RCHP's initial unfunded actuarial accrued liability (UAAL) as of 1994 is being amortized as a level percentage of projected payroll over a closed period of twenty years from 1994 and changes in the UAAL from 1994 through 2003 are amortized over the remaining portion of the twenty-year period. Future changes in the UAAL will be amortized on an open period of ten years from inception.

Funded Status.

Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as %
Valuation	Value of	Accrued	(UAAL)	Ratio	Payroll	of covered
Date	Assets	Liability (AAL)	(b) - (a)	(a/b)	(c)	(b-a)/c
<u>(a)</u>	<u>(b)</u>	<u>(b) - (a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>(b-a)/c</u>	
09/30/11	\$ 44,229,562	\$ 63,676,679	\$ 19,447,117	69.46%	\$ 116,000,000	16.76%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 4 - DEFERRED COMPENSATION PLAN

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

NOTE 5 - LONG-TERM DEBT AND CAPITAL LEASES

GOVERNMENT ACTIVITIES:

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

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

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

\$40,042,953 Taxable Pension Obligation Bonds, Series 2003A – 1.71% - 6.19%, issued March 14, 2003, final maturity October 2032, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2004. Interest payable semi-annually beginning October 1, 2003. The bonds are not subject to redemption prior to maturity.

\$49,851,806 Taxable Pension Obligation Bonds, Series 2003B – 3.07% - 5.42%, issued March 14, 2003, final maturity October, 2033, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2006. Interest payable semi-annually beginning October 1, 2003. The bonds are not subject to redemption prior to maturity.

\$9,805,000 Guaranteed Entitlement Refunding Bonds Series 2004 3.5%-5.5%; issued May 4, 2004, final maturity August 1, 2017; payable solely from and secured by a lien upon and pledge of monies from the City's Guaranteed Entitlement Funds. The proceeds were used to refund \$10,010,000 of the City's Guaranteed Entitlement Revenue and Refunding Bonds, Series 1994. Principal is payable annually on August 1, beginning 2005. Interest is payable semi-annually beginning August 1, 2004. This current refunding resulted in a reduction of total debt service payments over 13 years of approximately \$735,000 and an economic gain of approximately \$572,000.

\$5,640,000 First Florida Governmental Financing Commission Loan, Series 2005 – 2.5% - 4.125%, issued March 10, 2005, final maturity July 1, 2025; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 2006. interest payable semi-annually beginning July 1, 2005.

\$35,210,000 Taxable Other Post Employment Benefit (OPEB) Obligation Bonds, Series 2005 – 4.05% -4.71%, issued July 28, 2005, final maturity October 2014, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2006. Interest payable semi-annually beginning October 1, 2005. The bonds are not subject to redemption prior to maturity.

\$22,695,000 Capital Improvement Revenue Bonds, Series 2005 – 4.00% -4.50%, issued November 30, 2005, final maturity October 2025, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2006. Interest payable semi-annually beginning April 1, 2006. The bonds are not subject to redemption prior to maturity.

\$1,540,000 First Florida Governmental Financing Commission Loan, Series 2007 –3.7% - 4.375%, issued April 17, 2007, final maturity July 1, 2027; payable solely from non-ad valorem revenues. Principal payable annually on July 1, beginning 2008. interest payable semi-annually beginning July 1, 2007.

\$11,500,000 Capital Improvement Revenue Note, 2009 (CIRN) – 5.15%, issued July 3, 2009, final maturity November 1, 2028, payable solely from non-ad valorem revenues. Principal payable annually on November 1, beginning in fiscal year 2011, interest payable semi-annually beginning November 1, 2009. This note also funded an additional \$1.5 million of capital projects for which the debt and assets are reported in the Solid Waste and Stormwater enterprise funds.

\$3,036,907 Capital Improvement Revenue Bonds, Series 2010 – 2.00% -4.375%, issued July 13, 2010, final maturity October 2030, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2011. Interest payable semi-annually beginning October 1, 2010. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$1,313,093 of capital improvements for which the debt and assets are reported in the Ironwood Golf Course enterprise fund.

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\$942,136 Siemens Buildings Technologies, GPD Energy Project Capital Lease, 2006 – 4.18%, repayable monthly for 144 months, beginning October 10, 2006. The lease will be repaid using non-ad valorem revenues, and it is expected that the building improvements being leased will result in energy savings equal to or greater than the lease payments. During fiscal year 2007 the proceeds were fully expended and capitalized. These assets are being amortized as part of depreciation expense.

BUSINESS-TYPE ACTIVITIES:

\$186,000,000 Utilities System Revenue Bonds, Series 1983 - 6.0%, dated August 1, 1983, final maturity 2014; payable solely from and secured by an irrevocable lien of Gainesville Regional Utilities (Utility) net revenues. Interest is payable on April 1 and October 1. Principal is payable on October 1. The bonds are subject to redemption at the option of the City as a whole or in part on any interest payment date, at a redemption price of 100% plus accrued interest to the date of redemption.

\$134,920,000 Utilities System Revenue Bonds, Series 1992B - 6.5, dated March 1, 1992, final maturity 2013. The 1992B Bonds mature at various dates from October 1, 2001 to October 1, 2013. Those bonds maturing on or after October 1, 2004 to October 1, 2007, amounting to \$14.3 million were redeemed at the option of the City on October 1, 2002.

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

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

\$33,000,000 2003 Utilities System Revenue Bonds Series 2003A – 4.625%, dated January 30, 2003, final maturity October 1, 2033. The 2003A bonds maturing on or after October 1, 2013 are subject to redemption at the option of the City on or after October 1, 2013 at 100%. In March 2007, the 2007 Series A Bonds (\$139,505,000) were issued to advance-refund to the maturity dates a portion of the bonds maturing from October 1, 2020 to October 1, 2033. The proceeds related to the refunded bonds were deposited into an escrow account to refund the bonds on October 1, 2013 at 100% of par.

\$7,625,000 2003 Utilities System Revenue Bonds Series 2003B – 4.4%, dated January 30, 2003, final maturity October 1, 2013. The 2003B bonds are not subject to redemption prior to maturity.

\$115,925,000 2003 Utilities System Revenue Bonds Series 2003C – 2.75%-5.0%, dated August 20, 2003, final maturity October 1, 2013. The 2003C bonds are not subject to redemption prior to maturity.

\$196,950,000 2005 Utilities System Revenue Bonds Series 2005A – 5.0%, dated November 16, 2005, final maturity October 1, 2036. The 2005A bonds will be subject to redemption at the option of the City on and after October 1, 2015 as a whole or in part at any time, at a redemption price of 100% of the principal amount, plus accrued interest to the date of redemption. The 2005A bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City’s electric, natural gas, water, wastewater and telecommunications systems and to refund the City’s Utilities System Commercial Paper Notes, Series C. In March 2007, the 2007 Series A Bonds (\$139,505,000) were issued to advance-refund to the maturity dates a portion of the bonds maturing from October 1, 2030 to October 1, 2036. The proceeds related to the refunded bonds were deposited into an escrow account to refund the bonds on October 1, 2015 at 100% of par.

\$61,590,000 2005 Utilities System Revenue Bonds Series 2005B (Federally Taxable) – 5.14%-5.31%, dated November 16, 2005, final maturity October 1, 2021. The 2005B bonds will be subject to redemption at the option of the City, in whole or in part, on any date, at a redemption price equal to the greater of: 100% of the principal amount, plus accrued and unpaid interest to the date of redemption; or the sum of the

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present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2005B bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City's electric, natural gas, water, wastewater and telecommunications systems and to refund the City's Utilities System Commercial Paper Notes, Series D.

\$55,135,000 2005 Utilities System Revenue Bonds Series 2005C – Variable interest rates based on market rates, 0.22% at September 30, 2011, dated November 16, 2005, final maturity October 1, 2026. The 2005C bonds will be subject to redemption at the option of the City at a redemption price of 100% of the principal amount, plus accrued interest to the date of redemption. The 2005C bonds were issued to refund a portion of the City's Utilities System Revenue Bonds, 1996 Series A and created a net present value savings of over \$6,700,000, with yearly cash savings ranging from approximately \$370,000 to over \$1,085,000.

\$53,305,000 2006 Utilities System Revenue Bonds Series 2006A – Variable interest rates based on market rates, 0.20% at September 30, 2011, dated July 6, 2006, final maturity October 1, 2026. The 2006A bonds will be subject to redemption at the option of the City, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. The 2006A Bonds were issued to pay a portion of the cost of acquisition and construction of certain improvements to the City's electric, natural gas, water, wastewater and telecommunications systems and to refund a portion of the City's Utilities System Revenue Bonds, 1996 Series A. The 2006A Bonds created a net present value savings of over \$6,200,000, with yearly cash savings ranging from approximately \$371,000 to over \$890,000.

\$139,505,000 2007 Utilities System Revenue Bonds Series 2007A – Variable interest rates based on market rates, 0.12% at September 30, 2011, dated July 6, 2006, final maturity October 1, 2036. The 2007A bonds will be subject to redemption at the option of the City, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. The 2007A Bonds were issued to refund a portion of the City's Utilities System Revenue Bonds, 2003 Series A and a portion of the City's Utilities System Revenue Bonds, 2005 Series A. The 2007A Bonds created a net present value savings of over \$8,500,000, with yearly cash savings ranging from \$136,266 to \$504,969.

\$105,000,000 Utilities System Revenue Bonds, Series 2008A – 3.48% - 5.27%, dated February 13, 2008, final maturity October 1, 2020. The 2008A bonds will be subject to redemption prior to maturity at the election of the City in whole or in part, at a redemption price of 100% of the principal amount plus accrued interest to the date of redemption. The 2008A Bonds were issued to pay costs of acquisition and construction of the City's utilities system.

\$90,000,000 Utilities System Revenue Bonds Series 2008B – Variable interest rates based on market rates, 0.11% at September 30, 2011, dated February 13, 2008, final maturity October 1, 2038. The 2008B bonds will be subject to redemption prior to maturity at the election of the City in whole or in part, at a redemption price of 100% of the principal amount plus accrued interest to the date of redemption. The 2008B Bonds were issued to pay costs of acquisition and construction of the City's utilities system.

\$24,190,000 Utilities System Revenue Bonds Series 2009A – 1.68% - 3.59%, dated September 16, 2009, final maturity October 1, 2015. The 2009A bonds will be subject to redemption prior to maturity at the election of the City at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The 2009A bonds were issued to pay costs of acquisition and construction of the City's utilities system.

\$156,900,000 Utilities System Revenue Bonds Series 2009B (Federally Taxable) – 3.59%-5.65%, dated September 16, 2009, final maturity October 1, 2039. The 2009A bonds will be subject to redemption prior to maturity at the election of the City at a redemption price of 100% of the principal amount plus accrued interest to the redemption date. The 2009A bonds were issued to pay costs of acquisition and construction of the City's utilities system.

\$12,930,000 Utilities System Revenue Bonds Series 2010A (Federally Taxable) – 5.87%, dated November 1, 2010, final maturity October 1, 2040. The 2010A bonds will be subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010A bonds were issued to (a) pay costs of acquisition

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and construction of the City's utilities system, (b) to provide for the payment of certain capitalized interest on the Taxable 2010 Series A Bonds, and (c) to pay the costs of issuance of the Taxable 2010 Series A Bonds.

\$132,445,000 Utilities System Revenue Bonds Series 2010B (Federally Taxable) – 6.02%, dated November 1, 2010, final maturity October 1, 2030. The 2010B bonds will be subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010B bonds were issued to (a) pay costs of acquisition and construction of the City's utilities system, (b) to provide for the payment of certain capitalized interest on the Taxable 2010 Series B Bonds, and (c) to pay the costs of issuance of the Taxable 2010 Series B Bonds.

\$16,365,000 Utilities System Revenue Bonds Series 2010C – 5.00% – 5.25%, dated November 1, 2010, final maturity October 1, 2034. The 2010C bonds will be subject to redemption prior to maturity at the election of the City at a redemption price so specified. The 2010C bonds were issued to (a) refund \$5,860,000 in aggregate principal amount of the 2003 Series A Bonds, and (b) to provide funds to refund \$10,505,000 in aggregate principal amount of the 2008 Series A Bonds.

Non-Utility Notes:

\$4,312,000 State Revolving Loan – Depot Park Remediation (FDEP) – In an agreement dated December 9, 2004, FDEP issued the City a loan not to exceed \$16,360,500 (including \$360,500 of capitalized interest) for remediation of the Depot Park area for stormwater improvements. The loan was amended on September 9, 2008 to reduce the available principal from \$16,000,000 to \$4,312,000 as the Utility chose to withdraw from the program before drawing any funds. The loan is made interest-free, but includes a 1.97% annual grant allocation assessment rate and a one-time 2% loan service fee. Repayment began in September 2007 and will continue semi-annually until the balance is repaid. Payable from non-ad valorem revenues, including stormwater fees. The principal balance outstanding at September 30, 2011 was \$975,438.

\$1,500,000 Capital Improvement Revenue Note, 2009 (CIRN) – 5.15%, issued July 3, 2009, final maturity November 1, 2028, payable solely from non-ad valorem revenues. Principal payable annually on November 1, beginning in fiscal year 2011, interest payable semi-annually beginning November 1, 2009. This note also funded an additional \$11.5 million of capital projects for governmental activities.

\$1,313,093 Capital Improvement Revenue Bonds, Series 2010 – 2.00% -4.375%, issued July 13, 2010, final maturity October 2030, payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2011. Interest payable semi-annually beginning October 1, 2010. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$3,036,907 of capital projects for governmental activities.

Utility Notes

\$85,000,000 Commercial Paper Notes, Series C Notes (Federally Taxable)- 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 Girozentrale. This agreement has been extended to October 1, 2013. The obligation of the bank may be substituted by another bank which meets certain credit standards and which is approved by the Utility and the Agent. Under terms of the agreement, the Utility may borrow up to \$85,000,000 with same day availability ending on the termination date, as defined in the agreement. Interest is at a variable market rate which was 0.28% at September 30, 2011. Series C Notes of \$62,000,000 are outstanding as of September 30, 2011.

COMMUNITY REDEVELOPMENT AGENCY (CRA):

\$60,000 Arlington Square Apartments Phase III, Downtown Promissory Note – 6.5% fixed annual interest rate. In August 1998, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. In September 2002, the note was amended to specify that repayment will be from tax increment proceeds from the redevelopment of specific parcels. The final repayment is scheduled for July 2013.

\$836,900 Commerce Building/AMJ Project, Downtown Promissory Note – 1.05% to 4.28% fixed annual interest rate. In September 1999, a promissory note payable was established from the City to CRA to be repaid from tax

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increment proceeds associated with the Commerce Building project. In July 2004, the note was amended to specify that repayment will be from all tax increment proceeds from the Downtown Redevelopment Area. The final repayment is scheduled for January 2020.

\$434,955 The Lofts (Old Stringfellow) – 609 West University Avenue, College Park Promissory Note – 1.57% to 4.96% fixed annual interest rate. In April 2001, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. In October 2004, the note was amended for the redevelopment of the area known as The Lofts. The final repayment is scheduled for November 2024.

\$650,000 Fifth Avenue/Pleasant Street Projects, Fifth Avenue/Pleasant Street Promissory Note –6.72% fixed annual interest rate. In April 2002, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2022.

\$1,400,600 Courthouse Parking Facility Project, Downtown Promissory Note – 6.72% fixed annual interest rate. In April 2002, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2024.

\$300,000 Eastside District Redevelopment Trust Promissory Note – 4.5% to 6.2% fixed annual interest rate. In May 2005, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2025.

\$800,000 College Park / 2nd Avenue Redevelopment Trust, College Park Promissory Note – 4.5% to 6.2% fixed annual interest rate. In May 2005, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2025.

\$361,856 Construction Promissory Note – Variable interest rate based on 5 Year Treasury Index plus 2.75%. In December 2009, a promissory note was entered into for construction of the CRA office building with Sunstate Federal Credit Union to be repaid from tax increment proceeds. Interest payable monthly beginning February 2010 and principal payable monthly beginning February 2011. Loan payments are amortized over a 360 month period with a balloon payment due February 2025.

DEBT SERVICE REQUIREMENTS FOR LONG-TERM DEBT:

Annual debt service requirements to maturity for long-term debt are as follows:

Year ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 9,840,889	\$ 7,289,362	\$ 121,408,121	\$ 27,904,673
2013	9,380,372	7,141,683	32,792,513	26,609,632
2014	12,254,986	7,054,411	34,277,007	25,288,738
2015	5,068,012	6,866,870	35,366,495	24,015,512
2016	5,297,104	7,043,248	36,681,651	22,899,795
2017-2021	29,859,134	33,458,526	178,406,197	97,280,025
2022-2026	30,836,010	33,446,713	109,593,342	73,570,308
2027-2031	38,113,008	17,585,706	141,764,930	54,277,579
2032-2036	11,365,000	674,248	160,705,000	38,305,521
2037-2040	-	-	177,875,000	18,045,024
Total	<u>\$ 152,014,515</u>	<u>\$ 120,560,767</u>	<u>\$ 1,028,870,256</u>	<u>\$ 408,196,807</u>

Interest rates used are per GASB 38, which requires the rate used in the calculations be that in effect as of September 30, 2011. Interest rates on variable-rate long-term debt belonging to the Utility were valued to be equal to 0.22% for the 2005C Series Bonds, 0.20% for the 2006A Series Bonds, 0.12% for the 2007A Series Bonds, 0.11% for the 2008B Series Bonds, and 0.28% for the 2008 TECP.

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Debt Service Requirements for Capital Lease

Year ending September 30,	Governmental Activities		
	Principal	Interest	Total
2012	\$ 77,432	\$ 23,960	\$ 101,392
2013	80,733	20,659	101,392
2014	84,176	17,216	101,392
2015	87,765	13,627	101,392
2016	91,507	9,885	101,392
2017-2018	<u>173,233</u>	<u>7,898</u>	<u>181,131</u>
Total	<u>\$ 594,846</u>	<u>\$ 93,245</u>	<u>\$ 688,091</u>

Debt Service Requirements for CRA

Year ending September 30,	Promissory Notes		
	Principal	Interest	Total
2012	\$ 217,151	\$ 163,906	\$ 381,057
2013	244,874	155,503	400,377
2014	232,240	144,874	377,114
2015	241,184	135,138	376,322
2016	252,264	125,015	377,279
2017-2021	1,363,400	445,732	1,809,132
2022-2025	<u>1,064,067</u>	<u>134,073</u>	<u>1,198,140</u>
Total	<u>\$ 3,615,180</u>	<u>\$ 1,304,241</u>	<u>\$ 4,919,421</u>

DERIVATIVES:

GRU is a party to certain interest rate swap agreements. In 2010, GRU implemented GASB No. 53, and applies hedge accounting where applicable for effective hedging instruments. For effective hedging instruments, the changes in fair value are recorded as deferred outflows and inflows on the balance sheet. According to GASB No. 53, the changes in fair value of ineffective hedging instruments would be recorded on the income statement as an adjustment to investment income. However, GRU has applied GASB No. 62, which permits for the change in fair value of ineffective hedging instruments to also be deferred as a regulatory item. Accordingly, GRU has elected to defer the ineffective portions as deferred outflows.

Under GRU's interest rate swap programs, GRU either pays a variable rate of interest, which is based on various indices, and receives a fixed rate of interest for a specific period of time (unless earlier terminated), or GRU pays a fixed rate of interest and receives a variable rate of interest, which is based on various indices for a specified period of time (unless earlier terminated). These indices are affected by changes in the market. The net amounts received or paid under the swap agreements are recorded as an adjustment to interest on the debt in the statement of revenues, expenses, and changes in net assets. No money is initially exchanged when GRU enters into a new interest rate swap transaction. Following is a disclosure of key aspects of the agreements.

Objective of the interest rate swap. To protect against the potential of rising interest rates, GRU has entered into rate swap transactions.

Terms, fair values and credit risk. The terms, fair values and credit ratings of the outstanding swaps as of September 30, 2011 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

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Associated Bond Issue	2008CP*	2005B*	2005C*
Notional Amounts	\$ 22,000,000	\$45,000,000	\$ 55,135,000
Effective Date	07/03/2002	11/16/2005	11/1/2006
Fixed Payer Rate	4.100%	SIFMA	3.200%
Variable Receiver Rate	SIFMA	77.14% of 1 MO LIBOR	60.36% of 10 YR LIBOR
Fair Value	\$(3,502,745)	\$(753,558)	\$(3,970,369)
Termination Date	10/01/2017	10/01/2021	10/01/2026
Counterparty Credit Rating	Baa1/A/A+	Aa1/AAA	Aa1/AA-/AA-
Associated Bond Issue	2006A*	2008B*	2008B*
Notional Amounts	\$ 53,305,000	\$ 58,500,000	\$ 31,500,000
Effective Date	07/06/2006	02/01/2008	02/01/2008
Fixed Payer Rate	3.224%	4.229%	4.229%
Variable Receiver Rate	68% of 10 YR LIBOR-.365%	SIFMA	SIFMA
Fair Value	\$(4,269,396)	\$(17,305,693)	\$(9,322,086)
Termination Date	10/01/2026	10/01/2038	10/01/2038
Counterparty Credit Rating	Aa1/AAA	Aa1/AA-/AA-	Aa1/AA-/AA-
Associated Bond Issue	2007A*		
Notional Amounts	\$ 139,505,000		
Effective Date	03/01/2007		
Fixed Payer Rate	3.944%		
Variable Receiver Rate	SIFMA		
Fair Value	\$(35,811,752)		
Termination Date	10/01/2036		
Counterparty Credit Rating	Aa1/AAA		

* See "Basis Risk" section below in Note 5 "Long Term Debt" for details.

Fair Value. All seven of the swap agreements have negative fair values as of September 30, 2011. Due to the low interest rate environment, as compared to the period when the swaps were entered into, the fixed payer rates currently exceed the variable receiver rates. These swaps are based on a different variable receiver rate, which is partially responsible for the difference in performance.

Swap payments and associated debt. Assuming interest rates remain the same at September 30, 2011, debt service requirements on the interest rate swap would be as follows:

Fiscal Year Ending Sept 30,	Variable Rate		Fixed Rate		Interest Rate Swaps, Net	Total
	Principal	Interest	Principal	Interest		
2012	\$ 6,360,000	\$ 699,606	\$ 920,000	\$ 3,055,189	\$ 11,005,445	\$ 22,040,240
2013	6,580,000	634,711	965,000	3,006,745	10,906,462	22,092,918
2014	6,805,000	620,911	1,015,000	2,955,859	10,804,093	22,200,863
2015	10,830,000	593,733	1,070,000	2,902,274	10,518,742	25,914,749
2016	14,515,000	563,300	7,375,000	2,685,238	10,168,747	35,307,285
2017-2021	56,530,000	2,389,929	43,150,000	6,987,164	46,683,495	155,740,588
2022-2026	54,320,000	1,928,589	3,850,000	102,218	41,012,348	101,213,155
2027-2031	81,415,000	1,431,652	-	-	31,861,796	114,708,448
2032-2036	123,895,000	537,716	-	-	14,340,559	138,773,275
2037-2040	32,040,000	35,414	-	-	617,234	32,692,648
Total	\$393,290,000	\$ 9,435,561	\$ 58,345,000	\$ 21,694,687	\$187,918,921	\$ 670,684,169

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The interest rates used are those in effect as of September 30, 2011.

	Fair Value of Interest Swaps at September 30, 2011	Changes in Fair Value	Deferred (Inflow) Outflow	Deferred (Inflow) Outflow for Ineffective Instruments
2008CP	\$ (3,502,745)	\$ 166,487	\$ (119,753)	\$ (46,734)
2005B	(753,558)	86,808	-	(86,808)
2005C	(3,970,369)	(736,981)	-	736,981
2006A	(4,269,396)	(851,932)	-	851,932
2008B	(17,305,693)	(3,745,518)	3,745,518	-
2008B	(9,322,086)	(2,019,037)	2,019,037	-
2007A	(35,811,752)	(9,669,170)	9,669,170	-
	<u>\$ (74,935,599)</u>	<u>\$ (16,769,343)</u>	<u>\$ 15,313,972</u>	<u>\$ 1,455,371</u>

Credit Risk. As of September 30, 2011 the fair value of all the swaps were negative, therefore the City is not subject to credit risk. To mitigate the potential for credit risk, the City has negotiated additional termination event and collateralization requirements in the event of a ratings downgrade. Failure to deliver the Collateral Agreement to the City as negotiated and detailed in the Schedule to the International Swap and Derivative Agreement (ISDA) for each counterparty would constitute an event of default with respect to that counterparty.

Basis Risk. The swaps expose the City to basis risk.

- The 2008CP Swap (formerly the 2002A Swap) is exposed to the difference between the weekly SIFMA index and CP maturity rate of less than 90 days based on current market conditions. As a result, savings may not be realized. As of September 30, 2011, the SIFMA rate was 0.16%.
- The 2005B Swap is exposed to basis risk through the potential mismatch of 77.14% of one month LIBOR and the SIFMA rate. As a result, savings may not be realized. As of September 30, 2011 the one month LIBOR rate was 0.23944%, which places the SIFMA at approximately 66.82% of one month LIBOR at that date.
- The 2005C Swap is exposed to basis risk through the potential mismatch of 68% of 10-year LIBOR and the variable 31-day rollover rate. As a result, savings may not be realized.
- The 2006A Swap is exposed to basis risk through the potential mismatch of 60.36% of 10-year LIBOR less 0.365% and the variable 31-day rollover rate. As a result, savings may not be realized. As of September 30, 2011, the 10-year LIBOR rate was 2.107%.
- The 2007A Swap is exposed to the difference between SIFMA and the variable 31-day rollover rate.
- Both of the 2008B Swaps are exposed to the difference between SIFMA and the variable 31-day rollover rate.

Termination Risk. The swap agreement will be terminated at any time if certain events occur that result in one party not performing in accordance with the agreement. The swap can be terminated due to illegality, a credit event upon merger, or an event of default and illegality. The swap can also be terminated if credit ratings fall below established levels.

Interest Rate Risk. This risk is associated with the changes in interest rates that will adversely affect the fair values of GRU's swaps and derivatives. GRU's exposure to this risk is through its pay – fixed, variable interest rate swap agreements. GRU mitigates this risk by actively reviewing and negotiating its swap agreements.

Rollover Risk. GRU is exposed to this risk when its interest rates swap agreements mature or terminate prior to the maturity of the hedged debt. When the counterparty to the interest rate swap agreements choose to terminate early, GRU will be re-exposed to the rollover risk. Currently, there is no early termination option being exercised by any of GRU's interest swap counterparties.

Market Access Risk. This risk is associated with the event that GRU will not be able to enter credit markets for interest swap agreements of that the credit market becomes more costly. GRU maintains a strong credit rating of

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“Aa2” from Moody’s, “AA” from Standard and Poor’s, and “AA” from Fitch. Currently GRU has not encountered any credit market barriers.

PLEGGED REVENUES:

The 1994 and 2004 Guaranteed Entitlement Revenue and Refunding Bonds were issued to refund multiple prior issues and to fund road and building construction and repair projects. Both issues are secured by a lien upon and pledge of the City’s Guaranteed Entitlement Funds. The remaining principal and interest payments on these bonds at September 30, 2011 total \$13,929,338, payable semiannually through July 1, 2024. Pledged revenue is \$1,100,340 each year, which is slightly greater than the annual debt requirement (in 2011, the coverage ratio was 1.0573).

CHANGES IN LONG-TERM LIABILITIES:

Long-term liability activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within one year
Governmental activities:					
Bonds payable:					
Revenue bonds and loans	\$ 44,324,127	\$ -	\$ 3,600,193	\$ 40,723,934	\$ 3,760,193
Bond premium	424,234	-	53,988	370,246	-
Pension obligation bonds	84,753,616	-	1,186,503	83,567,113	1,326,472
OPEB obligation bonds	20,555,000	-	3,960,000	16,595,000	4,365,000
Less deferred amounts:					
For issuance discounts	94,979	-	6,948	88,031	-
Total bonds payable	149,961,998	-	8,793,736	141,168,262	9,451,665
Capital lease	669,111	-	74,265	594,846	77,432
Revenue note	11,500,000	-	371,532	11,128,468	389,224
Compensated absences	3,566,824	1,766,000	1,548,333	3,784,491	141,000
Total	<u>\$ 165,697,933</u>	<u>\$ 1,766,000</u>	<u>\$ 10,787,866</u>	<u>\$ 156,676,067</u>	<u>\$ 10,059,321</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within one year
Business-type activities:					
Bonds payable:					
Utility revenue bonds	\$ 859,725,000	\$ 161,740,000	\$ 58,285,000	\$ 963,180,000	\$ 121,055,000
Add: Issuance premiums	4,434,769	1,359,338	1,109,694	4,684,413	-
Less deferred amounts:					
For loss on refundings	22,577,252	2,136,055	3,350,816	21,362,491	-
For issuance discounts	79,850	40,894	-	120,744	-
Total bonds payable	841,502,667	160,922,389	56,043,878	946,381,178	121,055,000
Utility notes payable	62,000,000	-	-	62,000,000	-
Other notes payable	4,036,166	-	345,910	3,690,256	353,121
Compensated absences	4,399,612	2,665,000	2,624,095	4,440,517	169,650
Total	<u>\$ 911,938,445</u>	<u>\$ 163,587,389</u>	<u>\$ 59,013,883</u>	<u>\$ 1,016,511,951</u>	<u>\$ 121,577,771</u>
Community Redevelopment Agency:					
CRA promissory notes	<u>\$ 3,825,376</u>	<u>\$ -</u>	<u>\$ 210,196</u>	<u>\$ 3,615,180</u>	<u>\$ 217,151</u>

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NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,586,849	\$ 1,584,299	\$ 634,281	\$ 28,536,867
Construction in progress	<u>22,853,234</u>	<u>14,030,678</u>	<u>2,157,031</u>	<u>34,726,881</u>
Total capital assets, not being depreciated	50,440,083	15,614,977	2,791,312	63,263,748
Capital assets, being depreciated:				
Buildings	48,315,592	3,258,829	86,622	51,487,799
Improvements other than buildings	10,090,547	786,338	44,042	10,832,843
Machinery and equipment	40,855,777	2,791,637	2,771,026	40,876,388
Infrastructure	<u>160,956,249</u>	<u>2,402,669</u>	<u>-</u>	<u>163,358,918</u>
Total capital assets being depreciated	260,218,165	9,239,473	2,901,690	266,555,948
Less accumulated depreciation for:				
Buildings	(20,600,069)	(1,565,106)	(47,119)	(22,118,056)
Improvements other than buildings	(5,576,793)	(357,545)	(44,044)	(5,890,294)
Machinery and equipment	(28,452,966)	(3,796,489)	(2,496,734)	(29,752,721)
Infrastructure	<u>(98,517,019)</u>	<u>(3,617,559)</u>	<u>-</u>	<u>(102,134,578)</u>
Total accumulated depreciation	<u>(153,146,847)</u>	<u>(9,336,699)</u>	<u>(2,587,897)</u>	<u>(159,895,649)</u>
Total capital assets, being depreciated, net	<u>107,071,318</u>	<u>(97,226)</u>	<u>313,793</u>	<u>106,660,299</u>
Governmental activities capital assets, net	<u>\$ 157,511,401</u>	<u>\$ 15,517,751</u>	<u>\$ 3,105,105</u>	<u>\$ 169,924,047</u>

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

General Government	\$ 962,225
Public Safety	1,548,694
Transportation	3,946,660
Economic Environment	44,950
Culture & Recreation	952,873
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>1,881,297</u>
Total depreciation expense - governmental activities	<u>\$ 9,336,699</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,093,244	\$ 217,730	\$ 147,516	\$ 5,163,458
Construction in progress	<u>234,361,039</u>	<u>126,536,100</u>	<u>59,240,584</u>	<u>301,656,555</u>
Total capital assets, not being depreciated	239,454,283	126,753,830	59,388,100	306,820,013
Capital assets, being depreciated:				
Utility plant and equipment	1,438,612,466	57,159,614	15,431,346	1,480,340,734
Buildings	6,307,929	1,139,981	11,880	7,436,030
Improvements other than buildings	3,167,901	1,284,337	-	4,452,238
Machinery and equipment	30,109,707	2,019,551	1,782,120	30,347,138
Infrastructure	<u>26,474,929</u>	<u>873,277</u>	<u>-</u>	<u>27,348,206</u>
Total capital assets, being depreciated	1,504,672,932	62,476,760	17,225,346	1,549,924,346
Less accumulated depreciation for:				
Utility plant and equipment	(576,311,012)	(45,862,470)	(18,325,262)	(603,848,220)
Buildings	(2,137,148)	(237,911)	(11,880)	(2,363,179)
Improvements other than buildings	(2,046,737)	(150,907)	-	(2,197,644)
Machinery and equipment	(13,237,293)	(2,891,721)	(1,731,688)	(14,397,326)
Infrastructure	<u>(18,120,694)</u>	<u>(217,194)</u>	<u>-</u>	<u>(18,337,888)</u>
Total accumulated depreciation	(611,852,884)	(49,360,203)	(20,068,830)	(641,144,257)
Total capital assets, being depreciated, net	<u>892,820,048</u>	<u>13,116,557</u>	<u>(2,843,484)</u>	<u>908,780,089</u>
Business-type activities capital assets, net	<u>\$ 1,132,274,331</u>	<u>\$ 139,870,387</u>	<u>\$ 56,544,616</u>	<u>\$ 1,215,600,102</u>

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

Utility	\$ 45,862,468
Regional Transit System	2,876,049
Stormwater	272,648
Ironwood	125,784
Florida Building Code Enforcement	214,534
Solid Waste	8,720
Total depreciation expense - business type activities	<u>\$ 49,360,203</u>

NOTE 7 - INDIVIDUAL FUND DEFICITS

The following funds had deficit net assets or fund balances at September 30, 2011:

Special Revenue Fund

Police Billable Overtime \$(29,288)

Enterprise Fund

Ironwood Golf Course \$(1,072,735)

For the Police Billable Overtime Fund, management will be reviewing current rates charged for billable overtime and adjust accordingly to cover all costs incurred and to recover the current deficit in this fund.

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The Ironwood Golf Course Fund has reported expenses in excess of revenues for several years, which has depleted the fund's net assets. Management has implemented a variety of cost saving plans, including significantly reducing expenses for the clubhouse and pro shop. In 2006, a capital improvement surcharge was added to each round of play, which is expected to generate restricted revenues for long-term capital maintenance and additions. The City is currently implementing a plan to reverse the ongoing deficits which included major capital improvements in fiscal year 2010 and changes in the rate structures. In addition, in FY2010, the City began a ten-year series of transfers from the General Fund to fully fund the deficit balance. In FY2020, the City plans to incorporate the Golf Course into the General Fund as a part of the Parks, Recreation, and Cultural Affairs Department.

NOTE 8 – COMPOSITION OF RECEIVABLES AND PAYABLES

Governmental activities

Receivables:

General Fund – Net accounts receivable as of September 30, 2011 are comprised of approximately 13% taxes (communications services tax, half cent sales tax, and local option gas tax), 16% due from other governments, 43% notes receivable, 3% receivables from employees, and 25% other receivables.

Nonmajor governmental funds – Net accounts receivable as of September 30, 2011 consist of approximately 7% loans receivable, 80% intergovernmental receivables, and 13% other receivables.

Payables:

General Fund – As of September 30, 2011, the payables balance in the General Fund consists of 68% wages payable and 32% other payables.

Nonmajor governmental funds – Payables balances as of September 30, 2011 are comprised of 16% construction related obligations, 7% wages payable and 77% other payables.

Business-type activities

Receivables:

Utility Fund – As of September 30, 2011 the net accounts receivable balance in the Utility Fund consists of 96.0% customer receivables for billed and unbilled utility services and 4.0% other receivables.

Nonmajor Enterprise Funds – Net accounts receivable as of September 30, 2011 are comprised of approximately 44% intergovernmental receivables and 56% other receivables.

Payables:

Utility Fund – As of September 30, 2011 the payables balance in the Utility Fund consists of 24.3% fuels payable, 33.5% standard vendor payables, 16.0% intergovernmental payables, 19.4% wages payable and 6.8% other payables.

Nonmajor Enterprise Funds – As of September 30, 2011 payables balances consist of 100% standard vendor payables.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from other funds:

Due to:	Due from:				Total
	Utility	Nonmajor governmental	Internal Service	Nonmajor Enterprise	
General	\$ 3,806,725	\$ 3,418,433	\$ -	\$ -	\$ 7,225,158
Utility	-	2,703	643,798	3,254	649,755
Nonmajor					
Governmental	3,014	1,356,356	-	-	1,359,370
Internal Service	243,163	-	-	-	243,163
Nonmajor Enterprise	1,109,081	-	-	5,866,290	6,975,371
Total	<u>\$ 5,161,983</u>	<u>\$ 4,777,492</u>	<u>\$ 643,798</u>	<u>\$ 5,869,544</u>	<u>\$ 16,452,817</u>

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The \$5,866,290 interfund payable between enterprise funds resulted from Ironwood and Regional Transit overdrawing their share of the pooled cash account. The \$3,418,433 due to the General Fund from nonmajor governmental funds is entirely composed of an interfund payable resulting from certain funds overdrawing their share of the pooled cash account. All remaining balances resulted from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	Transfers from:					<u>Total</u>
	<u>General</u>	<u>Utility</u>	<u>Nonmajor governmental</u>	<u>Internal Service</u>	<u>Nonmajor Enterprise</u>	
Transfers to:						
General	\$ -	\$ 35,232,540	\$ 145,842	\$ -	\$ 356,451	\$ 35,734,833
Nonmajor						
Governmental	14,426,463	-	2,157,865	127,132	1,626,330	18,337,790
Internal Service	-	-	90,000	-	25,575	115,575
Nonmajor						
Enterprise	<u>1,158,403</u>	-	<u>454,498</u>	-	-	<u>1,612,901</u>
Total	<u>\$ 15,584,866</u>	<u>\$ 35,232,540</u>	<u>\$ 2,848,205</u>	<u>\$ 127,132</u>	<u>\$ 2,008,356</u>	<u>\$ 55,801,099</u>

The Utility transfer totaling \$35,232,540 to the General Fund is based on a formula adopted by the City Commission. Please refer to Note 10 for more detail. \$10,075,474 was transferred from the General Fund to Debt Service Funds for scheduled debt service payments. The transfer from the Internal Service Funds to Nonmajor Governmental Funds is primarily to fund the construction of a centralized garage for Fleet. Other interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

NOTE 10- ENTERPRISE FUND (UTILITIES SYSTEM) TRANSFERS TO GENERAL FUND

In 1986, the City Commission established a formula to determine the amount of Utility System revenues to be transferred to the General Fund of the City from the Enterprise (Utilities System) Funds. The formula predominately ties the transfer directly to the financial performance of the Utility System. The transfer to the General Fund may be made only to the extent such monies are not necessary to pay operating and maintenance expense and to pay debt service on the outstanding bonds and subordinated debt or to make other necessary transfers under the Bond Resolution. The transfer to the General Fund for the year ended September 30, 2011 was \$35,232,540.

During the fiscal year 2011 budget process, the City Commission approved a suspension of the current formula that had been in use since 2000 due to economic uncertainties and to provide budgetary stability to each organization. Starting in fiscal year 2011 the transfer will be a fixed amount until the end of fiscal year 2014. Each year starting in fiscal year 2011, the City and GRU will review the current years transfer amount and compare that to the calculated 2004 General Fund Transfer Formula (GFT). If the difference between the fixed agreed upon transfer amount and the 2004 GFT calculated amount is no greater than \$500,000 over or under, then the transfer amount will remain unchanged for that fiscal year. If the difference is greater than \$500,000 over or under, then the General Fund and GRU will equally share in the gain or loss for amounts greater than \$500,000 for that fiscal year.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

GRU is subject to numerous Federal, State, and local environmental regulations. Under the Comprehensive Environmental Response Compensation and Liability Act, commonly known as "Superfund", GRU has been named as a potentially responsible party at several hazardous waste sites; however, GRU does not anticipate any more than "de minimus" liability at any of these sites. In January 1990, GRU purchased the natural gas distribution assets of a company and pursuant to the related purchase agreement, assumed responsibility for the investigation and remediation of environmental impact related to the operation of the former manufactured gas plant. Based upon GRU's analysis of the cost to clean up these sites, GRU has accrued a liability to reflect the costs associated with the

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cleanup effort. At September 30, 2010 GRU has recorded a liability of \$13.7 million to cover the expected remaining costs of the remediation. During fiscal year 2011, expenditures which reduced the liability balance were \$9.2 million. In accordance with GASB 49, an additional \$1.4 million was added to the reserve to new project estimates and probabilities, bring the reserve balance at September 30, 2011 to \$5.9 million.

GRU is recovering the costs of this clean-up through customer charges. A regulatory asset was established as a deferred charge in the accompanying balance sheet to represent the balance of customer charges. Fiscal 2011 billings were \$0.9 million. This reduced the deferred asset balance to \$20.8 million as of September 30, 2011.

Although some uncertainties associated with environmental assessment and remediation activities remain, GRU believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect on GRU's financial position, results of operation or liquidity.

GRU has a possible environmental liability related to an oil contamination at the Kelly Generating Station. In July of 2006, GRU was notified by the Florida Department of Environmental Protection, FDEP, that provisions of Chapter 62-780, F.A.C. must be complied with on this site. This Rule is currently being utilized to establish a process and time schedule for assessment and remediation of the site. GRU's liability utilizing this Rule is unknown and cannot be reasonably estimated at this time.

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

NOTE 12 – INVESTMENT IN THE ENERGY AUTHORITY

In May 2000, GRU became an equity member of The Energy Authority (TEA), a power marketing joint venture. In May 2002, TEA began trading natural gas on behalf of GRU. As of September 30, 2005 this joint venture was comprised of six municipal utilities across the nation, all of which are participating in the electric marketing and five of which participate in the gas program. GRU's ownership interest was 7.1% in the electric venture and 7.7% in the gas venture, and it accounted for this investment using equity accounting. GRU has reflected the capital contribution as an investment in TEA. The investment balance has been adjusted for GRU's subsequent share of TEA's net income or loss. In calculating GRU's share of net income or loss, profit on transactions between GRU and TEA have been eliminated. Such transactions primarily relate to purchases and sales of electricity between GRU and TEA.

GRU had electric purchase transactions with TEA of \$29.8 million and sales transactions of \$2.3 million in fiscal year 2011. TEA's profit on these transactions has been reflected as a reduction to GRU's reported revenue or expense. As of September 30, 2011, GRU's investment in TEA was \$3.0 million.

GRU provides guarantees to TEA and to TEA's bank to secure letters of credit issued by the bank to cover purchase and sale contracts for electric energy, natural gas and related transmission. In accordance with the membership agreement between GRU and its joint venture members and with the executed guaranties delivered to TEA and to TEA's bank, GRU's aggregate obligation for electric energy marketing transactions entered into by TEA on behalf of its members was \$23.4 million as of September 30, 2011. GRU's aggregate obligation for TEA's natural gas marketing transactions, under similar agreements and executed guaranties, is \$30.5 million as of September 30, 2011.

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

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NOTE 13 – JOINTLY OWNED ELECTRIC PLANT (CR3)

GRU-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in the Crystal River Unit 3 (CR3) nuclear power plant operated by Progress Energy. GRU's net investment in CR3 at September 30, 2011 is approximately \$17.6 million. CR3 operation and maintenance costs, which represent GRU's part of expenses attributable to operation of CR3, are recorded in accordance with the instructions as set forth in the FERC uniform system of accounts. Payments are made to Progress Energy in accordance with the CR3 participation agreement.

GRU, as a part of this participation agreement, is responsible for its share of future decommissioning costs. Decommissioning costs are funded and expensed annually and are recovered through rates charged to customers. The most recent decommissioning cost estimate provided by Progress Energy in September 2006 estimated GRU's share of total future decommissioning costs to be \$7.7 million of which \$5.2 million has already been deposited. This \$7.7 million is expected, with reinvestment and interest earnings, to reach \$24.7 million in total, which will be used in 2041 to pay for the projected costs of decommissioning the plant. The market value of the funds on deposit as of September 30, 2011 is \$10.0 million.

NOTE 14 – UTILITIES' FUTURES AND OPTIONS CONTRACTS

GRU conducts a risk management program with the intent of reducing the impact of fuel price spikes for its customers. The program utilizes futures and options contracts that are traded on the New York Mercantile Exchange (NYMEX) so that prices may be fixed or reduced for given volumes of gas that the utility projects to consume during a given production month. This program is based on feedback and direction from GRU's Risk Oversight Committee, consultation and recommendations from reputable risk management sources, and close monitoring of the market.

The information below provides a summary of results based on GRU's risk management activity during fiscal year 2011.

	Fair Value of Interest Rate Swaps at September 30, 2011	Changes in Fair Value	Deferred Outflow	Notional Amount (MMBTU's)
Natural Gas	\$ 1,892,017	\$ (292,002)	\$ (2,794,000)	(4,330)

Realized gains or losses related to hedging positions are deferred under the rate-setting policy. During fiscal year 2011, GRU recognized a loss of \$5.4 million.

NOTE 15 – CONDUIT DEBT

From time to time, the City has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial facilities deemed to be in the public interest. These bonds are secured by the financed property and are payable solely by the private-sector entity served by the bond issuance.

There is no obligation on the part of the City, County, State, or any political subdivision for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2011, there were three Industrial Revenue bonds outstanding, with an aggregate principal amount payable of \$5,000,000.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2011

NOTE 16 – SUBSEQUENT EVENTS

In November 2011, the City issued Refunding Revenue Note, Series 2011 to take advantage of favorable interest rates to refinance the First Florida Governmental Financing Commission Loan, Series 2002 issued on May 1, 2002. The Note amount was for \$6,230,000 payable with Non-Ad Valorem Revenues commencing on July 1, 2012 with final payment due July 1, 2022. Interest rate is fixed at 2.36% payable semi-annually. Total interest savings from this refinancing is estimated to be \$912,011 with a net present value of \$705,025.

In December 2011, the City issued Revenue Note, Series 2011A to assist in financing renovations/reconstruction of the Gainesville Police Department Headquarters Building, to finance remediation improvements at Depot Park and other capital improvements. The Note amount was for \$3,730,000 payable with Non-Ad Valorem Revenues commencing on October 1, 2012 with final payment due October 1, 2021. Interest rate is fixed at 2.29% payable semi-annually.

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUES						
Taxes	\$ 41,133,846	\$ 41,133,846	\$ 41,328,516	\$ -	\$ 41,328,516	\$ 194,670
Licenses and Permits	757,770	757,770	832,814	-	832,814	75,044
Intergovernmental	10,395,839	10,395,839	10,947,687	-	10,947,687	551,848
Charges for Services	12,552,646	12,633,847	12,265,520	-	12,265,520	(368,327)
Fines and Forfeitures	1,459,127	1,459,127	1,264,961	-	1,264,961	(194,166)
Miscellaneous	1,023,589	1,030,113	1,202,558	-	1,202,558	172,445
TOTAL REVENUES	67,322,817	67,410,542	67,842,056	-	67,842,056	431,514
EXPENDITURES						
Current:						
General Government	15,409,273	15,619,106	14,392,665	23,987	14,416,652	1,202,454
Public Safety	52,993,141	52,900,839	50,594,944	5,315	50,600,259	2,300,580
Physical Environment	216,967	191,989	171,302	-	171,302	20,687
Transportation	10,882,002	10,868,178	10,386,864	5,660	10,392,524	475,654
Economic Environment	400,025	407,884	209,759	-	209,759	198,125
Human Services	-	138,174	96,176	-	96,176	41,998
Culture and Recreation	6,717,136	6,666,638	6,488,087	-	6,488,087	178,551
TOTAL EXPENDITURES	86,618,544	86,792,808	82,339,797	34,962	82,374,759	4,418,049
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,295,727)	(19,382,266)	(14,497,741)	(34,962)	(14,532,703)	4,849,563
OTHER FINANCING SOURCES (USES)						
Transfers In	35,588,689	35,656,756	35,734,833	-	35,734,833	78,077
Transfers Out	(15,162,038)	(15,632,670)	(15,584,866)	-	(15,584,866)	47,804
TOTAL OTHER FINANCING SOURCES (USES)	20,426,651	20,024,086	20,149,967	-	20,149,967	125,881
NET CHANGE IN FUND BALANCES	\$ 1,130,924	\$ 641,820	\$ 5,652,226	\$ (34,962)	\$ 5,617,264	\$ 4,975,444

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2011

Annual budgets are legally adopted for all governmental funds other than Capital Projects Funds and certain Special Revenue Funds (such as grant funds and tax increment funds), which are appropriated on a project-length basis. Budgets are controlled at the department level throughout the year and total expenditures plus encumbrances may not legally exceed appropriations for each budgeted fund. The Special Revenue Funds which are budgeted annually are the Community Development Block Grant Fund, the Urban Development Action Grant Fund, the Home Grant Fund, the Cultural and Nature Projects Fund, the State Law Enforcement Contraband Forfeiture Fund, the Federal Law Enforcement Contraband Forfeiture Fund, the Police Billable Overtime Fund, the Economic Development Fund, the Evergreen Cemetery Trust Fund, the Thomas Center Trust Fund, the School Crossing Guard Trust Fund and the Art in Public Places Trust Fund. All other Special Revenue Funds are appropriated on a project-length, multi-year basis.

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

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

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

The actual results of operations are presented in accordance with GAAP, and the City does not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. 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 represented by encumbrances.

As illustrated on the previous page, on the budgetary basis, total expenditures were \$3,547,656 less than the final budget. Revenues were recognized in an amount \$431,514 greater than the final budget. Including other financing sources and uses, the General Fund fund balance increased by \$3,912,951 more than was budgeted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/11	\$ 271,957,000	\$ 388,365,000	\$ 116,408,000	70.03%	\$ 81,386,000	143.03%
09/30/10	287,894,287	377,439,159	89,544,872	76.28%	84,806,744	105.59%
09/30/09	274,206,492	331,247,474	57,040,982	82.78%	82,399,453	69.22%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
DISABILITY PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
09/30/11	\$ 5,653,722	\$ 2,716,699	\$ (2,937,023)	208.11%	\$ 81,446,055	-3.61%
09/30/10	5,459,769	4,110,026	(1,349,743)	132.84%	84,806,744	-1.59%
09/30/09	4,770,251	3,622,757	(1,147,494)	131.67%	82,399,453	-1.39%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as % of covered payroll (b-a)/c
10/01/10	\$ 177,250,288	\$ 199,836,557	\$ 22,586,269	88.70%	\$ 24,342,597	92.78%
10/01/09	174,013,284	189,206,289	15,193,005	91.97%	25,211,502	60.26%
10/01/08	174,300,297	175,909,422	1,609,125	99.09%	24,045,292	6.69%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Unfunded (UAAL) (b) - (a)</u>	<u>Funded ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as % of covered payroll (b-a)/c</u>
09/30/11	\$ 44,229,562	\$ 63,676,679	\$ 19,447,117	69.46%	\$ 116,000,000	16.76%
09/30/10	46,302,803	62,824,947	16,522,144	73.70%	136,000,000	12.15%
09/30/09	43,646,711	63,847,239	20,200,528	68.36%	131,000,000	15.42%

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULES OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	EMPLOYEES' PLAN		DISABILITY PLAN		CONSOLIDATED PLAN		OPEB PLAN
Valuation Date	09/30/11		09/30/11		10/01/10		09/30/11
Actuarial Cost Method	Entry Age Normal		Entry Age Normal		Entry Age Normal		Entry Age Normal
Amortization Method	Level percent		Level percent		Level percent		Level percent
Asset Valuation Method	5-year smoothed market		Market value		5-year smoothed market		Market value
Actuarial Assumptions: Investment Rate of Return*	8.50% per annum		8.50% per annum		8.50% per annum		8.50% per annum
Salary Increase Rate*	<u>Years of svc.</u>	<u>Rate</u>	<u>Years of svc.</u>	<u>Rate</u>	<u>Age range</u>	<u>Rate</u>	not applicable
	6 & under	7%	6 & under	7%	Less than 30	7%	
	7 - 11	6	7 - 11	6	30 - 34	6	
	12 - 16	4	12 - 16	4	35 - 39	5	
	Over 16	3.75	Over 16	3.75	40 & older	4	
Health Care Cost Trend Rate	not applicable		not applicable		not applicable		6%

* Includes inflation of 3.75%.

In the Consolidated Plan, prior year actuarial data is updated using the most recent version provided by the actuary, which may vary from the amounts presented in previous financial reports.

CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

NONMAJOR GOVERNMENT FUNDS

SPECIAL REVENUE FUNDS

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

The City maintains the following Special Revenue Funds:

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

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

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

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

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

Federal Law Enforcement Contraband Forfeiture Fund - to account for law enforcement related projects funded by the proceeds from federal confiscated property forfeited under the provisions of USC 21 SS 881 and U.S. Department of Justice, Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies.

Police Billable Overtime Fund – to account for revenues and expenditures associated billable overtime that the Police Department performs outside of their regular duties for both City events and non-City events. Fees are set with the intent to cover variable costs including overtime pay and benefits.

American Recovery & Reinvestment Act (ARRA) Grants Fund – to account for multiple ARRA grants, which are restricted in purpose and are segregated from other grants to provide for more transparent reporting of stimulus funding.

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

Economic Development Fund - to account for revenue and expenditures made to promote economic development. Includes operating expense and rental revenue generated by the GTEC (Gainesville Technology Incubator) facility.

Miscellaneous Gifts and Grants Fund - to account for a large number of miscellaneous gifts and grants, which are single purpose in nature and require minimal special accounting features.

Transportation Concurrency Exception Area Fund – to account for revenue and expenditures generated in connection with transportation improvements made in conjunction with new developments. Funds are provided by real estate developers to mitigate the development’s impact on transportation in accordance with Ordinance #981310.

Water and Wastewater Surcharge Infrastructure Fund – to account for surcharge collections and interest earnings which are to be expended on related infrastructure improvements for water and wastewater. Half of the funds collected are transferred to this fund. Resolution #030223 specifies that the expenditures are to be used as follows: 20% health/safety/environmental projects, 20% affordable housing projects, and 60% programmed extension projects.

Supportive Housing Investment Partnership (SHIP) Fund – to account for documentary stamp proceeds from real estate transactions to be used as funding for the entitlement program. Expenditures made by the City include grants to improve housing options for lower income and less advantaged citizens.

Federal Emergency Management Agency (FEMA) Grant Fund – to account for expenditures and federal and state reimbursement of costs incurred by the City from the three hurricanes passing through the area during the last few weeks of the fiscal year 2004.

Small Business Loan Fund – to account for revenue and expenditures associated with revolving loan funds to local small businesses. This fund was established in fiscal year 2005 with the funds received through an insurance settlement associated with the United Gainesville Community Development Corporation.

Miscellaneous Special Revenue Fund – to account for several miscellaneous programs that are of small dollar value and are restricted to a specific project or activity.

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

Emergency Disaster FEMA Fay 08 Fund – to account for expenditures and federal and state grant reimbursement of costs incurred by the City from Tropical Storm Fay.

Tourist Product Development Fund - to account for Tourist Product Development tax dollars passed through from the County and awarded as grants to artistic, eco-tourism and new program projects that will promote tourism in the area. The City’s Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

Proportionate Fair Share Program Fund – to account for developer contributions and related projects associated with proportionate fair share agreements in accordance with the City’s Land Development Code’s Proportionate Fair-Share Program, as authorized by FS 163.3180, allowing developments outside of the TCEA to proceed by contributing towards the cost of traffic management system and transit improvements.

Tourist Product Development Fund-FY10 - to account for Tourist Product Development tax dollars passed through from the County and awarded as grants to artistic, eco-tourism and new program projects that will promote tourism in the area during fiscal year 2010. The City’s Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

Tourist Product Development Fund-FY11 - to account for Tourist Product Development tax dollars passed through from the County and awarded as grants to artistic, eco-tourism and new program projects that will promote tourism in the area during fiscal year 2011. The City's Parks, Recreation and Cultural Affairs Department administers the program for Alachua County.

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

Evergreen Cemetery Trust Fund - to account for revenues, which will be used to finance perpetual care expenses incurred by the General Fund for cemetery gravesites. Interest income and income from lot sales and perpetual care contracts provide the financing sources.

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

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

Art in Public Places Trust Fund - to account for the use of funds to purchase art for new or majorly-renovated City buildings, and to accumulate funds to provide art that is accessible to the public in accordance with City Ordinance #3509.

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

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

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

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

DEBT SERVICE FUNDS

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

The City maintains the following Debt Service Funds:

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

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

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

First Florida Governmental Financing Commission (FFGFC) Fund – Series 2005 – to account for funds to accumulate the debt service requirements of the 2005 borrowing from the First Florida Governmental Financing Commission.

First Florida Governmental Financing Commission (FFGFC) Fund – Series 2007 – to account for funds to accumulate the debt service requirements of the 2007 borrowing from the First Florida Governmental Financing Commission.

Guaranteed Entitlement Revenue and Refunding Bonds 2004 Fund – to receive and account for funds (Guaranteed Entitlement funds) to accumulate the debt service requirements of the Guaranteed Entitlement Refunding Bonds of 2004.

Pension Obligation Bonds Series 2003 A – to account for funds to accumulate the debt service requirements of the pension obligation bonds for the General Employee’s Pension Plan.

Pension Obligation Bonds Series 2003 B – to account for funds to accumulate the debt service requirements of the pension obligation bonds for the Consolidated Police Officers’ and Firefighters’ Pension Plan.

Other Post-Employment Benefit (OPEB) Obligation Bonds Series 2005 – to account for funds to accumulate the debt service requirements of the other post-employment benefit obligation bonds.

Capital Improvement Revenue Bond (CIRB) Series 2005 – to account for funds to accumulate the debt service requirements of the CIRB of 2005.

GPD Energy Conservation Master Capital Lease – to account for funds to accumulate the capital lease required payments for the Siemens GPD Energy Conservation Capital Lease.

Capital Improvement Revenue Note (CIRN) 2009 – to account for funds to accumulate the debt service requirements of the CIRN of 2009.

Capital Improvement Revenue Bond (CIRB) Series 2010 – to account for funds to accumulate the debt service requirements of the CIRB of 2010.

CAPITAL PROJECTS FUNDS

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

The City maintains the following Capital Projects Funds:

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

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

American Recovery and Reinvestment Act Fund - to account for multiple ARRA capital projects funded by ARRA grants, which are restricted in purpose and are segregated from other capital projects funds to provide for more transparent reporting of stimulus spending.

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

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

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

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

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

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

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

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

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

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

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

FFGFC 05 Capital Projects Fund – to account for the costs of various capital projects financed by the First Florida Governmental Financing Commission 2005 and interest earnings.

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

Capital Improvement Revenue Bond (CIRB) 2005 CIP Fund – to account for the costs of various capital projects financed by the CIRB 2005 and interest earnings.

Kennedy Homes Acquisition/Demolition Fund – to account for the costs of acquiring the Kennedy Homes property, and for associated demolition and remodeling costs associated with the property's rehabilitation.

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

Campus Development Agreement (CDA) Capital Projects Fund – to account for the costs of projects specified to be funded by the Campus Development Agreement, provided by the University of Florida.

Energy Conservation Capital Projects Fund – to account for the costs of projects related to energy conservation funded by the CIRN 2009 debt issue.

Additional 5 Cents Local Option Gas Tax (LOGT) Capital Projects Fund – to account for the receipt and expenditure of the additional five cent local option gas tax.

Additional 5 Cents Local Option Gas Tax (LOGT) CIRN 2009 Capital Projects Fund – to account for the expenditure of the CIRN 2009 proceeds to be repaid with additional five cent local option gas tax.

Traffic Management System Building Capital Projects Fund – to account for the costs of the traffic management system building project.

Capital Improvement Revenue Note (CIRN) 2009 Capital Projects Fund – to account for the costs of various capital projects financed by the CIRN 2009 and interest earnings.

Wild Spaces Public Places ½ Cent Sales Tax Capital Projects Fund – to account for the receipt of a portion of the Wild Spaces Public Places two-year ½ cent sales tax and the related capital projects associated with public recreation funded by the tax and interest earnings.

Wild Spaces Public Places Land Acquisition Capital Projects Fund – to account for the receipt of a portion of the Wild Spaces Public Places two-year ½ cent sales tax and the related capital projects associated with land acquisition funded by the tax and interest earnings.

Senior Recreation Center Capital Projects Fund – to account for the costs of the construction of the Senior Recreation Center.

Capital Improvement Revenue Bond (CIRB) 2010 CIP Fund – to account for the costs of various capital projects financed by the CIRB 2010 and interest earnings.

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	SPECIAL REVENUE FUNDS				
	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	CULTURAL AND NATURE PROJECTS FUND	STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	942,022	-	205,627	125,826
Investments	-	-	-	-	-
Receivables	533,029	328,426	982,216	467	1,682
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	147,033
TOTAL ASSETS	\$ 533,029	\$ 1,270,448	\$ 982,216	\$ 206,094	\$ 274,541
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 68,614	\$ -	\$ 29,002	\$ 3,059	\$ -
Due to Other Funds	260,011	-	755,253	-	-
Deferred Revenue	31,942	328,426	99,366	-	147,033
TOTAL LIABILITIES	360,567	328,426	883,621	3,059	147,033
<u>FUND BALANCES</u>					
Restricted Fund Balance	172,462	942,022	98,595	203,035	127,508
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	172,462	942,022	98,595	203,035	127,508
TOTAL LIABILITIES AND FUND BALANCES	\$ 533,029	\$ 1,270,448	\$ 982,216	\$ 206,094	\$ 274,541

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	FEDERAL LAW EN- FORCEMENT CONTRABAND FORFEITURE FUND	POLICE BILLABLE OVERTIME FUND	AMERICAN RECOVERY & REINVEST- MENT ACT GRANTS FUND	STREET, SIDEWALK AND DITCH IMPROVE- MENT FUND	ECONOMIC DEVELOP- MENT FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	4,855,698	-	-	159,345	22,677	-
Investments	-	-	-	-	-	-
Receivables	-	193,318	191,419	5,537	100,778	2,488,023
Due from Other Funds	-	241	-	-	2,773	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ 4,855,698	\$ 193,559	\$ 191,419	\$ 164,882	\$ 126,228	\$ 2,488,023
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 13,062	\$ 52,599	\$ -	\$ -	\$ 30,290	\$ 195,402
Due to Other Funds	-	170,248	191,419	-	-	2,041,528
Deferred Revenue	-	-	-	5,537	-	11,768
TOTAL LIABILITIES	13,062	222,847	191,419	5,537	30,290	2,248,698
FUND BALANCES						
Restricted Fund Balance	4,842,636	-	-	159,345	95,938	239,325
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-
Unassigned Fund Balance	-	(29,288)	-	-	-	-
TOTAL FUND BALANCES	4,842,636	(29,288)	-	159,345	95,938	239,325
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,855,698	\$ 193,559	\$ 191,419	\$ 164,882	\$ 126,228	\$ 2,488,023

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	SPECIAL REVENUE FUNDS (continued)				
	TRANSPOR- TATION CONCURRENCY EXCEPTION AREA FUND	WATER AND WASTEWATER SURCHARGE INFRA- STRUCTURE FUND	SHIP FUND	FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND	SMALL BUSINESS LOAN FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	1,670,603	1,152,579	417,863	15,738	71,201
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 1,670,603	\$ 1,152,579	\$ 417,863	\$ 15,738	\$ 71,201
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 5,155	\$ -	\$ -
Due to Other Funds	-	2,677	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	2,677	5,155	-	-
FUND BALANCES					
Restricted Fund Balance	1,670,603	1,149,902	412,708	-	-
Committed Fund Balance	-	-	-	-	71,201
Assigned Fund Balance	-	-	-	15,738	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	1,670,603	1,149,902	412,708	15,738	71,201
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,670,603	\$ 1,152,579	\$ 417,863	\$ 15,738	\$ 71,201

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	MISC- ELLANEOUS SPECIAL REVENUE FUND	TOURIST DESTINATION ENHANCE- MENT FUND	EMERGENCY DISASTER FEMA FAY 08 FUND	TOURIST PRODUCT DEVELOP FUND	PROPOR- TIONATE FAIR SHARE PROGRAM FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	711,303	13,536	40,202	195,673	144,374
Investments	-	-	-	-	-
Receivables	22,812	14,343	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 734,115	\$ 27,879	\$ 40,202	\$ 195,673	\$ 144,374
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 3,920	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	3,920	-	-	-	-
FUND BALANCES					
Restricted Fund Balance	730,195	27,879	-	195,673	144,374
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	40,202	-	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	730,195	27,879	40,202	195,673	144,374
TOTAL LIABILITIES AND FUND BALANCES	\$ 734,115	\$ 27,879	\$ 40,202	\$ 195,673	\$ 144,374

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	TOURIST PRODUCT DEVELOP FY10 FUND	TOURIST PRODUCT DEVELOP FY11 FUND	EMERGENCY MGMT DOVE INCIDENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER TRUST FUND	SCHOOL CROSSING GUARD TRUST FUND
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 62,486	\$ -	\$ -
Equity in Pooled Cash and Investments	-	147,090	-	24,203	-	70,662
Investments	-	-	-	1,252,054	-	-
Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 147,090	\$ -	\$ 1,338,743	\$ -	\$ 70,662
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ -	\$ 13,044	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	13,044	-	-	-	-
<u>FUND BALANCES</u>						
Restricted Fund Balance	-	134,046	-	1,338,743	-	70,662
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-	-
TOTAL FUND BALANCES	-	134,046	-	1,338,743	-	70,662
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 147,090	\$ -	\$ 1,338,743	\$ -	\$ 70,662

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (concluded)

	ART IN PUBLIC PLACES TRUST FUND	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND	FIFTH AVENUE TAX INCREMENT FUND	COLLEGE PARK TAX INCREMENT FUND	EASTSIDE TAX INCREMENT FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	42,240	1,748,789	640,773	7,901,461	1,055,466
Investments	-	-	-	-	-
Receivables	-	698	1,390	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 42,240	\$ 1,749,487	\$ 642,163	\$ 7,901,461	\$ 1,055,466
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 5,040	\$ 38,671	\$ 1,540	\$ 116,826	\$ 1,814
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	14,390	-	-
TOTAL LIABILITIES	5,040	38,671	15,930	116,826	1,814
FUND BALANCES					
Restricted Fund Balance	37,200	1,710,816	626,233	7,784,635	1,053,652
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	37,200	1,710,816	626,233	7,784,635	1,053,652
TOTAL LIABILITIES AND FUND BALANCES	\$ 42,240	\$ 1,749,487	\$ 642,163	\$ 7,901,461	\$ 1,055,466

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

DEBT SERVICE FUNDS

	FFGFC SERIES 1996	FFGFC SERIES 1998	FFGFC SERIES 2002	FFGFC SERIES 2005	FFGFC SERIES 2007	GUARANTEED ENTITLEMENT REFUNDING BONDS 2004
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	59,073	3,480	4,326	1,414	99,652
Investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 59,073	\$ 3,480	\$ 4,326	\$ 1,414	\$ 99,652
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
<u>FUND BALANCES</u>						
Restricted Fund Balance	-	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	59,073	3,480	4,326	1,414	99,652
Unassigned Fund Balance	-	-	-	-	-	-
TOTAL FUND BALANCES	-	59,073	3,480	4,326	1,414	99,652
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 59,073	\$ 3,480	\$ 4,326	\$ 1,414	\$ 99,652

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

DEBT SERVICE FUNDS (continued)

	PENSION OBLIGATION BOND SERIES 2003A	PENSION OBLIGATION BOND SERIES 2003B	OTHER POST- EMPLOYMENT (OPEB) BONDS 2005	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2005	GPD ENERGY CONSERV. MASTER CAPITAL LEASE
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	37,463	55,510	119,494	58,000	21,059
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 37,463	\$ 55,510	\$ 119,494	\$ 58,000	\$ 21,059
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
<u>FUND BALANCES</u>					
Restricted Fund Balance	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	37,463	55,510	119,494	58,000	21,059
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	37,463	55,510	119,494	58,000	21,059
TOTAL LIABILITIES AND FUND BALANCES	\$ 37,463	\$ 55,510	\$ 119,494	\$ 58,000	\$ 21,059

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	<u>DEBT SERVICE FUNDS (concluded)</u>		<u>CAPITAL PROJECTS FUNDS</u>		
	<u>CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) 2009</u>	<u>CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2010</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>	<u>PUBLIC IMPROVEMENT CONSTRUCTION FUND</u>	<u>AMERICAN RECOVERY AND REINVESTMENT ACT FUND</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	81,977	12,225	5,558,052	55,823	-
Investments	-	-	-	-	-
Receivables	-	-	19,500	-	56,071
Due from Other Funds	-	-	1,356,356	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 81,977	\$ 12,225	\$ 6,933,908	\$ 55,823	\$ 56,071
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 73,135	\$ -	\$ 6,847
Due to Other Funds	-	-	-	-	42,281
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	73,135	-	49,128
<u>FUND BALANCES</u>					
Restricted Fund Balance	-	-	-	-	6,943
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	81,977	12,225	6,860,773	55,823	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	81,977	12,225	6,860,773	55,823	6,943
TOTAL LIABILITIES AND FUND BALANCES	\$ 81,977	\$ 12,225	\$ 6,933,908	\$ 55,823	\$ 56,071

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)					
	GREENSPACE ACQUISITION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	1,067,501	-	66,073	-	-
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 1,067,501	\$ -	\$ 66,073	\$ -	\$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Restricted Fund Balance	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	1,067,501	-	66,073	-	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	1,067,501	-	66,073	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,067,501	\$ -	\$ 66,073	\$ -	\$ -

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)

	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02	DOWNTOWN PARKING GARAGE FUND 02	FIFTH AVENUE/ PLEASANT ST REHAB PROJ FUND 02
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	20,329	-	1,831,583	-	72,342
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 20,329	\$ -	\$ 1,831,583	\$ -	\$ 72,342
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Restricted Fund Balance	20,329	-	1,831,583	-	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	72,342
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	20,329	-	1,831,583	-	72,342
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,329	\$ -	\$ 1,831,583	\$ -	\$ 72,342

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	CAPITAL PROJECTS FUNDS (continued)				
	DOWNTOWN PARKING GARAGE SALES TAX FUND	FFGFC 05 CAPITAL PROJECTS FUND	39TH AVENUE FLEET GARAGE EXPANSION FUND	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) 2005 CIP FUND	KENNEDY HOMES ACQUISITION/ DEMOLITION FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	38,190	876,950	1,357,280	7,146,011	711,036
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 38,190	\$ 876,950	\$ 1,357,280	\$ 7,146,011	\$ 711,036
 LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 95	\$ 11,614	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	95	11,614	-
 FUND BALANCES					
Restricted Fund Balance	38,190	876,950	-	7,134,397	-
Committed Fund Balance	-	-	-	-	711,036
Assigned Fund Balance	-	-	1,357,185	-	-
Unassigned Fund Balance	-	-	-	-	-
TOTAL FUND BALANCES	38,190	876,950	1,357,185	7,134,397	711,036
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,190	\$ 876,950	\$ 1,357,280	\$ 7,146,011	\$ 711,036

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)

	FFGFC 07 CAPITAL PROJECTS FUND	CAMPUS DEVELOPMENT AGREEMENT CAPITAL PROJECTS FUND	ENERGY CONSERVATION CAPITAL PROJECTS FUND	ADD'L 5 CENTS LOCAL OPTION GAS TAX (LOGT) CAPITAL PROJECTS FUND
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	15,392,275	281,683	4,148,610
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ -	\$ 15,392,275	\$ 281,683	\$ 4,148,610
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ -	\$ 74,483	\$ -	\$ -
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	74,483	-	-
<u>FUND BALANCES</u>				
Restricted Fund Balance	-	15,317,792	-	4,148,610
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	-	-	281,683	-
Unassigned Fund Balance	-	-	-	-
TOTAL FUND BALANCES	-	15,317,792	281,683	4,148,610
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 15,392,275	\$ 281,683	\$ 4,148,610

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)

	<u>ADD'L 5 CENTS GAS TAX (LOGT) CIRN 2009 CAPITAL PROJECTS FUND</u>	<u>TRAFFIC MANAGEMENT SYSTEM BLDG CAPITAL PROJECTS FUND</u>	<u>CAPITAL IMP REVENUE NOTE (CIRN) 2009 CAPITAL PROJECTS FUND</u>	<u>WILD SPACES PUBLIC PLACES 1/2 CENT SALES TAX CAPITAL PROJECTS FUND</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	5,871,408	156,616	1,670,805	4,515,131
Investments	-	-	-	-
Receivables	-	-	-	149,000
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	<u>\$ 5,871,408</u>	<u>\$ 156,616</u>	<u>\$ 1,670,805</u>	<u>\$ 4,664,131</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 516	\$ 7,475	\$ 105	\$ 320,051
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	<u>516</u>	<u>7,475</u>	<u>105</u>	<u>320,051</u>
 <u>FUND BALANCES</u>				
Restricted Fund Balance	5,870,892	149,141	1,670,700	4,344,080
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	-	-	-	-
TOTAL FUND BALANCES	<u>5,870,892</u>	<u>149,141</u>	<u>1,670,700</u>	<u>4,344,080</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,871,408</u>	<u>\$ 156,616</u>	<u>\$ 1,670,805</u>	<u>\$ 4,664,131</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	CAPITAL PROJECTS FUNDS (concluded)			TOTAL NONMAJOR GOVERNMENTAL FUNDS		
	WILD SPACES PUBLIC PLACES LAND ACQ. CAPITAL PROJECTS FUND	SENIOR RECREATION CENTER CAPITAL PROJECTS FUND	CAPITAL IMP REVENUE BOND (CIRB) 2010 CAPITAL PROJECTS FUND			
	<u>ASSETS</u>					
	Cash and Cash Equivalents	\$ -	\$ -		\$ -	\$ 62,486
	Equity in Pooled Cash and Investments	2,535,434	-		2,858,066	79,159,822
Investments	-	-	-	1,252,054		
Receivables	-	1,937,192	-	7,025,901		
Due from Other Funds	-	-	-	1,359,370		
Assets Held for Evidence	-	-	-	147,033		
	-	-	-	-		
TOTAL ASSETS	\$ 2,535,434	\$ 1,937,192	\$ 2,858,066	\$ 89,006,666		
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 430,994	\$ 149,465	\$ -	\$ 1,652,818		
Due to Other Funds	-	1,314,075	-	4,777,492		
Deferred Revenue	-	-	-	638,462		
	-	-	-	-		
TOTAL LIABILITIES	430,994	1,463,540	-	7,068,772		
<u>FUND BALANCES</u>						
Restricted Fund Balance	2,104,440	473,652	2,858,066	70,813,952		
Committed Fund Balance	-	-	-	782,237		
Assigned Fund Balance	-	-	-	10,370,993		
Unassigned Fund Balance	-	-	-	(29,288)		
	-	-	-	-		
TOTAL FUND BALANCES	2,104,440	473,652	2,858,066	81,937,894		
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,535,434	\$ 1,937,192	\$ 2,858,066	\$ 89,006,666		

(CONCLUDED)

CITY OF
GAINESVILLE

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FLORIDA

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS

	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	CULTURAL AND NATURE PROJECTS FUND	STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,247,900	-	1,125,354	-	-	-
Charges for Services	2,450	-	-	368,489	-	-
Fines and Forfeitures	-	-	-	-	48,244	1,230,947
Miscellaneous	8,460	156,751	194,434	42,565	16,311	83,414
TOTAL REVENUES	1,258,810	156,751	1,319,788	411,054	64,555	1,314,361
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	199,030	-	-	-	97,098	250,787
Physical Environment	95,717	-	-	-	-	-
Transportation	46,334	-	-	-	-	-
Economic Environment	727,933	-	1,316,455	-	-	-
Human Services	259,196	-	-	-	-	-
Culture and Recreation	-	13,292	-	385,035	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,328,210	13,292	1,316,455	385,035	97,098	250,787
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(69,400)	143,459	3,333	26,019	(32,543)	1,063,574
OTHER FINANCING SOURCES (USES)						
Transfers In	98,000	-	-	-	-	-
Transfers Out	(28,600)	-	(3,333)	(2,722)	(61,913)	(199,224)
TOTAL OTHER FINANCING SOURCES (USES)	69,400	-	(3,333)	(2,722)	(61,913)	(199,224)
NET CHANGE IN FUND BALANCES	-	143,459	-	23,297	(94,456)	864,350
FUND BALANCES, October 1	172,462	798,563	98,595	179,738	221,964	3,978,286
FUND BALANCES, September 30	\$ 172,462	\$ 942,022	\$ 98,595	\$ 203,035	\$ 127,508	\$ 4,842,636

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	POLICE BILLABLE OVERTIME FUND	AMERICAN RECOVERY & REINVEST- MENT ACT GRANTS FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOP- MENT FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	621,199	-	-	4,928,277	-
Charges for Services	538,731	-	-	-	-	183,531
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	4,549	262,663	14,910	30,185
TOTAL REVENUES	538,731	621,199	4,549	262,663	4,943,187	213,716
EXPENDITURES						
Current:						
General Government	-	-	-	-	5,000	-
Public Safety	650,228	276,670	-	-	1,797,166	-
Physical Environment	-	-	-	-	374,187	-
Transportation	-	-	-	-	2,466,553	265,772
Economic Environment	-	-	-	307,961	221,205	-
Human Services	-	344,529	-	-	-	-
Culture and Recreation	-	-	-	-	42,407	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	650,228	621,199	-	307,961	4,906,518	265,772
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(111,497)	-	4,549	(45,298)	36,669	(52,056)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	383,153	5,325
Transfers Out	-	-	-	(125,000)	(235,077)	(29,944)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(125,000)	148,076	(24,619)
NET CHANGE IN FUND BALANCES	(111,497)	-	4,549	(170,298)	184,745	(76,675)
FUND BALANCES, October 1	82,209	-	154,796	266,236	54,580	1,747,278
FUND BALANCES, September 30	\$ (29,288)	\$ -	\$ 159,345	\$ 95,938	\$ 239,325	\$ 1,670,603

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	WATER AND WASTEWATER SURCHARGE INFRASTRUCTURE FUND	SHIP FUND	FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND	SMALL BUSINESS LOAN FUND	MISCELLANEOUS SPECIAL REVENUE FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	197,205	-	-	189,070
Charges for Services	-	-	-	-	8,994
Fines and Forfeitures	-	-	-	-	56,374
Miscellaneous	19,265	41,837	-	-	337,348
TOTAL REVENUES	19,265	239,042	-	-	591,786
EXPENDITURES					
Current:					
General Government	-	-	-	-	309,992
Public Safety	-	-	5,138	-	214,512
Physical Environment	79,066	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	404,972	-	-	25,799
Human Services	-	-	-	-	423,541
Culture and Recreation	-	-	-	-	16,799
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	79,066	404,972	5,138	-	990,643
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(59,801)	(165,930)	(5,138)	-	(398,857)
OTHER FINANCING SOURCES (USES)					
Transfers In	61,091	-	5,138	-	734,123
Transfers Out	-	-	(360,975)	-	(101,676)
TOTAL OTHER FINANCING SOURCES (USES)	61,091	-	(355,837)	-	632,447
NET CHANGE IN FUND BALANCES	1,290	(165,930)	(360,975)	-	233,590
FUND BALANCES, October 1	1,148,612	578,638	376,713	71,201	496,605
FUND BALANCES, September 30	\$ 1,149,902	\$ 412,708	\$ 15,738	\$ 71,201	\$ 730,195

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	TOURIST DESTINATION ENHANCEMENT FUND	EMERGENCY DISASTER FEMA FAY 08 FUND	TOURIST PRODUCT DEVELOP FUND	PROPOR- TIONATE FAIR SHARE PROGRAM FUND	TOURIST PRODUCT DEVELOP FY10 FUND	TOURIST PRODUCT DEVELOP FY11 FUND
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	(118,448)	575,801
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	(118,448)	575,801
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	8,137	-	-	-	193,699	399,348
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	8,137	-	-	-	193,699	399,348
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,137)	-	-	-	(312,147)	176,453
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	22,384	-
Transfers Out	(22,384)	-	-	(4)	-	(42,407)
TOTAL OTHER FINANCING SOURCES (USES)	(22,384)	-	-	(4)	22,384	(42,407)
NET CHANGE IN FUND BALANCES	(30,521)	-	-	(4)	(289,763)	134,046
FUND BALANCES, October 1	58,400	40,202	195,673	144,378	289,763	-
FUND BALANCES, September 30	\$ 27,879	\$ 40,202	\$ 195,673	\$ 144,374	\$ -	\$ 134,046

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

SPECIAL REVENUE FUNDS (continued)

	EMERGENCY MGMT DOVE INCIDENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER TRUST FUND	SCHOOL CROSSING GUARD TRUST FUND	ART IN PUBLIC PLACES TRUST FUND	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND	FIFTH AVENUE TAX INCREMENT FUND
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,063,039	\$ 368,636
Intergovernmental	-	-	-	-	-	159,208	58,917
Charges for Services	-	7,819	-	-	-	-	-
Fines and Forfeitures	-	-	-	28,980	-	-	-
Miscellaneous	-	18,053	-	1,180	1,102	143,550	21,474
TOTAL REVENUES	-	25,872	-	30,160	1,102	1,365,797	449,027
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	26,190	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	2,015,361	593,607
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	136,957	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	26,190	-	-	136,957	2,015,361	593,607
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(318)	-	30,160	(135,855)	(649,564)	(144,580)
OTHER FINANCING SOURCES (USES)							
Transfers In	74,431	-	-	-	72,691	551,604	187,234
Transfers Out	-	(103,591)	(110)	(21,635)	(9,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	74,431	(103,591)	(110)	(21,635)	63,691	551,604	187,234
NET CHANGE IN FUND BALANCES	74,431	(103,909)	(110)	8,525	(72,164)	(97,960)	42,654
FUND BALANCES, October 1	(74,431)	1,442,652	110	62,137	109,364	1,808,776	583,579
FUND BALANCES, September 30	\$ -	\$ 1,338,743	\$ -	\$ 70,662	\$ 37,200	\$ 1,710,816	\$ 626,233

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	SPECIAL REV FUNDS (concluded)		DEBT SERVICE FUNDS				
	COLLEGE PARK TAX INCREMENT FUND	EASTSIDE TAX INCREMENT FUND	FFGFC SERIES 1996	FFGFC SERIES 1998	FFGFC SERIES 2002	FFGFC SERIES 2005	FFGFC SERIES 2007
REVENUES							
Taxes	\$ 1,911,717	\$ 423,588	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	312,024	70,938	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	142,111	20,269	4,591	3,249	1,106	796	175
TOTAL REVENUES	2,365,852	514,795	4,591	3,249	1,106	796	175
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	2,770,727	446,909	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	1,100,000	440,000	230,000	60,000
Interest and Fiscal Charges	-	-	-	117,546	343,741	182,836	58,136
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,770,727	446,909	-	1,217,546	783,741	412,836	118,136
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(404,875)	67,886	4,591	(1,214,297)	(782,635)	(412,040)	(117,961)
OTHER FINANCING SOURCES (USES)							
Transfers In	970,979	215,144	-	1,212,750	775,385	406,921	116,405
Transfers Out	-	-	(17,914)	-	-	(15,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	970,979	215,144	(17,914)	1,212,750	775,385	391,921	116,405
NET CHANGE IN FUND BALANCES	566,104	283,030	(13,323)	(1,547)	(7,250)	(20,119)	(1,556)
FUND BALANCES, October 1	7,218,531	770,622	13,323	60,620	10,730	24,445	2,970
FUND BALANCES, September 30	\$ 7,784,635	\$ 1,053,652	\$ -	\$ 59,073	\$ 3,480	\$ 4,326	\$ 1,414

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

DEBT SERVICE FUNDS (continued)

	GUARANTEED ENTITLEMENT REFUNDING BONDS 2004	PENSION OBLIGATION BOND SERIES 2003A	PENSION OBLIGATION BOND SERIES 2003B	OTHER POST- EMPLOYMENT (OPEB) BONDS 2005	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2005	GPD ENERGY CONSERV. MASTER CAPITAL LEASE
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,040,563	1,117,983	-	2,170,986	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	6,583	13,086	19,137	44,390	13,694	317
TOTAL REVENUES	1,047,146	1,131,069	19,137	2,215,376	13,694	317
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	735,000	561,320	625,183	3,960,000	920,000	74,265
Interest and Fiscal Charges	309,362	1,364,455	2,638,738	953,583	805,469	27,127
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,044,362	1,925,775	3,263,921	4,913,583	1,725,469	101,392
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,784	(794,706)	(3,244,784)	(2,698,207)	(1,711,775)	(101,075)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	707,793	3,263,920	2,542,598	1,725,468	115,393
Transfers Out	-	-	(100,000)	-	(75,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	707,793	3,163,920	2,542,598	1,650,468	115,393
NET CHANGE IN FUND BALANCES	2,784	(86,913)	(80,864)	(155,609)	(61,307)	14,318
FUND BALANCES, October 1	96,868	124,376	136,374	275,103	119,307	6,741
FUND BALANCES, September 30	\$ 99,652	\$ 37,463	\$ 55,510	\$ 119,494	\$ 58,000	\$ 21,059

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	DEBT SERVICE FUNDS (concluded)		CAPITAL PROJECTS FUNDS		
	CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) 2009	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) SERIES 2010	GENERAL CAPITAL PROJECTS FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	AMERICAN RECOVERY AND REINVESTMENT ACT FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	698,726
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	(1,883)	1,686	162,319	947	-
TOTAL REVENUES	(1,883)	1,686	162,319	947	698,726
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	371,532	115,193	-	-	-
Interest and Fiscal Charges	582,673	106,040	-	-	-
Capital Outlay	-	-	1,507,311	-	691,783
TOTAL EXPENDITURES	954,205	221,233	1,507,311	-	691,783
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(956,088)	(219,547)	(1,344,992)	947	6,943
OTHER FINANCING SOURCES (USES)					
Transfers In	954,205	221,233	2,559,727	-	-
Transfers Out	-	-	(21,021)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	954,205	221,233	2,538,706	-	-
NET CHANGE IN FUND BALANCES	(1,883)	1,686	1,193,714	947	6,943
FUND BALANCES, October 1	83,860	10,539	5,667,059	54,876	-
FUND BALANCES, September 30	\$ 81,977	\$ 12,225	\$ 6,860,773	\$ 55,823	\$ 6,943

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)

	GREENSPACE ACQUISITION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	18,120	4	1,010	13	10
TOTAL REVENUES	18,120	4	1,010	13	10
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	919	1,841	3,353	2,380
TOTAL EXPENDITURES	-	919	1,841	3,353	2,380
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,120	(915)	(831)	(3,340)	(2,370)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	18,120	(915)	(831)	(3,340)	(2,370)
FUND BALANCES, October 1	1,049,381	915	66,904	3,340	2,370
FUND BALANCES, September 30	\$ 1,067,501	\$ -	\$ 66,073	\$ -	\$ -

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)

	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02	DOWNTOWN PARKING GARAGE FUND 02	FIFTH AVENUE/ PLEASANT ST. REHAB. PROJ. FUND 02
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	16,120	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	50	16	33,043	68	1,047
TOTAL REVENUES	50	16	49,163	68	1,047
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	3,953	512,615	6,497	34,213
TOTAL EXPENDITURES	-	3,953	512,615	6,497	34,213
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	50	(3,937)	(463,452)	(6,429)	(33,166)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	9,883	-	-
Transfers Out	-	-	-	(9,883)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	9,883	(9,883)	-
NET CHANGE IN FUND BALANCES	50	(3,937)	(453,569)	(16,312)	(33,166)
FUND BALANCES, October 1	20,279	3,937	2,285,152	16,312	105,508
FUND BALANCES, September 30	\$ 20,329	\$ -	\$ 1,831,583	\$ -	\$ 72,342

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

CAPITAL PROJECTS FUNDS (continued)

	DOWNTOWN PARKING GARAGE SALES TAX FUND	FFGFC 05 CAPITAL PROJECTS FUND	39TH AVENUE FLEET GARAGE EXPANSION FUND	CAPITAL IMPROVEMENT REVENUE BOND (CIRB) 2005 CIP FUND	KENNEDY HOMES ACQUISITION/ DEMOLITION FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	651	13,552	24,623	169,081	-
TOTAL REVENUES	651	13,552	24,623	169,081	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	1,865	106,840	259,754	3,612,700	-
TOTAL EXPENDITURES	1,865	106,840	259,754	3,612,700	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,214)	(93,288)	(235,131)	(3,443,619)	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	101,021	1,176	-	-
Transfers Out	-	-	-	(217,079)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	101,021	1,176	(217,079)	-
NET CHANGE IN FUND BALANCES	(1,214)	7,733	(233,955)	(3,660,698)	-
FUND BALANCES, October 1	39,404	869,217	1,591,140	10,795,095	711,036
FUND BALANCES, September 30	\$ 38,190	\$ 876,950	\$ 1,357,185	\$ 7,134,397	\$ 711,036

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	CAPITAL PROJECTS FUNDS (continued)			
	FFGFC 07 CAPITAL PROJECTS FUND	CAMPUS DEVELOPMENT AGREEMENT CAPITAL PROJECTS FUND	ENERGY CONSERVATION CAPITAL PROJECTS FUND	ADD'L 5 CENTS LOCAL OPTION GAS TAX (LOGT) CAPITAL PROJECTS FUND
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,889,036
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	(205)	261,769	4,291	67,700
TOTAL REVENUES	(205)	261,769	4,291	1,956,736
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	675,925	-	10,642
TOTAL EXPENDITURES	-	675,925	-	10,642
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(205)	(414,156)	4,291	1,946,094
OTHER FINANCING SOURCES (USES)				
Transfers In	7,538	-	-	-
Transfers Out	-	-	-	(1,004,045)
TOTAL OTHER FINANCING SOURCES (USES)	7,538	-	-	(1,004,045)
NET CHANGE IN FUND BALANCES	7,333	(414,156)	4,291	942,049
FUND BALANCES, October 1	(7,333)	15,731,948	277,392	3,206,561
FUND BALANCES, September 30	\$ -	\$ 15,317,792	\$ 281,683	\$ 4,148,610

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	CAPITAL PROJECTS FUNDS (continued)			
	ADD'L 5 CENTS GAS TAX (LOGT) CIRN 2009 CAPITAL PROJECTS FUND	TRAFFIC MANAGEMENT SYSTEM BLDG CAPITAL PROJECTS FUND	CAPITAL IMP REVENUE NOTE (CIRN) 2009 CAPITAL PROJECTS FUND	WILD SPACES PUBLIC PLACES 1/2 CENT SALES TAX CAPITAL PROJECTS FUND
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,208,257
Intergovernmental	-	-	-	149,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	99,366	(98)	30,277	89,034
TOTAL REVENUES	99,366	(98)	30,277	2,446,291
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	76,566	543,946	770,112	1,904,635
TOTAL EXPENDITURES	76,566	543,946	770,112	1,904,635
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,800	(544,044)	(739,835)	541,656
OTHER FINANCING SOURCES (USES)				
Transfers In	-	235,077	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	235,077	-	-
NET CHANGE IN FUND BALANCES	22,800	(308,967)	(739,835)	541,656
FUND BALANCES, October 1	5,848,092	458,108	2,410,535	3,802,424
FUND BALANCES, September 30	\$ 5,870,892	\$ 149,141	\$ 1,670,700	\$ 4,344,080

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	CAPITAL PROJECTS FUNDS (concluded)			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	WILD SPACES PUBLIC PLACES LAND ACQ. CAPITAL PROJECTS FUND	SENIOR RECREATION CENTER CAPITAL PROJECTS FUND	CAPITAL IMP REVENUE BOND (CIRB) 2010 CAPITAL PROJECTS FUND	
	\$	\$	\$	
	589,045	-	-	
REVENUES				
Taxes	\$ 589,045	\$ -	\$ -	\$ 8,453,318
Intergovernmental	-	3,156,523	-	17,717,346
Charges for Services	-	-	-	1,110,014
Fines and Forfeitures	-	-	-	1,364,545
Miscellaneous	43,797	(7,331)	53,824	2,734,336
TOTAL REVENUES	632,842	3,149,192	53,824	31,379,559
EXPENDITURES				
Current:				
General Government	-	-	-	314,992
Public Safety	-	-	-	3,490,629
Physical Environment	-	-	-	575,160
Transportation	-	-	-	2,778,659
Economic Environment	-	-	-	8,830,929
Human Services	-	-	-	1,027,266
Culture and Recreation	-	-	-	1,195,674
Debt Service:				
Principal	-	-	-	9,192,493
Interest and Fiscal Charges	-	-	-	7,489,706
Capital Outlay	456,994	4,057,699	127,273	15,369,816
TOTAL EXPENDITURES	456,994	4,057,699	127,273	50,265,324
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	175,848	(908,507)	(73,449)	(18,885,765)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	18,337,790
Transfers Out	-	(40,668)	-	(2,848,205)
TOTAL OTHER FINANCING SOURCES (USES)	-	(40,668)	-	15,489,585
NET CHANGE IN FUND BALANCES	175,848	(949,175)	(73,449)	(3,396,180)
FUND BALANCES, October 1	1,928,592	1,422,827	2,931,515	85,334,074
FUND BALANCES, September 30	\$ 2,104,440	\$ 473,652	\$ 2,858,066	\$ 81,937,894

(CONCLUDED)

CITY OF
GAINESVILLE

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CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 1,247,900	\$ -	\$ 1,247,900	\$ 2,929,277	\$ (1,681,377)
Charges for Services	2,450	-	2,450	2,450	-
Miscellaneous	8,460	-	8,460	8,460	-
TOTAL REVENUES	<u>1,258,810</u>	<u>-</u>	<u>1,258,810</u>	<u>2,940,187</u>	<u>(1,681,377)</u>
EXPENDITURES					
Public Safety	199,030	-	199,030	198,695	(335)
Physical Environment	95,717	36,818	132,535	276,991	144,456
Transportation	46,334	-	46,334	50,000	3,666
Economic Environment	727,933	36,162	764,095	1,236,163	472,068
Human Services	259,196	43,590	302,786	1,144,628	841,842
TOTAL EXPENDITURES	<u>1,328,210</u>	<u>116,570</u>	<u>1,444,780</u>	<u>2,906,477</u>	<u>1,461,697</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(69,400)</u>	<u>(116,570)</u>	<u>(185,970)</u>	<u>33,710</u>	<u>(219,680)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	98,000	-	98,000	98,000	-
Transfers Out	(28,600)	-	(28,600)	(28,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>69,400</u>	<u>-</u>	<u>69,400</u>	<u>69,400</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (116,570)</u>	<u>\$ (116,570)</u>	<u>\$ 103,110</u>	<u>\$ (219,680)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	\$ 144,539	\$ -	\$ 140,272	\$ 136,132	\$ 4,140
Investment Income	<u>12,212</u>	<u>-</u>	<u>16,479</u>	<u>20,619</u>	<u>(4,140)</u>
TOTAL REVENUES	156,751	-	156,751	156,751	-
<u>EXPENDITURES</u>					
Culture and Recreation	<u>13,292</u>	<u>-</u>	<u>13,292</u>	<u>867,656</u>	<u>854,364</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 143,459	\$ -	\$ 143,459	\$ (710,905)	\$ 854,364

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
HOME GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Intergovernmental	\$ 1,125,354	\$ -	\$ 1,125,354	\$ 2,816,141	\$ (1,690,787)
Miscellaneous	<u>194,434</u>	<u>-</u>	<u>194,434</u>	<u>194,434</u>	<u>-</u>
TOTAL REVENUES	1,319,788	-	1,319,788	3,010,575	(1,690,787)
<u>EXPENDITURES</u>					
Economic Environment	<u>1,316,455</u>	<u>145,361</u>	<u>1,461,816</u>	<u>3,007,299</u>	<u>1,545,483</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,333	(145,361)	(142,028)	3,276	(145,304)
<u>OTHER FINANCING USES</u>					
Transfer Out	<u>(3,333)</u>	<u>-</u>	<u>(3,333)</u>	<u>(3,333)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ -	\$ (145,361)	\$ (145,361)	\$ (57)	\$ (145,304)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CULTURAL AND NATURE PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Entry Fees and Ticket Sales	\$ 368,489	\$ -	\$ 368,489	\$ 393,512	\$ (25,023)
Miscellaneous:					
Donations	28,155	-	28,155	30,100	(1,945)
Other Miscellaneous	14,410	-	14,410	17,966	(3,556)
Total Miscellaneous	42,565	-	42,565	48,066	(5,501)
TOTAL REVENUES	411,054	-	411,054	441,578	(30,524)
 <u>EXPENDITURES</u>					
Culture and Recreation	385,035	-	385,035	436,764	51,729
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,019	-	26,019	4,814	21,205
 <u>OTHER FINANCING USES</u>					
Transfers Out	(2,722)	-	(2,722)	(5,826)	3,104
 NET CHANGE IN FUND BALANCES	 \$ 23,297	 \$ -	 \$ 23,297	 \$ (1,012)	 \$ 24,309

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STATE LAW ENFORCEMENT AND CONTRABAND FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	48,244	-	48,244	10,319	37,925
Miscellaneous:					
Investment Income	2,557	-	2,557	-	2,557
Other Miscellaneous	13,754	-	13,754	-	13,754
Total Miscellaneous	16,311	-	16,311	-	16,311
TOTAL REVENUES	64,555	-	64,555	10,319	54,236
<u>EXPENDITURES</u>					
Public Safety	97,098	-	97,098	159,652	62,554
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (32,543)	\$ -	\$ (32,543)	\$ (149,333)	\$ 116,790

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT AND CONTRABAND FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	\$ 1,230,947	\$ -	\$ 1,230,947	\$ -	\$ 1,230,947
Miscellaneous:					
Investment Income	<u>83,414</u>	<u>-</u>	<u>83,414</u>	<u>-</u>	<u>83,414</u>
TOTAL REVENUES	1,314,361	-	1,314,361	-	1,314,361
<u>EXPENDITURES</u>					
Public Safety	<u>250,787</u>	<u>-</u>	<u>250,787</u>	<u>525,997</u>	<u>275,210</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,063,574	-	1,063,574	(525,997)	1,589,571
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(199,224)</u>	<u>-</u>	<u>(199,224)</u>	<u>(2,030,371)</u>	<u>1,831,147</u>
NET CHANGE IN FUND BALANCES	\$ 864,350	\$ -	\$ 864,350	\$ (2,556,368)	\$ 3,420,718

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
POLICE BILLABLE OVERTIME FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Billable Overtime	\$ 538,731	\$ -	\$ 538,731	\$ 670,000	\$ (131,269)
 <u>EXPENDITURES</u>					
Public Safety	<u>650,228</u>	<u>-</u>	<u>650,228</u>	<u>665,770</u>	<u>15,542</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>\$ (111,497)</u>	 <u>\$ -</u>	 <u>\$ (111,497)</u>	 <u>\$ 4,230</u>	 <u>\$ (115,727)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Rental Income	\$ 260,158	\$ -	\$ 260,158	\$ 193,000	\$ 67,158
Investment Income	<u>2,505</u>	<u>-</u>	<u>2,505</u>	<u>4,500</u>	<u>(1,995)</u>
Total Miscellaneous Revenue	<u>262,663</u>	<u>-</u>	<u>262,663</u>	<u>197,500</u>	<u>65,163</u>
TOTAL REVENUES	262,663	-	262,663	197,500	65,163
<u>EXPENDITURES</u>					
Economic Environment	<u>307,961</u>	<u>-</u>	<u>307,961</u>	<u>308,188</u>	<u>227</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,298)	-	(45,298)	(110,688)	65,390
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (170,298)</u>	<u>\$ -</u>	<u>\$ (170,298)</u>	<u>\$ (235,688)</u>	<u>\$ 65,390</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
EVERGREEN CEMETERY TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	\$ 7,819	\$ -	\$ 7,819	\$ 15,000	\$ (7,181)
Miscellaneous:					
Investment Income	<u>18,053</u>	<u>-</u>	<u>18,053</u>	<u>48,451</u>	<u>(30,398)</u>
TOTAL REVENUES	25,872	-	25,872	63,451	(37,579)
 <u>EXPENDITURES</u>					
Physical Environment:	<u>26,190</u>	<u>-</u>	<u>26,190</u>	<u>26,190</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(318)	-	(318)	37,261	(37,579)
 <u>OTHER FINANCING USES</u>					
Transfers Out	<u>(103,591)</u>	<u>-</u>	<u>(103,591)</u>	<u>(103,591)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ (103,909)</u>	 <u>\$ -</u>	 <u>\$ (103,909)</u>	 <u>\$ (66,330)</u>	 <u>\$ (37,579)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
THOMAS CENTER TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(110)</u>	<u>-</u>	<u>(110)</u>	<u>(110)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ (110)</u>	<u>\$ (110)</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SCHOOL CROSSING GUARD TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	\$ 28,980	\$ -	\$ 28,980	\$ 21,635	\$ 7,345
Miscellaneous:					
Investment Income	<u>1,180</u>	<u>-</u>	<u>1,180</u>	<u>-</u>	<u>1,180</u>
TOTAL REVENUES	30,160	-	30,160	21,635	8,525
<u>EXPENDITURES</u>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	30,160	-	30,160	21,635	8,525
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(21,635)</u>	<u>-</u>	<u>(21,635)</u>	<u>(21,635)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 8,525</u>	<u>\$ -</u>	<u>\$ 8,525</u>	<u>\$ -</u>	<u>\$ 8,525</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ART IN PUBLIC PLACES TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<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	\$ 1,102	\$ -	\$ 1,102	\$ -	\$ 1,102
TOTAL REVENUES	1,102	-	1,102	-	1,102
<u>EXPENDITURES</u>					
Culture and Recreation	136,957	-	136,957	213,758	76,801
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(135,855)	-	(135,855)	(213,758)	77,903
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	72,691	-	72,691	72,691	-
Transfers Out	(9,000)	-	(9,000)	(9,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	63,691	-	63,691	63,691	-
NET CHANGE IN FUND BALANCES	\$ (72,164)	\$ -	\$ (72,164)	\$ (150,067)	\$ 77,903

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC - SERIES 1996
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 4,591	\$ 1,011	\$ 3,580
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,591	1,011	3,580
 <u>OTHER FINANCING USES</u>			
Transfers Out	<u>(17,914)</u>	<u>(17,914)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ (13,323)</u>	 <u>\$ (16,903)</u>	 <u>\$ 3,580</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC - SERIES 1998
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 3,249</u>	<u>\$ 8,000</u>	<u>\$ (4,751)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	1,100,000	1,100,000	-
Interest and Fiscal Charges	<u>117,546</u>	<u>120,750</u>	<u>3,204</u>
TOTAL EXPENDITURES	<u>1,217,546</u>	<u>1,220,750</u>	<u>3,204</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,214,297)	(1,212,750)	(1,547)
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>1,212,750</u>	<u>1,212,750</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,547)</u>	<u>\$ -</u>	<u>\$ (1,547)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2002
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 1,106</u>	<u>\$ 5,000</u>	<u>\$ (3,894)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	440,000	440,000	-
Interest and Fiscal Charges	<u>343,741</u>	<u>344,385</u>	<u>644</u>
TOTAL EXPENDITURES	<u>783,741</u>	<u>784,385</u>	<u>644</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(782,635)	(779,385)	(3,250)
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>775,385</u>	<u>775,385</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (7,250)</u>	<u>\$ (4,000)</u>	<u>\$ (3,250)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2005
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ <u>796</u>	\$ <u>-</u>	\$ <u>796</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	230,000	230,000	-
Interest and Fiscal Charges	<u>182,836</u>	<u>184,922</u>	<u>2,086</u>
TOTAL EXPENDITURES	<u>412,836</u>	<u>414,922</u>	<u>2,086</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(412,040)</u>	 <u>(414,922)</u>	 <u>2,882</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	406,921	406,921	-
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>391,921</u>	<u>391,921</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u><u>\$ (20,119)</u></u>	 <u><u>\$ (23,001)</u></u>	 <u><u>\$ 2,882</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2007
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 175</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	60,000	60,000	-
Interest and Fiscal Charges	<u>58,136</u>	<u>59,405</u>	<u>1,269</u>
TOTAL EXPENDITURES	<u>118,136</u>	<u>119,405</u>	<u>1,269</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (117,961)	 (119,405)	 1,444
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>116,405</u>	<u>116,405</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u><u>\$ (1,556)</u></u>	 <u><u>\$ (3,000)</u></u>	 <u><u>\$ 1,444</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 2004
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental:			
State Revenue Sharing	\$ 1,040,563	\$ 1,040,563	\$ -
Miscellaneous:			
Investment Income	<u>6,583</u>	<u>4,500</u>	<u>2,083</u>
TOTAL REVENUES	<u>1,047,146</u>	<u>1,045,063</u>	<u>2,083</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	735,000	735,000	-
Interest and Fiscal Charges	<u>309,362</u>	<u>310,063</u>	<u>701</u>
TOTAL EXPENDITURES	<u>1,044,362</u>	<u>1,045,063</u>	<u>701</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,784</u>	<u>\$ -</u>	<u>\$ 2,784</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003A
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental:			
Local Cost Sharing - GRU	\$ 1,101,288	\$ 1,101,288	\$ -
Other Local Cost Sharing	<u>16,695</u>	<u>16,695</u>	<u>-</u>
Total Intergovernmental	1,117,983	1,117,983	-
Miscellaneous:			
Investment Income	<u>13,086</u>	<u>4,178</u>	<u>8,908</u>
TOTAL REVENUES	<u>1,131,069</u>	<u>1,122,161</u>	<u>8,908</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	561,320	561,321	1
Interest & Fiscal Charges	<u>1,364,455</u>	<u>1,364,455</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,925,775</u>	<u>1,925,776</u>	<u>1</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(794,706)	(803,615)	8,909
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>707,793</u>	<u>707,793</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (86,913)</u>	<u>\$ (95,822)</u>	<u>\$ 8,909</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003B
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 19,137</u>	<u>\$ 1,002</u>	<u>\$ 18,135</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	625,183	625,184	1
Interest & Fiscal Charges	<u>2,638,738</u>	<u>2,638,738</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,263,921</u>	<u>3,263,922</u>	<u>1</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,244,784)</u>	<u>(3,262,920)</u>	<u>18,136</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	3,263,920	3,263,920	-
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,163,920</u>	<u>3,163,920</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (80,864)</u>	<u>\$ (99,000)</u>	<u>\$ 18,136</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
OTHER POST EMPLOYMENT (OPEB) BONDS 2005
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental:			
Local Cost Sharing - GRU	\$ 2,138,565	\$ 2,138,565	\$ -
Other Local Cost Sharing	<u>32,421</u>	<u>32,421</u>	<u>-</u>
Total Intergovernmental	2,170,986	2,170,986	-
Miscellaneous:			
Investment Income	<u>44,390</u>	<u>8,469</u>	<u>35,921</u>
TOTAL REVENUES	<u>2,215,376</u>	<u>2,179,455</u>	<u>35,921</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	3,960,000	3,960,000	-
Interest and Fiscal Charges	<u>953,583</u>	<u>957,585</u>	<u>4,002</u>
TOTAL EXPENDITURES	<u>4,913,583</u>	<u>4,917,585</u>	<u>4,002</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,698,207)	(2,738,130)	39,923
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>2,542,598</u>	<u>2,542,598</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (155,609)</u>	<u>\$ (195,532)</u>	<u>\$ 39,923</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE BOND (CIRB) - SERIES 2005
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 13,694</u>	<u>\$ 1,001</u>	<u>\$ 12,693</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	920,000	920,000	-
Interest and Fiscal Charges	<u>805,469</u>	<u>806,469</u>	<u>1,000</u>
TOTAL EXPENDITURES	<u>1,725,469</u>	<u>1,726,469</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,711,775)</u>	<u>(1,725,468)</u>	<u>13,693</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	1,725,468	1,725,468	-
Transfers Out	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,650,468</u>	<u>1,650,468</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (61,307)</u>	<u>\$ (75,000)</u>	<u>\$ 13,693</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GPD ENERGY CONSERVATION MASTER LEASE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 317</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	74,265	74,008	(257)
Interest and Fiscal Charges	<u>27,127</u>	<u>27,686</u>	<u>559</u>
TOTAL EXPENDITURES	<u>101,392</u>	<u>101,694</u>	<u>302</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (101,075)	 (101,694)	 619
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>115,393</u>	<u>115,393</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ 14,318</u>	 <u>\$ 13,699</u>	 <u>\$ 619</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE NOTE (CIRN) - SERIES 2009
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income (Loss)	<u>\$ (1,883)</u>	<u>\$ 500</u>	<u>\$ (2,383)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	371,532	371,532	-
Interest and Fiscal Charges	<u>582,673</u>	<u>582,673</u>	<u>-</u>
TOTAL EXPENDITURES	<u>954,205</u>	<u>954,205</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(956,088)	(953,705)	(2,383)
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>954,205</u>	<u>954,205</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,883)</u>	<u>\$ 500</u>	<u>\$ (2,383)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE BOND (CIRB) - SERIES 2010
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	<u>\$ 1,686</u>	<u>\$ -</u>	<u>\$ 1,686</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	115,193	115,193	-
Interest and Fiscal Charges	<u>106,040</u>	<u>106,040</u>	<u>-</u>
TOTAL EXPENDITURES	<u>221,233</u>	<u>221,233</u>	<u>-</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (219,547)	 (221,233)	 1,686
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>221,233</u>	<u>221,233</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ 1,686</u>	 <u>\$ -</u>	 <u>\$ 1,686</u>

ENTERPRISE FUNDS

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

The City maintains the following non-major Enterprise Funds:

Regional Transit System Fund - to account for the operations of the City's mass transit system, funded by user fees and state and federal grants.

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

Ironwood Golf Course Fund - to account for the operations of the City owned golf course, funded by user fees.

Florida Building Code Enforcement Fund – to account for the operations of the City's code enforcement operations, funded by building permit revenues.

Solid Waste Fund - to account for the City's refuse and recycling collection program. The refuse and recycling collections are performed by private contractors and are funded through user fees.

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2011

	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,850	\$ -	\$ 125
Equity in Pooled Cash and Investments	-	5,038,240	-
Receivables	4,832,599	847,513	1,400
Due from Other Funds	-	6,430,474	-
Inventories	733,167	-	68,351
Total Current Assets	<u>5,570,616</u>	<u>12,316,227</u>	<u>69,876</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	3,489,563	588,579	448,413
Improvements other than buildings	871,363	-	1,383,231
Machinery and equipment	15,604,925	231,042	94,360
Infrastructure	-	9,010,318	-
Capital Assets (not depreciated):			
Land	1,311,611	3,230,593	520,265
Construction in progress	317,889	6,229,759	-
Total Noncurrent Assets	<u>21,595,351</u>	<u>19,290,291</u>	<u>2,446,269</u>
TOTAL ASSETS	<u>27,165,967</u>	<u>31,606,518</u>	<u>2,516,145</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	321,323	44,347	12,039
Accounts Payable - Payroll	436,670	84,094	8,521
Due to Other Funds	3,576,251	-	2,293,293
Current Portion of Long-term Debt	14,932	279,878	50,259
Total Current Liabilities	<u>4,349,176</u>	<u>408,319</u>	<u>2,364,112</u>
Noncurrent Liabilities:			
Long-Term Debt	373,288	1,472,075	1,224,768
Total Noncurrent Liabilities	<u>373,288</u>	<u>1,472,075</u>	<u>1,224,768</u>
TOTAL LIABILITIES	<u>4,722,464</u>	<u>1,880,394</u>	<u>3,588,880</u>
 <u>NET ASSETS</u>			
Invested in capital assets, Net of Related Debt	21,595,351	17,589,087	1,182,983
Restricted for:			
RTS Grant	468,600	-	-
Unrestricted	379,552	12,137,037	(2,255,718)
TOTAL NET ASSETS	<u>\$ 22,443,503</u>	<u>\$ 29,726,124</u>	<u>\$ (1,072,735)</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2011

	<u>FLORIDA BUILDING CODE ENFORCEMENT FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ 4,975
Equity in Pooled Cash and Investments	3,447,247	1,932,989	10,418,476
Receivables	-	305,721	5,987,233
Due from Other Funds	9,100	535,797	6,975,371
Inventories	-	-	801,518
Total Current Assets	<u>3,456,347</u>	<u>2,774,507</u>	<u>24,187,573</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	-	546,296	5,072,851
Improvements other than buildings	-	-	2,254,594
Machinery and equipment	16,849	2,636	15,949,812
Infrastructure	-	-	9,010,318
Capital Assets (not depreciated):			
Land	-	100,989	5,163,458
Construction in progress	-	-	6,547,648
Total Noncurrent Assets	<u>16,849</u>	<u>649,921</u>	<u>43,998,681</u>
TOTAL ASSETS	<u>3,473,196</u>	<u>3,424,428</u>	<u>68,186,254</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	77,920	490,061	945,690
Accounts Payable - Payroll	52,978	28,476	610,739
Due to Other Funds	-	-	5,869,544
Current Portion of Long-term Debt	<u>3,381</u>	<u>25,221</u>	<u>373,671</u>
Total Current Liabilities	134,279	543,758	7,799,644
Noncurrent Liabilities:			
Long-Term Debt	<u>84,515</u>	<u>726,218</u>	<u>3,880,864</u>
Total Noncurrent Liabilities	<u>84,515</u>	<u>726,218</u>	<u>3,880,864</u>
TOTAL LIABILITIES	<u>218,794</u>	<u>1,269,976</u>	<u>11,680,508</u>
 <u>NET ASSETS</u>			
Invested in capital assets, Net of Related Debt	16,849	649,921	41,034,191
Restricted for:			
RTS Grant	-	-	468,600
Unrestricted	<u>3,237,553</u>	<u>1,504,531</u>	<u>15,002,955</u>
TOTAL NET ASSETS	<u>\$ 3,254,402</u>	<u>\$ 2,154,452</u>	<u>\$ 56,505,746</u>

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
<u>OPERATING REVENUES</u>			
Sales and Service Charges	\$ 12,530,142	\$ 6,814,457	\$ 947,474
Other Operating Revenues	220,990	-	-
TOTAL OPERATING REVENUES	<u>12,751,132</u>	<u>6,814,457</u>	<u>947,474</u>
<u>OPERATING EXPENSES</u>			
Operations and Maintenance	16,699,914	3,973,048	776,403
Administrative and General	1,125,323	891,262	485,918
Depreciation and Amortization	2,876,049	272,648	127,909
TOTAL OPERATING EXPENSES	<u>20,701,286</u>	<u>5,136,958</u>	<u>1,390,230</u>
OPERATING INCOME (LOSS)	<u>(7,950,154)</u>	<u>1,677,499</u>	<u>(442,756)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Investment Income /(Loss)	(64,386)	26,619	(41,880)
Interest Expense	-	(76,329)	(45,849)
Gain/(Loss) on Disposal of Capital Assets	48,605	-	-
Local Option Gas Tax	1,774,475	-	-
Operating Grants	4,874,667	1,011,936	-
TOTAL NON OPERATING REVENUE(EXPENSES)	<u>6,633,361</u>	<u>962,226</u>	<u>(87,729)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,316,793)</u>	<u>2,639,725</u>	<u>(530,485)</u>
Capital Contributions	181,330	393,447	15,994
Transfers In	540,785	-	1,015,716
Transfers Out	(533,347)	(435,964)	(231,685)
CHANGE IN NET ASSETS	<u>(1,128,025)</u>	<u>2,597,208</u>	<u>269,540</u>
TOTAL NET ASSETS			
October 1	<u>23,571,528</u>	<u>27,128,916</u>	<u>(1,342,275)</u>
TOTAL NET ASSETS			
September 30	<u>\$ 22,443,503</u>	<u>\$ 29,726,124</u>	<u>\$ (1,072,735)</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<u>OPERATING REVENUES</u>			
Sales and Service Charges	\$ 1,886,656	\$ 8,451,775	\$ 30,630,504
Other Operating Revenues	-	-	220,990
TOTAL OPERATING REVENUES	<u>1,886,656</u>	<u>8,451,775</u>	<u>30,851,494</u>
<u>OPERATING EXPENSES</u>			
Operations and Maintenance	1,855,692	7,033,168	30,338,225
Administrative and General	248,822	256,427	3,007,752
Depreciation and Amortization	214,534	8,720	3,499,860
TOTAL OPERATING EXPENSES	<u>2,319,048</u>	<u>7,298,315</u>	<u>36,845,837</u>
OPERATING INCOME (LOSS)	<u>(432,392)</u>	<u>1,153,460</u>	<u>(5,994,343)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Investment Income /(Loss)	43,437	31,657	(4,553)
Interest Expense	-	(53,447)	(175,625)
Gain/(Loss) on Disposal of Capital Assets	-	-	48,605
Local Option Gas Tax	-	-	1,774,475
Operating Grants	-	-	5,886,603
TOTAL NON OPERATING REVENUE(EXPENSES)	<u>43,437</u>	<u>(21,790)</u>	<u>7,529,505</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(388,955)</u>	<u>1,131,670</u>	<u>1,535,162</u>
Capital Contributions	-	-	590,771
Transfers In	50,000	6,400	1,612,901
Transfers Out	(77,990)	(729,370)	(2,008,356)
CHANGE IN NET ASSETS	<u>(416,945)</u>	<u>408,700</u>	<u>1,730,478</u>
TOTAL NET ASSETS			
October 1	<u>3,671,347</u>	<u>1,745,752</u>	<u>54,775,268</u>
TOTAL NET ASSETS			
September 30	<u>\$ 3,254,402</u>	<u>\$ 2,154,452</u>	<u>\$ 56,505,746</u>

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 12,302,082	\$ 7,341,545	\$ 947,474
Cash Paid to Suppliers	(7,448,278)	(3,044,923)	(1,055,902)
Cash Paid to Employees	(9,820,376)	(2,620,800)	(245,757)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(4,966,572)</u>	<u>1,675,822</u>	<u>(354,185)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	1,774,475	-	-
Operating Grants	4,693,337	618,489	(15,994)
Interest Paid	(64,386)	-	(41,880)
Transfers from Other Funds	540,785	-	1,015,716
Transfers to Other Funds	(533,347)	(435,964)	(231,685)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>6,410,864</u>	<u>182,525</u>	<u>726,157</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Repayments on Long-Term Debt	-	(271,869)	(49,807)
Gain/(Loss) from Sale of Capital Assets	48,605	-	-
Interest Paid on Long-Term Debt	-	(76,329)	(45,849)
Capital Contributions	181,330	393,447	15,994
Acquisition and Construction of Capital Assets	(1,669,527)	(1,063,609)	(295,585)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,439,592)</u>	<u>(1,018,360)</u>	<u>(375,247)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	-	26,619	-
Purchase of Investments	-	(3,234,046)	-
Proceeds from Investment Maturities	-	767,581	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>(2,439,846)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	4,700	(1,599,859)	(3,275)
CASH - OCTOBER 1	<u>150</u>	<u>3,404,053</u>	<u>3,400</u>
CASH - SEPTEMBER 30	<u>\$ 4,850</u>	<u>\$ 1,804,194</u>	<u>\$ 125</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 1,886,656	\$ 8,448,663	\$ 30,926,420
Cash Paid to Suppliers	(484,017)	(6,564,328)	(18,597,448)
Cash Paid to Employees	(1,615,611)	(725,895)	(15,028,439)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(212,972)</u>	<u>1,158,440</u>	<u>(2,699,467)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Local Option Gas Tax	-	-	1,774,475
Operating Grants	-	-	5,295,832
Interest Paid	-	-	(106,266)
Transfers from Other Funds	50,000	6,400	1,612,901
Transfers to Other Funds	(77,990)	(729,370)	(2,008,356)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	<u>(27,990)</u>	<u>(722,970)</u>	<u>6,568,586</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Repayments on Long-Term Debt	-	(24,234)	(345,910)
Gain/(Loss) from Sale of Capital Assets	-	-	48,605
Interest Paid on Long-Term Debt	-	(53,447)	(175,625)
Capital Contributions	-	-	590,771
Acquisition and Construction of Capital Assets	14,338	(260,631)	(3,275,014)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>14,338</u>	<u>(338,312)</u>	<u>(3,157,173)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Received	43,437	31,657	101,713
Purchase of Investments	(2,212,788)	(1,240,786)	(6,687,620)
Proceeds from Investment Maturities	668,000	331,968	1,767,549
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,501,351)</u>	<u>(877,161)</u>	<u>(4,818,358)</u>
NET INCREASE (DECREASE) IN CASH	(1,727,975)	(780,003)	(4,106,412)
CASH - OCTOBER 1	<u>2,962,434</u>	<u>1,472,206</u>	<u>7,842,243</u>
CASH - SEPTEMBER 30	<u>\$ 1,234,459</u>	<u>\$ 692,203</u>	<u>\$ 3,735,831</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
OPERATING INCOME (LOSS)	\$ (7,950,154)	\$ 1,677,499	\$ (442,756)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	2,876,049	272,648	127,909
(Increase)/Decrease in Receivables	(449,050)	527,088	-
(Increase)/Decrease in Due from Other Funds	-	(758,178)	-
(Increase)/Decrease in Inventories	(68,354)	-	3,647
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	54,146	(43,235)	(69,858)
Increase/(Decrease) in Due to Other Funds	570,791	-	26,873
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (4,966,572)	\$ 1,675,822	\$ (354,185)

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

Cash	\$ 4,850	\$ 1,804,194	\$ 125
Investments	-	3,234,046	-
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 4,850	\$ 5,038,240	\$ 125

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Contribution of Capital Assets	\$ -	\$ -	\$ -
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CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	FLORIDA BUILDING CODE ENFORCEMENT FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING INCOME (LOSS)	\$ (432,392)	\$ 1,153,460	\$ (5,994,343)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation and Amortization	214,534	8,720	3,499,860
(Increase)/Decrease in Receivables	-	(3,112)	74,926
(Increase)/Decrease in Due from Other Funds	(9,100)	(9,021)	(776,299)
(Increase)/Decrease in Inventories	-	-	(64,707)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	13,986	8,393	(36,568)
Increase/(Decrease) in Due to Other Funds	-	-	597,664
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (212,972)</u>	<u>\$ 1,158,440</u>	<u>\$ (2,699,467)</u>

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

Cash	\$ 1,234,459	\$ 692,203	\$ 3,735,831
Investments	<u>2,212,788</u>	<u>1,240,786</u>	<u>6,687,620</u>
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	<u>\$ 3,447,247</u>	<u>\$ 1,932,989</u>	<u>\$ 10,423,451</u>

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Contribution of Capital Assets	\$ -	\$ -	\$ -
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INTERNAL SERVICE FUNDS

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

The City maintains the following Internal Service Funds:

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

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2011

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 88,000	\$ -	\$ 88,000
Equity in Pooled Cash and Investments	12,547,449	6,669,540	7,455,624	26,672,613
Receivables	-	642,131	823	642,954
Due from Other Funds	-	-	243,163	243,163
Inventories	-	-	121,671	121,671
Prepaid Expenses	8,893	-	-	8,893
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	12,556,342	7,399,671	7,821,281	27,777,294
Noncurrent Assets:				
Capital Assets (net of accumulated depreciation):				
Buildings	-	-	13,025	13,025
Machinery and Equipment	26,131	720	6,503,718	6,530,569
Capital Assets (non depreciable):				
Land	-	-	1,738,292	1,738,292
Construction in Progress	-	-	248,665	248,665
	<hr/>	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	26,131	720	8,503,700	8,530,551
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	12,582,473	7,400,391	16,324,981	36,307,845
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	6,865,506	1,231,434	169,648	8,266,588
Accounts Payable - Payroll	39,655	4,830	55,432	99,917
Due to Other Funds	643,798	-	-	643,798
Current Portion of Long Term Debt	1,645	52	2,881	4,578
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	7,550,604	1,236,316	227,961	9,014,881
Noncurrent Liabilities:				
Long-Term Debt	41,117	1,304	72,013	114,434
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	7,591,721	1,237,620	299,974	9,129,315
<u>NET ASSETS</u>				
Invested in Capital Assets	26,131	720	8,503,700	8,530,551
Unrestricted	4,964,621	6,162,051	7,521,307	18,647,979
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 4,990,752	\$ 6,162,771	\$ 16,025,007	\$ 27,178,530
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>OPERATING REVENUES</u>				
Sales and Service Charges	\$ 6,531,439	\$ 5,202,271	\$ 6,987,300	\$ 18,721,010
Employer Contributions	-	10,038,772	-	10,038,772
Employee Contributions	-	5,195,031	-	5,195,031
Other Operating Revenues	40,272	317,252	1,558	359,082
TOTAL OPERATING REVENUES	6,571,711	20,753,326	6,988,858	34,313,895
<u>OPERATING EXPENSES</u>				
Operations and Maintenance	5,481,054	-	4,454,942	9,935,996
Administrative and General	906,589	331,064	718,038	1,955,691
Depreciation and Amortization	12,042	1,181	1,868,074	1,881,297
Benefits Paid and Other Expenses	-	16,919,699	-	16,919,699
TOTAL OPERATING EXPENSES	6,399,685	17,251,944	7,041,054	30,692,683
OPERATING INCOME (LOSS)	172,026	3,501,382	(52,196)	3,621,212
<u>NON OPERATING REVENUES</u>				
Interest Income	208,871	87,355	42,029	338,255
TOTAL NON OPERATING REVENUES	208,871	87,355	42,029	338,255
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	380,897	3,588,737	(10,167)	3,959,467
Capital Contributions	7,961	-	431,525	439,486
Transfers In	-	-	115,575	115,575
Transfers Out	(49,823)	(6,831)	(70,478)	(127,132)
CHANGE IN NET ASSETS	339,035	3,581,906	466,455	4,387,396
TOTAL NET ASSETS, October 1	4,651,717	2,580,865	15,558,552	22,791,134
TOTAL NET ASSETS, September 30	\$ 4,990,752	\$ 6,162,771	\$ 16,025,007	\$ 27,178,530

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 6,531,439	\$ 20,111,195	\$ 6,986,575	\$ 33,629,209
Cash Paid to Suppliers	(5,264,539)	(18,008,950)	(3,748,660)	(27,022,149)
Cash Paid to Employees	(1,123,460)	(85,074)	(1,418,259)	(2,626,793)
Other Operating Receipts/Payments	40,272	-	1,558	41,830
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	183,712	2,017,171	1,821,214	4,022,097
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers from Other Funds	-	-	115,575	115,575
Transfers to Other Funds	(49,823)	(6,831)	(70,478)	(127,132)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(49,823)	(6,831)	45,097	(11,557)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition and Construction of Capital Assets	(1,800)	-	(1,432,599)	(1,434,399)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,800)	-	(1,432,599)	(1,434,399)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Received	208,871	87,355	42,029	338,255
Purchase of Investments	(8,054,208)	(4,281,178)	(4,785,765)	(17,121,151)
Proceeds from Investment Maturities	2,245,994	841,219	1,284,298	4,371,511
NET CASH (USED) BY INVESTING ACTIVITIES	(5,599,343)	(3,352,604)	(3,459,438)	(12,411,385)
NET DECREASE IN CASH	(5,467,254)	(1,342,264)	(3,025,726)	(9,835,244)
CASH - OCTOBER 1	9,960,495	3,818,626	5,695,585	19,474,706
CASH - SEPTEMBER 30	\$ 4,493,241	\$ 2,476,362	\$ 2,669,859	\$ 9,639,462

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>GENERAL INSURANCE FUND</u>	<u>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)	\$ 172,026	\$ 3,501,382	\$ (52,196)	\$ 3,621,212
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation and Amortization	12,042	1,181	1,868,074	1,881,297
(Increase)/Decrease in Receivables	-	(642,131)	(725)	(642,856)
(Increase)/Decrease in Due from Other Funds	193,173	-	(40,050)	153,123
(Increase)/Decrease in Inventories	-	-	(14,659)	(14,659)
(Increase)/Decrease in Prepaid Expenses	9,430	-	-	9,430
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(846,757)	(843,261)	60,770	(1,629,248)
Increase/(Decrease) in Due to Other Funds	643,798	-	-	643,798
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 183,712	\$ 2,017,171	\$ 1,821,214	\$ 4,022,097
 <u>RECONCILIATION OF CASH TO STATEMENT OF NET ASSETS</u>				
Cash	\$ 4,493,241	\$ 2,476,362	\$ 2,669,859	\$ 9,639,462
Investments	8,054,208	4,281,178	4,785,765	17,121,151
TOTAL CASH AND EQUITY IN POOL PER STATEMENT OF NET ASSETS	\$ 12,547,449	\$ 6,757,540	\$ 7,455,624	\$ 26,760,613
 <u>NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES</u>				
Contribution of Capital Assets	\$ 7,961	\$ -	\$ 431,525	\$ 439,486

(concluded)

FIDUCIARY FUNDS

TRUST FUNDS

Trust Funds are used to account for public employee retirement systems and the other post-employment benefit trust fund.

The City maintains the following Trust Funds:

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

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

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

Other Post-Employment Benefits (OPEB) Fund - to account for the accumulation of resources to be used for the City's portion of the premium cost for providing health insurance to the City's retired employees participating in the OPEB plan.

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OPEB TRUST FUNDS
SEPTEMBER 30, 2011

	EMPLOYEES PENSION FUND	EMPLOYEES DISABILITY PENSION FUND	POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT FUND	OTHER POST- EMPLOYMENT BENEFITS (OPEB) FUND	TOTALS
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 3,237,329	\$ 233,058	\$ 2,249,625	\$ 1,782,693	\$ 7,502,705
Equity in Pooled Cash and Investments	399,886	458,346	815,404	1,541,376	3,215,012
Receivables	-	-	1,182,142	-	1,182,142
Investments, at fair value:					
Equities	180,708,323	3,699,585	114,596,995	30,221,519	329,226,422
Real Estate	19,165,598	-	9,437,131	-	28,602,729
Alternative Investments	24,319,780	493,517	13,885,982	4,301,290	43,000,569
Fixed Income:					
Government Bonds	359,629	201,719	824,019	1,680,772	3,066,139
Corporate Bonds	3,187,913	-	5,141,257	-	8,329,170
Mortgage & Asset Backed Securities	964,364	568,834	1,234,974	4,707,455	7,475,627
Total investments, at fair value:	<u>228,705,607</u>	<u>4,963,655</u>	<u>145,120,358</u>	<u>40,911,036</u>	<u>419,700,656</u>
Investment Adjustments:					
Dividends Receivable	95,009	-	68,766	-	163,775
Interest Receivable	50,192	-	82,632	-	132,824
Receivable for Investments Sold	192,709	-	435,485	-	628,194
Payable for Investments Purchased	(170,118)	-	(538,231)	-	(708,349)
Total investment adjustments	<u>167,792</u>	<u>-</u>	<u>48,652</u>	<u>-</u>	<u>216,444</u>
TOTAL ASSETS	<u>232,510,614</u>	<u>5,655,059</u>	<u>149,416,181</u>	<u>44,235,105</u>	<u>431,816,959</u>
 <u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	<u>7,163</u>	<u>1,337</u>	<u>189,596</u>	<u>5,543</u>	<u>203,639</u>
TOTAL LIABILITIES	<u>7,163</u>	<u>1,337</u>	<u>189,596</u>	<u>5,543</u>	<u>203,639</u>
 NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS					
	<u>\$ 232,503,451</u>	<u>\$ 5,653,722</u>	<u>\$ 149,226,585</u>	<u>\$ 44,229,562</u>	<u>\$ 431,613,320</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OPEB TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>EMPLOYEES PENSION FUND</u>	<u>EMPLOYEES DISABILITY PENSION FUND</u>	<u>POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT FUND</u>	<u>OTHER POST- EMPLOYMENT BENEFITS (OPEB) FUND</u>	<u>TOTALS</u>
<u>ADDITIONS:</u>					
Contributions:					
Employer Contributions:					
Required	\$ 8,837,192	\$ 482,331	\$ 2,299,444	\$ 1,979,375	\$ 13,598,342
State on Behalf Payments, through General Fund	-	-	1,182,142	-	1,182,142
Total Employer Contributions	<u>8,837,192</u>	<u>482,331</u>	<u>3,481,586</u>	<u>1,979,375</u>	<u>14,780,484</u>
Employee Contributions	<u>7,335,341</u>	<u>-</u>	<u>3,408,257</u>	<u>2,542,899</u>	<u>13,286,497</u>
Total Contributions	<u>16,172,533</u>	<u>482,331</u>	<u>6,889,843</u>	<u>4,522,274</u>	<u>28,066,981</u>
Investment Income:					
Net Appreciation in Fair Value of Investments	(5,662,835)	(75,906)	(3,465,289)	(643,670)	(9,847,700)
Dividends & Interest	<u>2,776,365</u>	<u>141,421</u>	<u>1,908,055</u>	<u>1,255,434</u>	<u>6,081,275</u>
Total Investment Income	<u>(2,886,470)</u>	<u>65,515</u>	<u>(1,557,234)</u>	<u>611,764</u>	<u>(3,766,425)</u>
Less Investment Expense	<u>1,341,597</u>	<u>45,180</u>	<u>1,167,931</u>	<u>389,855</u>	<u>2,944,563</u>
Net Investment Income	<u>(4,228,067)</u>	<u>20,335</u>	<u>(2,725,165)</u>	<u>221,909</u>	<u>(6,710,988)</u>
TOTAL ADDITIONS	<u>11,944,466</u>	<u>502,666</u>	<u>4,164,678</u>	<u>4,744,183</u>	<u>21,355,993</u>
<u>DEDUCTIONS:</u>					
Benefit Payments	22,669,018	262,259	12,753,738	6,759,535	42,444,550
Refunds of Contributions	293,291	-	118,641	-	411,932
Administrative Expenses	<u>548,007</u>	<u>46,454</u>	<u>316,122</u>	<u>57,889</u>	<u>968,472</u>
TOTAL DEDUCTIONS	<u>23,510,316</u>	<u>308,713</u>	<u>13,188,501</u>	<u>6,817,424</u>	<u>43,824,954</u>
CHANGE IN NET ASSETS	(11,565,850)	193,953	(9,023,823)	(2,073,241)	(22,468,961)
NET ASSETS - beginning	<u>244,069,301</u>	<u>5,459,769</u>	<u>158,250,408</u>	<u>46,302,803</u>	<u>454,082,281</u>
NET ASSETS - ending	<u>\$ 232,503,451</u>	<u>\$ 5,653,722</u>	<u>\$ 149,226,585</u>	<u>\$ 44,229,562</u>	<u>\$ 431,613,320</u>

CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

City of Gainesville

This part of the City of Gainesville, Florida's comprehensive annual financial report presents additional information to assist users in understanding how the information provided in the financial statements, note disclosures, and required supplementary information impacts the City's overall financial health.

<u>Schedules</u>	Page
<u>Financial Trends</u>	133
<i>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.</i>	
<u>Revenue Capacity</u>	137
<i>These schedules provide additional information about Property Tax and Utility Revenues, the City's most significant local revenue sources.</i>	
<u>Debt Capacity</u>	147
<i>These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.</i>	
<u>Demographic and Economic Information</u>	150
<i>These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.</i>	
<u>Operating Information</u>	152
<i>These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.</i>	

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

CITY OF
GAINESVILLE

every path starts with passion

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City of Gainesville
Net Assets By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Invested in capital assets, net of related debt	\$ 65,937,740	\$ 47,854,313	\$ 79,593,219	\$ 82,168,018	\$ 81,644,688	\$ 92,860,038	\$ 96,668,703	\$ 109,776,558	\$ 116,698,998	\$ 127,383,906
Restricted	19,881,956	22,754,050	12,928,276	23,255,620	23,804,426	24,744,773	32,633,862	54,338,573	63,393,549	66,834,959
Unrestricted	16,850,893	39,185,669	19,429,443	(3,020,760)	4,675,292	8,536,785	11,236,904	8,569,078	10,754,370	17,050,427
Total governmental activities net assets	<u>\$ 102,670,589</u>	<u>\$ 109,794,032</u>	<u>\$ 111,950,938</u>	<u>\$ 102,402,878</u>	<u>\$ 110,124,406</u>	<u>\$ 126,141,596</u>	<u>\$ 140,539,469</u>	<u>\$ 172,684,209</u>	<u>\$ 190,846,917</u>	<u>\$ 211,269,292</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 267,998,636	\$ 281,117,024	\$ 319,702,835	\$ 322,442,298	\$ 331,146,120	\$ 349,405,887	\$ 355,005,449	\$ 355,449,225	\$ 373,193,617	\$ 350,932,231
Restricted	164,091,715	83,814,681	49,479,733	48,655,890	41,927,823	38,409,591	47,479,252	59,072,730	74,411,130	84,940,717
Unrestricted	5,280,964	8,096,203	17,365,556	15,864,688	12,602,059	21,512,560	30,115,444	57,894,750	55,460,731	102,951,974
Total business-type activities net assets	<u>\$ 437,371,315</u>	<u>\$ 373,027,908</u>	<u>\$ 386,548,124</u>	<u>\$ 386,962,876</u>	<u>\$ 385,676,002</u>	<u>\$ 409,328,038</u>	<u>\$ 432,600,145</u>	<u>\$ 472,416,705</u>	<u>\$ 503,065,478</u>	<u>\$ 538,824,922</u>
Total primary government:										
Invested in capital assets, net of related debt	\$ 333,936,376	\$ 328,971,337	\$ 399,296,054	\$ 404,610,316	\$ 412,790,808	\$ 442,265,925	\$ 451,674,152	\$ 465,225,783	\$ 489,892,615	\$ 478,316,137
Restricted	183,973,671	106,568,731	62,408,009	71,911,510	65,732,249	63,154,364	80,113,114	113,411,303	137,804,679	150,436,933
Unrestricted	22,131,857	47,281,872	36,794,999	12,843,928	17,277,351	30,049,345	41,352,348	66,463,828	66,215,101	121,341,144
Total primary government net assets	<u>\$ 540,041,904</u>	<u>\$ 482,821,940</u>	<u>\$ 498,499,062</u>	<u>\$ 489,365,754</u>	<u>\$ 495,800,408</u>	<u>\$ 535,469,634</u>	<u>\$ 573,139,614</u>	<u>\$ 645,100,914</u>	<u>\$ 693,912,395</u>	<u>\$ 750,094,214</u>

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

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

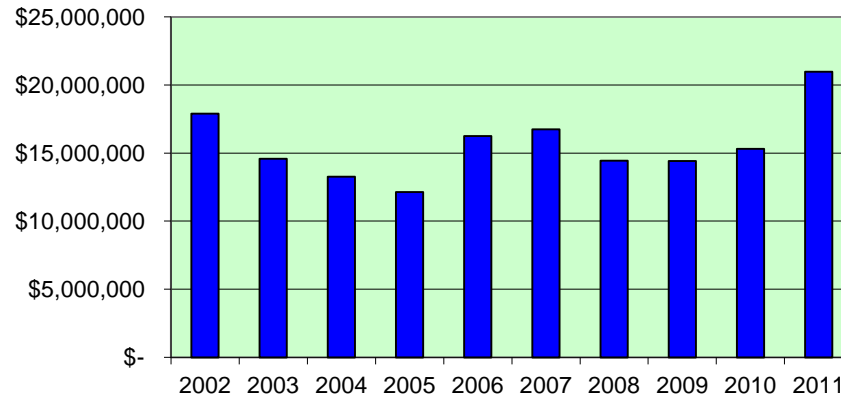
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ 17,122,419	\$ 15,061,813	\$ 18,458,043	\$ 23,677,037	\$ 24,048,427	\$ 17,066,712	\$ 19,676,597	\$ 20,156,210	\$ 18,762,647	\$ 18,698,649
Public safety	39,240,517	42,574,106	45,714,000	54,281,144	47,701,143	49,394,763	51,608,781	52,968,413	56,238,741	57,166,952
Physical environment	4,036,034	2,832,078	2,827,492	3,055,388	3,243,727	2,790,089	1,144,211	1,126,951	1,510,055	1,116,462
Transportation	8,846,755	9,358,165	9,548,804	8,548,157	10,506,470	12,220,979	11,787,373	4,527,795	14,089,516	13,982,396
Economic environment	3,127,631	5,135,218	3,583,832	4,616,810	5,787,916	8,492,950	8,118,429	7,537,152	7,239,951	6,402,656
Human services	256,864	1,490,131	1,713,715	1,268,499	1,043,843	284,999	367,706	293,829	593,420	1,250,715
Culture & recreation	4,247,853	5,317,908	3,669,838	5,641,593	5,916,408	6,527,215	8,784,045	9,479,058	8,713,366	8,433,374
Interest on long-term debt	1,668,424	3,626,965	5,136,385	5,296,200	7,539,632	7,504,485	7,420,509	7,367,850	7,632,165	7,580,944
Total governmental activities expenses	78,546,497	85,396,384	90,652,109	106,384,828	105,787,566	104,282,192	108,907,651	103,457,258	114,779,861	114,632,148
Business-type activities:										
Electric	131,212,687	140,555,094	152,668,644	165,714,007	200,086,670	192,569,894	226,444,987	230,822,719	234,835,876	228,544,484
Gas	14,287,385	20,745,014	22,402,154	25,011,786	30,563,089	27,732,906	29,688,866	24,405,725	24,599,071	24,336,197
Water	13,874,410	14,213,832	15,662,347	16,373,985	18,267,647	18,895,269	21,282,566	21,323,742	22,290,808	22,945,996
Wastewater	17,157,698	17,514,229	17,978,035	20,179,076	22,266,780	22,704,103	26,027,811	24,722,167	24,925,561	27,068,964
GRUCom	6,549,990	6,296,174	6,626,562	7,763,554	8,481,545	8,421,765	10,437,988	9,993,228	10,719,866	10,907,359
Regional transit system	11,636,440	12,833,553	13,946,979	15,407,545	16,521,738	17,282,667	19,234,349	18,275,948	20,299,166	20,196,358
Stormwater management	4,031,510	3,934,824	3,963,762	4,563,029	5,061,984	5,095,939	4,774,960	4,650,703	5,486,082	5,030,742
Ironwood golf course	1,542,185	1,531,655	1,438,628	1,243,518	1,309,847	1,325,727	1,317,753	1,259,517	1,304,741	1,419,653
Florida building code enforcement	-	-	-	-	-	1,783,856	2,025,997	2,577,306	2,362,379	2,263,325
Solid waste	5,204,119	5,703,055	5,595,169	5,441,243	6,635,067	10,009,758	6,993,233	6,285,562	7,101,229	7,320,642
Total business-type activities expenses	205,496,424	223,327,430	240,282,280	261,697,743	309,194,367	305,821,884	348,228,510	344,316,617	353,924,779	350,033,720
Total primary government expenses	\$284,042,921	\$308,723,814	\$330,934,389	\$368,082,571	\$414,981,933	\$410,104,076	\$457,136,161	\$447,773,875	\$468,704,640	\$464,665,868
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,035,767	\$ 5,212,311	\$ 5,394,342	\$ 6,656,239	\$ 8,120,988	\$ 8,923,828	\$ 9,822,901	\$ 9,949,536	\$ 10,078,544	\$ 10,434,927
Public safety	3,617,700	4,109,925	4,011,789	8,000,564	4,704,098	3,903,871	3,571,167	3,824,888	2,692,994	8,696,812
Other charges for services	2,613,737	2,541,113	2,396,166	3,182,821	3,983,052	4,958,140	4,648,919	3,933,103	4,474,776	3,427,670
Operating grants and contributions	5,301,805	4,681,010	5,951,582	13,058,351	8,097,602	6,109,549	7,606,468	7,634,880	6,817,388	8,405,085
Capital grants and contributions	3,193,076	4,971,251	1,406,477	191,600	1,617,534	8,093,971	6,822,160	15,249,638	8,224,492	7,130,480
Total governmental activities program revenues	18,762,085	21,515,610	19,160,356	31,089,575	26,523,274	31,989,359	32,471,615	40,592,045	32,288,194	38,094,974
Business-type activities:										
Charges for services:										
Electric	147,794,295	154,865,704	159,117,967	174,046,207	207,023,570	206,552,756	238,595,628	249,761,764	262,530,880	250,057,292
Other utilities	51,136,526	56,785,641	65,702,620	65,854,837	78,332,531	85,133,356	94,775,804	96,097,911	95,053,793	101,100,900
Other charges for services	15,295,019	17,798,421	20,313,784	21,373,897	22,639,670	29,289,277	28,055,330	27,672,309	28,617,567	30,630,504
Operating grants and contributions	4,710,372	4,968,210	5,059,409	3,400,623	3,567,605	6,191,062	9,103,954	7,739,337	11,661,662	5,886,603
Capital grants and contributions	9,350,464	5,953,321	7,572,300	9,632,321	9,492,873	15,903,334	5,134,693	4,253,489	3,554,922	5,146,531
Total business-type activities program revenues	228,286,676	240,371,297	257,766,080	274,307,885	321,056,249	343,069,785	375,665,409	385,524,810	401,418,824	392,821,830
Total primary government program revenues	\$247,048,761	\$261,886,907	\$276,926,436	\$305,397,460	\$347,579,523	\$375,059,144	\$408,137,024	\$426,116,855	\$433,707,018	\$430,916,804
Net (Expense)/Revenue										
Governmental activities	\$ (59,784,412)	\$ (63,880,774)	\$ (71,491,753)	\$ (75,295,253)	\$ (79,264,292)	\$ (72,292,833)	\$ (76,436,036)	\$ (62,865,213)	\$ (82,491,667)	\$ (76,537,174)
Business-type activities	22,790,252	17,043,867	17,483,800	12,610,142	11,861,882	37,247,901	27,436,899	41,208,193	47,494,045	42,788,110
Total primary government net expense	\$ (36,994,160)	\$ (46,836,907)	\$ (54,007,953)	\$ (62,685,111)	\$ (67,402,410)	\$ (35,044,932)	\$ (48,999,137)	\$ (21,657,020)	\$ (34,997,622)	\$ (33,749,064)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,713,591	\$ 16,341,921	\$ 17,983,617	\$ 19,365,334	\$ 22,094,936	\$ 25,974,094	\$ 26,163,266	\$ 26,499,911	\$ 29,016,964	\$ 26,833,852
Other taxes	16,189,171	17,738,773	18,961,421	18,928,506	19,989,122	19,906,074	22,432,162	24,326,238	27,865,426	25,444,169
State revenue sharing	2,809,984	2,825,141	3,367,156	4,117,607	4,258,238	4,190,182	3,919,560	3,523,204	3,487,190	3,653,017
Interest	1,640,420	1,634,773	2,641,812	1,564,126	3,413,776	5,862,894	2,744,915	3,240,737	2,706,332	2,317,663
Other revenues	1,764,678	6,097,543	3,564,261	1,894,572	2,312,756	1,318,358	3,142,232	2,817,165	3,593,703	3,082,853
Total governmental activities	36,117,844	44,638,151	46,518,267	45,870,145	52,068,828	57,251,602	58,402,135	60,407,255	66,669,615	61,331,554
Business-type activities:										
Interest	7,507,294	6,468,299	7,011,499	4,388,999	10,217,610	11,581,622	9,370,421	6,930,659	7,176,761	9,242,257
Other revenues	5,503,668	13,945,313	16,155,309	14,624,051	6,944,982	5,880,934	18,896,561	26,280,406	9,962,727	19,357,072
Total business-type activities	13,010,962	20,413,612	23,166,808	19,013,050	17,162,592	17,462,556	28,266,982	33,211,065	17,139,488	28,599,329
Total primary government	\$ 49,128,806	\$ 65,051,763	\$ 69,685,075	\$ 64,883,195	\$ 69,231,420	\$ 74,714,158	\$ 86,669,117	\$ 93,618,320	\$ 83,809,103	\$ 89,930,883
Changes in Net Assets (including transfers)										
Governmental activities	\$ 2,454,226	\$ 7,123,443	\$ 2,156,906	\$ (1,189,518)	\$ 3,115,884	\$ 16,017,190	\$ 14,397,873	\$ 32,049,638	\$ 18,162,708	\$ 20,422,374
Business-type activities	9,680,420	11,091,413	13,520,216	3,387,602	(1,286,874)	23,652,036	23,272,107	39,911,662	30,648,773	35,759,444
Total primary government	\$ 12,134,646	\$ 18,214,856	\$ 15,677,122	\$ 2,198,084	\$ 1,829,010	\$ 39,669,226	\$ 37,669,980	\$ 71,961,300	\$ 48,811,481	\$ 56,181,818

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,474,278
Assigned	-	-	-	-	-	-	-	-	-	1,060,672
Unassigned	-	-	-	-	-	-	-	-	-	16,433,938
Reserved	17,897,583	14,480,596	6,519,587	4,911,387	8,397,572	4,925,724	4,629,909	4,768,553	4,051,937	-
Unreserved	-	98,216	6,744,693	7,235,562	7,844,042	11,826,843	9,818,911	9,659,258	11,264,725	-
Total general fund	\$ 17,897,583	\$ 14,578,812	\$ 13,264,280	\$ 12,146,949	\$ 16,241,614	\$ 16,752,567	\$ 14,448,820	\$ 14,427,811	\$ 15,316,662	\$ 20,968,888
All other governmental funds:										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,813,952
Committed	-	-	-	-	-	-	-	-	-	782,237
Assigned	-	-	-	-	-	-	-	-	-	10,370,993
Unassigned	-	-	-	-	-	-	-	-	-	(29,288)
Reserved	5,508,677	4,885,383	6,765,983	4,882,686	4,744,154	5,215,953	8,635,651	12,958,151	12,066,838	-
Unreserved, reported in:										
Special revenue funds	4,194,183	7,474,304	4,289,293	8,385,893	14,016,419	17,059,686	19,457,506	20,652,435	17,677,648	-
Capital projects funds	13,929,199	15,302,299	6,489,093	9,630,545	32,065,513	30,400,097	26,667,704	47,356,632	54,624,332	-
Debt service funds	567,840	618,571	702,303	356,496	231,073	544,869	784,834	819,434	965,256	-
Total all other governmental funds	\$ 24,199,899	\$ 28,280,557	\$ 18,246,672	\$ 23,255,620	\$ 51,057,159	\$ 53,220,605	\$ 55,545,695	\$ 81,786,652	\$ 85,334,074	\$ 81,937,894

General Fund ~ Fund Balance



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

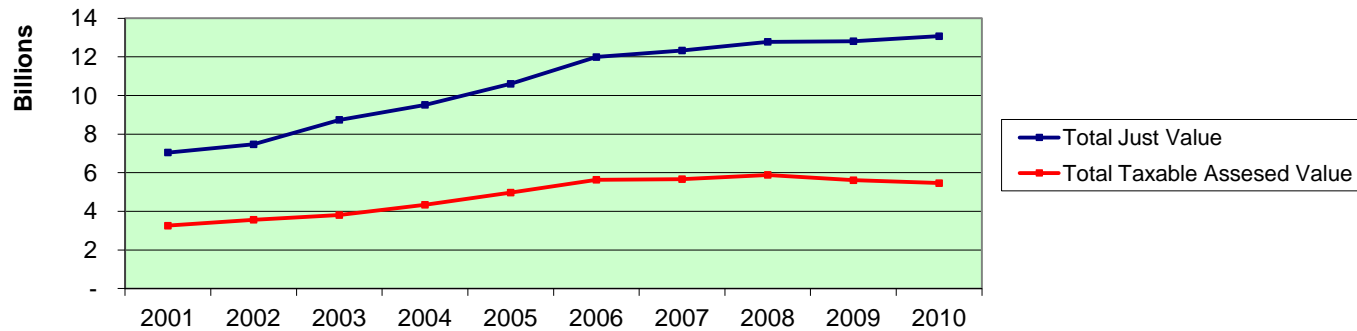
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 28,064,616	\$ 32,199,454	\$ 31,303,901	\$ 32,679,841	\$ 35,853,540	\$ 40,954,740	\$ 44,919,849	\$ 48,660,333	\$ 55,238,898	\$ 49,781,834
Licenses and permits	1,787,686	2,018,662	2,426,963	2,896,874	3,073,214	648,571	1,060,465	770,664	745,274	832,814
Intergovernmental	13,822,265	15,234,836	18,272,298	22,974,018	26,284,052	28,253,027	25,763,178	35,152,327	26,966,627	28,665,033
Charges for services	7,207,981	7,874,717	7,814,955	8,856,453	8,755,754	9,285,755	9,380,880	8,918,343	9,134,011	13,375,534
Fines and forfeitures	1,275,135	6,417,778	1,385,684	5,262,937	1,615,725	2,119,270	2,274,774	2,502,515	1,726,229	2,629,506
Miscellaneous	2,902,249	2,607,583	3,960,453	3,291,883	5,186,443	6,875,578	7,227,407	4,263,958	4,727,669	3,936,894
Total revenues	55,059,932	66,353,030	65,164,254	75,962,006	80,768,728	88,136,941	90,626,553	100,268,140	98,538,708	99,221,615
Expenditures										
General government	17,454,860	101,604,577	16,256,847	51,239,460	15,054,459	15,920,764	16,470,644	16,588,882	16,110,505	14,707,657
Public safety	36,154,888	43,502,172	46,561,694	52,511,787	48,188,830	48,197,056	49,867,812	51,474,948	52,936,750	54,085,573
Physical environment	3,057,768	2,630,318	2,707,341	2,454,447	2,783,658	2,853,920	971,472	1,220,036	949,027	746,462
Transportation	6,909,654	7,544,417	8,138,503	8,771,221	10,128,414	10,993,376	11,590,424	12,043,680	12,669,257	13,165,523
Economic environment	3,324,140	4,537,137	3,513,053	4,414,062	5,530,992	6,009,987	7,634,661	7,938,012	9,710,604	9,040,688
Human services	163,952	1,490,005	1,713,667	1,188,621	1,031,754	336,491	410,920	293,829	593,420	1,123,442
Culture and recreation	5,021,563	6,376,185	5,755,697	5,483,963	6,117,126	6,206,272	8,165,959	8,727,210	8,813,164	7,683,761
Debt service:										
Principal	2,323,778	2,643,845	3,608,817	4,010,000	6,227,053	6,920,902	7,747,796	7,822,049	8,511,383	9,192,493
Interest	1,575,315	3,615,491	5,015,779	5,255,490	7,422,640	7,442,180	7,336,659	7,125,182	7,472,387	7,489,706
Bond issuance costs	193,773	1,693,031	282,612	628,399	301,727	26,566	-	36,004	84,974	-
Capital outlay	6,325,236	6,214,790	10,207,478	5,160,215	5,801,349	13,609,187	12,967,402	9,801,087	13,410,389	15,369,816
Total expenditures	82,504,927	181,851,968	103,761,488	141,117,665	108,588,002	118,516,701	123,163,749	123,070,919	131,261,860	132,605,121
Excess of revenues under expenditures	(27,444,995)	(115,498,938)	(38,597,234)	(65,155,659)	(27,819,274)	(30,379,760)	(32,537,196)	(22,802,779)	(32,723,152)	(33,383,506)
Other Financing Sources (Uses)										
Debt issuance	9,870,000	89,894,759	9,805,000	40,850,000	25,956,621	1,540,000	-	11,500,000	3,036,907	-
Bond premium/discount	-	-	728,392	(38,314)	39,168	(13,434)	-	-	(15,320)	-
Transfers in	42,073,750	33,964,439	40,484,406	45,341,847	70,441,342	46,789,277	50,638,004	67,675,683	54,268,164	54,072,623
Transfers out	(16,252,956)	(7,598,373)	(13,308,123)	(17,106,257)	(39,695,572)	(15,261,684)	(18,079,465)	(29,013,693)	(20,130,326)	(18,433,071)
Total other financing sources (uses)	35,690,794	116,260,825	27,248,817	69,047,276	56,741,559	33,054,159	32,558,539	50,161,990	37,159,425	35,639,552
Net change in fund balances	\$ 8,245,799	\$ 761,887	\$ (11,348,417)	\$ 3,891,617	\$ 28,922,285	\$ 2,674,399	\$ 21,343	\$ 27,359,211	\$ 4,436,273	\$ 2,256,046
Debt service as a percentage of noncapital expenditures	5.12%	3.56%	9.22%	6.81%	13.28%	13.69%	13.69%	13.20%	13.56%	14.23%

City of Gainesville

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Tax Year	Just Value			Exemptions					Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property	Centrally Assessed Property	Governmental	Agricultural	Institutional	Homestead	Other		
2002	2001	5,583,918,487	1,462,695,450	876,190	2,797,872,400	36,296,700	293,761,160	656,539,633	10,201,087	3,252,819,147	4.9416
2003	2002	5,973,598,600	1,494,298,767	1,442,544	2,796,295,760	36,614,800	341,737,970	721,498,130	11,528,885	3,561,664,366	4.9416
2004	2003	7,244,067,100	1,493,401,961	1,737,804	3,641,123,420	34,963,100	369,084,360	876,134,257	12,690,560	3,805,211,168	4.9416
2005	2004	7,991,469,700	1,523,306,918	1,033,801	3,723,073,730	39,875,900	388,002,325	1,014,315,873	13,456,130	4,337,086,461	4.9355
2006	2005	9,127,221,600	1,475,928,616	1,025,098	3,801,414,175	34,506,400	562,036,537	1,221,910,900	15,135,250	4,969,172,052	4.8509
2007	2006	10,059,735,400	1,931,740,674	1,111,824	4,354,225,897	28,451,900	574,033,101	1,385,629,369	16,885,367	5,633,362,264	4.2544
2008	2007	10,599,500,250	1,732,004,529	1,149,322	4,195,267,980	35,549,700	647,733,978	1,773,423,757	14,341,607	5,666,337,079	4.2544
2009	2008	10,534,674,944	2,245,414,910	1,234,487	4,251,801,982	39,408,200	874,389,881	1,594,957,710	134,747,020	5,886,019,548	4.3963
2010	2009	10,570,626,200	2,241,968,355	987,726	4,815,548,071	37,517,700	896,937,822	1,313,405,085	141,081,893	5,609,091,710	4.2544
2011	2010	10,762,924,000	2,308,068,145	1,130,083	5,343,081,038	39,115,900	1,029,746,160	1,134,254,774	67,971,304	5,457,953,052	4.2544

Just and Taxable Values



Source: Alachua County Property Appraiser

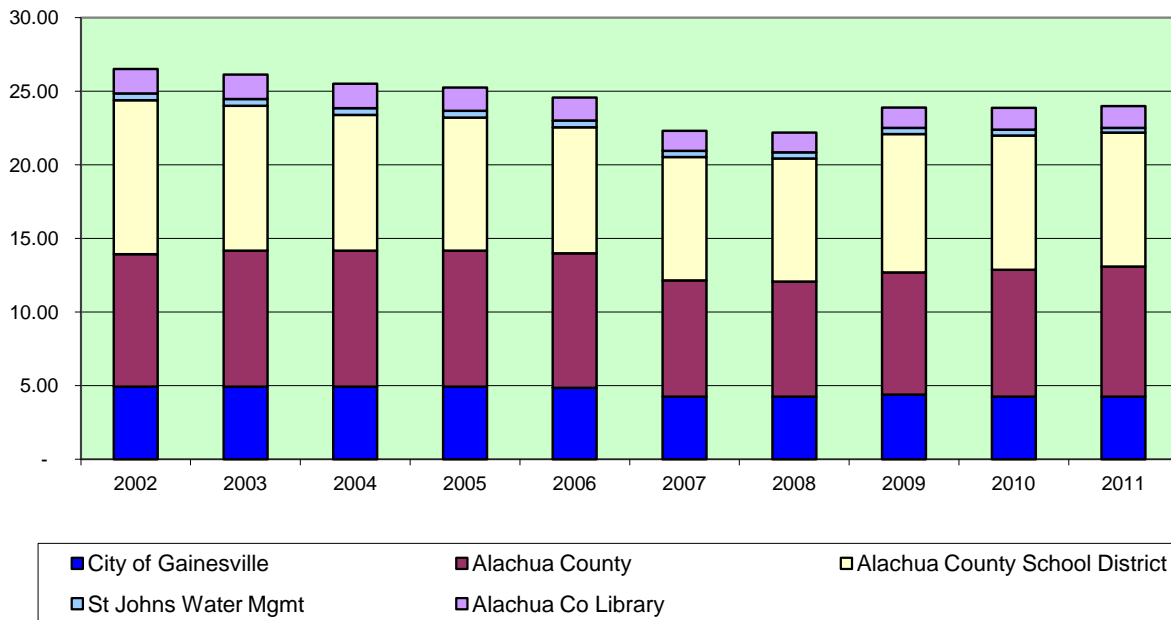
Note: The Property Appraiser assesses the value of property in a manner that does not provide a reasonable basis for estimating the actual value of property.

Exempt property makes up 53% of total assed value. Disclosing the nature of the exemptions provides more relevant information than detailing real property categories.

**City of Gainesville
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$1,000 assessed value)**

Fiscal Year	Tax Year	City of Gainesville Direct Rate	Overlapping Rates				Total Direct & Overlapping Rates
			Alachua County	Alachua County School District	St. Johns Water Management District	Alachua County Library District	
2002	2001	4.9416	8.9887	10.4660	0.4620	1.6632	26.5194
2003	2002	4.9416	9.2387	9.8390	0.4620	1.6566	26.8816
2004	2003	4.9416	9.2387	9.2240	0.4620	1.6566	26.1379
2005	2004	4.9355	9.2387	9.0340	0.4620	1.5920	25.5229
2006	2005	4.8509	9.1387	8.5710	0.4620	1.5615	24.5841
2007	2006	4.2544	7.8968	8.3950	0.4158	1.3560	22.3180
2008	2007	4.2544	7.8208	8.3590	0.4158	1.3406	22.1906
2009	2008	4.3963	8.2995	9.4080	0.4158	1.3771	23.8967
2010	2009	4.2544	8.6263	9.1070	0.4158	1.4736	23.8771
2011	2010	4.2544	8.8456	9.0920	0.3313	1.4790	24.0023

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



Source: Alachua County Property Appraiser

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

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

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

	2011			2002		
	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Oaks Mall Gainesville Ltd Partnership	132,224,700	1	2.36%	\$ 43,450,400	2	1.59%
HCA Health Services of Florida	66,081,200	2	1.18%	26,806,700	5	0.98%
Oak Hammock at the Univ of Florida	59,595,700	3	1.06%			
S Clark Butler Properties Lan, Trust	44,388,600	4	0.79%			
Bellsouth Telecommunications	37,834,744	5	0.67%	69,790,780	1	2.55%
ELPF Gainesville LLC LIC, Gainesville	35,260,000	6	0.63%			
Inland American Lodging, Gvl, LLC	33,533,600	7	0.60%			
Florida Power Corp	32,029,632	8	0.57%	34,907,820	3	1.28%
Gainesville Place LLC	29,841,600	9	0.53%			
Ball Container LLC	27,991,410	10	0.50%			
Cox Comm Inc.	n/a		n/a	28,897,760	4	1.06%
Metal Container Corporation	n/a		n/a	20,732,070	6	0.76%
Clariant Life Sciene, Molecules	n/a		n/a	18,668,550	7	0.68%
North Florida Regional Hospital	n/a		n/a	14,422,560	8	0.53%
Congregate Care Asset III. Ltd.	n/a		n/a	12,509,400	9	0.46%
Industrial Plants Corporation	n/a		n/a	9,730,200	10	0.36%
Total	\$ 498,781,186		8.89%	\$ 279,916,240		10.25%

Source: Alachua County Property Appraiser

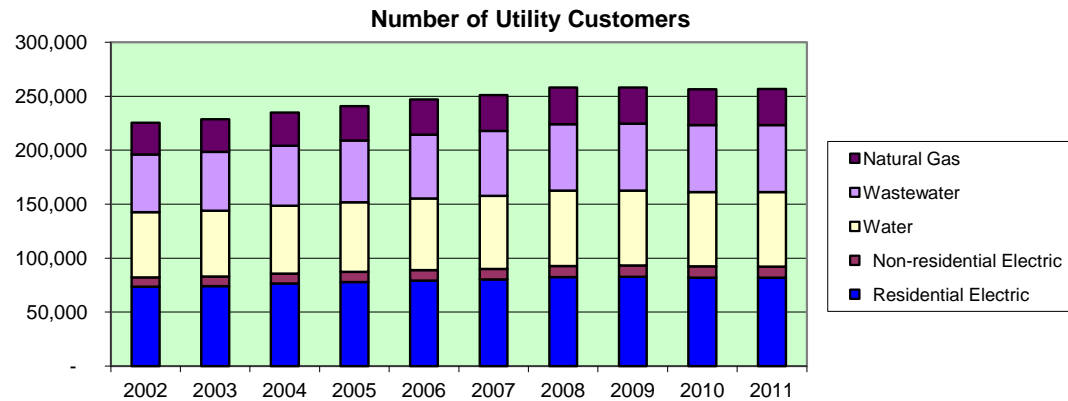
**City of Gainesville
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	13,485,756	12,986,510	96.3%	51,613	13,038,123	96.7%
2003	16,052,271	15,460,840	96.3%	58,043	15,518,883	96.7%
2004	17,494,566	16,876,396	96.5%	27,053	16,903,449	96.6%
2005	18,725,211	18,055,672	96.4%	34,748	18,090,420	96.6%
2006	21,200,617	20,448,202	96.5%	33,667	20,481,869	96.6%
2007	24,010,622	23,172,540	96.5%	23,581	23,196,121	96.6%
2008	23,852,515	23,035,894	96.6%	19,398	23,055,292	96.7%
2009	24,017,199	23,191,605	96.6%	35,536	23,227,141	96.7%
2010	25,779,348	24,912,341	96.6%	35,655	24,947,996	96.8%
2011	23,805,635	23,007,885	96.6%	-	23,007,885	96.6%

Source: Alachua County Tax Collector

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Number of Customers</u>										
Electric:										
Residential Electric	73,522	74,164	76,435	77,918	79,262	80,237	82,399	82,668	82,038	81,900
Non-residential Electric	8,754	8,912	9,203	9,342	9,555	9,675	10,450	10,461	10,383	10,372
Water	60,293	61,015	62,818	64,620	66,405	67,774	69,784	69,496	68,819	68,952
Wastewater	53,419	54,246	55,604	57,166	59,206	60,205	61,552	62,071	61,999	62,164
Natural Gas	29,476	30,200	30,895	31,700	32,520	33,125	33,777	33,451	33,202	33,208
<u>Sales</u>										
Electric (gigawatt hours):										
Residential Electric	808	866	874	875	901	878	829	807	857	821
Non-residential Electric	1,315	1,189	1,147	1,164	981	983	992	964	994	967
Gallons of Water (million gallons)	8,311	7,814	8,401	7,697	8,315	9,053	8,435	7,892	7,371	7,775
Gallons of Wastewater (million gallons)	5,306	5,212	5,429	5,322	5,402	6,271	5,229	4,899	4,696	4,666
Therms of Natural Gas (million therms)	21	24	24	22	22	21	21	21	23	22



Source: GRU Annual Reports

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2002	2003	2004	2005	2006
Electric:						
Residential Service						
Customer Charge	per month	\$ 4.66	\$ 4.66	\$ 4.66	\$ 4.89	\$ 5.17
Energy Charge ²	per kWh					
0-250 kWh		n/a	n/a	n/a	n/a	n/a
250-750 kWh		0.04613	0.04613	0.04613	0.04613	0.04982
over 750 kWh		0.05576	0.05576	0.05576	0.05966	0.07398
Residential Service - Time of Use						
Customer Charge	per month	7.86	7.86	7.86	8.25	8.75
Energy Charge ²	per kWh					
On-Peak		0.09880	0.09880	0.09880	0.09880	0.12251
Off-Peak		0.02900	0.02900	0.02900	0.03100	0.03351
General Service Non-Demand & Demand < 50 kW						
Customer Charge	per month	8.37	8.37	8.37	8.79	15.18
Energy Charge ²	per kWh					
0-1500 kWh		0.05090	0.05090	0.05090	0.05090	0.05548
over 1500 kWh		0.05770	0.05770	0.05770	0.06087	0.07183
Business Partner Discount Rate		7%	7%	7%	7%	7%
General Service Demand - 50kW < Demand < 1000 kW						
Customer Charge	per month	15.82	15.82	15.82	16.61	30.92
Demand Charge	per kW	5.75	5.75	5.75	6.33	7.56
Energy Charge ²	per kWh	0.02400	0.02400	0.02400	0.02400	0.02633
Business Partner Discount Rate		10%	10%	10%	10%	10%
Large Power Service - Demand > 1000 kW						
Customer Charge	per month	60.84	60.84	60.84	63.88	245.05
Demand Charge	per kW	5.25	5.25	5.25	5.85	7.08
Energy Charge ²	per kWh	0.02350	0.02350	0.02350	0.02350	0.02597
Business Partner Discount Rate		13%	13%	13%	13%	13%
Water:						
Residential Service						
Customer Charge	per month	3.00	3.00	3.15	3.53	4.86
Usage Charge	per kGal					
0 - 9,000		0.98	1.01	1.01	1.27	1.42
9,001 - 24,999		1.29	1.33	1.33	1.69	2.35
Over 25,000		2.22	2.29	2.29	2.91	4.04
Non-Residential Service						
Customer Charge	per month	3.00	3.00	3.15	3.53	4.86
Usage Charge	per kGal	0.98	1.02	1.23	1.69	2.35
Irrigation Service						
Customer Charge	per month	3.00	3.00	3.15	3.53	4.86
Usage Charge	per kGal					
0 - 15,000		1.29	1.33	1.33	1.69	2.35
over 15,000		2.22	2.29	2.29	2.91	4.04
University of Florida						
Customer Charge	per month	3.00	3.00	3.15	3.53	4.86
Usage Charge	per kGal					
On-Campus		0.69	0.71	0.82	0.91	1.04
Off-Campus		0.88	0.91	1.02	1.11	1.15
City of Alachua						
Customer Charge	per month	3.00	3.00	3.15	3.53	3.53
Usage Charge	per kGal	0.95	0.98	0.98	1.08	1.35
Fire Hydrant History of Monthly Charges						
Installed, Maintained, Supported		18.98	19.45	19.45	rolled into base	rolled into base
Maintained, Supported		14.27	14.63	14.63	rolled into base	rolled into base
Supported only (UF)		11.67	11.96	11.96	11.96	rolled into base

(continued)

City of Gainesville
Utility Rates
Last Ten Fiscal Years

			2007	2008	2009	2010	2011
Electric:							
Residential Service							
Customer Charge	per month		\$ 5.17	\$ 5.54	\$ 7.60	\$ 8.45	\$ 8.45
Energy Charge ²	per kWh						
0-250 kWh			0.02400	0.02500	0.02600	0.02800	0.03200
250-750 kWh			0.05800	0.06500	0.06600	0.06700	0.06800
over 750 kWh			0.08300	0.09700	0.09800	0.10200	0.10200
Residential Service - Time of Use							
Customer Charge	per month		8.75	9.36	17.60	17.60	17.60
Energy Charge ²	per kWh						
On-Peak			0.10280	0.11000	0.13900	0.13900	0.13900
Off-Peak			0.03230	0.03500	0.03500	0.03500	0.03500
General Service Non-Demand & Demand < 50 kW							
Customer Charge	per month		15.18	16.00	16.00	25.50	26.00
Energy Charge ²	per kWh						
0-1500 kWh			0.05548	0.06200	0.06800	0.07000	0.08000
over 1500 kWh			0.07183	0.08000	0.09500	0.10300	0.10800
Business Partner Discount Rate			7%	0%	0%	0%	0%
General Service Demand - 50kW < Demand < 1000 kW							
Customer Charge	per month		30.92	33.00	45.00	45.00	50.00
Demand Charge	per kW		7.56	9.00	9.20	9.25	9.25
Energy Charge ²	per kWh		0.02633	0.02900	0.03200	0.04200	0.05100
Business Partner Discount Rate			10%	0%	0%	0%	0%
Large Power Service - Demand > 1000 kW							
Customer Charge	per month		245.05	265.00	300.00	300.00	300.00
Demand Charge	per kW		7.08	9.00	9.20	9.25	9.25
Energy Charge ²	per kWh		0.02597	0.02700	0.03100	0.03900	0.04600
Business Partner Discount Rate			13%	0%	0%	0%	0%
Water:							
Residential Service							
Customer Charge	per month		4.86	5.35	7.00	7.30	7.75
Usage Charge	per kGal						
0 - 9,000			1.42	1.56	1.59	1.65	1.99
9,001 - 24,999			2.35	2.82	3.11	3.30	3.65
Over 25,000			4.04	4.93	5.50	6.00	6.00
Non-Residential Service							
Customer Charge	per month		4.86	5.35	7.00	7.30	7.75
Usage Charge	per kGal		2.35	2.82	3.11	3.30	3.40
Irrigation Service							
Customer Charge	per month		4.86	4.86	4.86	7.30	7.75
Usage Charge	per kGal						
0 - 15,000			2.35	2.82	3.11	3.30	3.65
over 15,000			4.04	4.93	5.50	6.00	6.00
University of Florida							
Customer Charge	per month		4.86	5.35	7.00	7.30	7.75
Usage Charge	per kGal						
On-Campus			1.04	1.13	1.54	1.92	1.67
Off-Campus			1.15	1.30	1.80	2.67	2.57
City of Alachua							
Customer Charge	per month		4.86	5.35	7.00	7.30	7.75
Usage Charge	per kGal		1.21	1.33	1.45	1.51	1.62
Fire Hydrant History of Monthly Charges							
Installed, Maintained, Supported							
Maintained, Supported							
Supported only (UF)							

(continued)

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2002	2003	2004	2005	2006
<u>Wastewater:</u>						
Residential Service						
Customer Charge	per month	2.22	2.27	2.39	2.75	3.52
Usage Charge	per kGal	2.55	2.61	2.75	3.16	3.94
Residential not connected, but required to be by ordinance		20.68	21.15	22.27	18.55	23.22
Residential, on wells, flat rate		20.68	21.15	22.27	18.55	23.22
Multi-family						
Customer Charge	per month	2.22	2.27	2.39	2.75	3.52
Usage Charge - flat rate	per month	12.67	12.96	13.65	15.70	19.70
Non-Residential Service						
Customer Charge	per month	2.22	2.27	2.39	2.75	3.52
Usage Charge	per kGal	2.55	2.61	2.75	3.16	3.94
Tacachale						
Customer Charge	per month	2,722.25	2,783.50	2,931.03	3,370.69	4,213.36
Usage Charge	per kGal	0.86	0.88	0.93	1.07	1.34
University of Florida - Maguire Village						
Customer Charge	per month	2.11	2.11	2.11	2.11	2.70
Usage Charge	per kGal	1.55	1.55	1.55	1.55	1.98
<u>Natural Gas:</u>						
Residential Service						
Customer Charge	per month	6.90	7.04	7.04	7.04	7.04
Energy Charge ¹	per therm	0.39742	0.40537	0.40537	0.40537	0.40537
MGP	per therm	0.02700	0.03210	0.03210	0.03210	0.03210
General Firm Service						
Customer Charge	per month	\$ 17.25	\$ 17.60	\$ 17.60	\$ 17.60	\$ 17.60
Energy Charge ¹	per therm	\$ 0.23029	\$ 0.23490	\$ 0.23490	\$ 0.23490	\$ 0.23490
MGP	per therm	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
Interruptible Service						
Customer Charge	per month	\$ 345.00	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge ²	per therm	\$ 0.16817	\$ 0.17153	\$ 0.17153	\$ 0.17153	\$ 0.17153
MGP	per therm	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
Contract Interruptible Service						
Customer Charge	per month	\$ 345.00	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge ³	per therm	by contract	by contract	by contract	by contract	by contract
MGP	per therm	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
Large Volume Interruptible Service						
Customer Charge	per month	\$ 345.00	\$ 351.90	\$ 351.90	\$ 351.90	\$ 351.90
Energy Charge ²	per therm	\$ 0.10280	\$ 0.10486	\$ 0.10486	\$ 0.10486	\$ 0.10486
MGP	per therm	\$ 0.02070	\$ 0.03210	\$ 0.03210	\$ 0.03210	\$ 0.03210
Liquid Propane (LP) Service						
Customer Charge	per month	\$ 6.90	\$ 7.04	\$ 7.04	\$ 7.04	\$ 7.04
Energy Charge ⁴	per gallon					
3-yr recovery		\$ 0.64473	\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513
5-yr recovery		\$ 0.59473	\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513
7-yr recovery		\$ 0.56973	\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013
> 7-yr recovery		\$ 0.55473	\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513
Average Annual PGA	per therm	\$ 0.42793	\$ 0.57469	\$ 0.68027	\$ 1.03350	

Notes:

(continued)

1 Includes \$0.06906 per therm of fuel

2 Includes 6.5 mills of fuel

Source: GRU Annual Reports

City of Gainesville
Utility Rates
Last Ten Fiscal Years

		2007	2008	2009	2010	2011
<u>Wastewater:</u>						
Residential Service						
Customer Charge	per month	3.52	4.00	6.00	6.00	6.50
Usage Charge	per kGal	3.94	4.63	4.94	5.07	5.29
Residential not connected , but required to be by ordinance		23.22	23.22	23.22	31.35	32.95
Residential, on wells, flat rate		23.22	23.22	23.22	31.35	32.95
Multi-family						
Customer Charge	per month	3.52	4.00	6.00	6.00	6.50
Usage Charge - flat rate	per month	19.70	23.15	24.70	25.35	26.45
Non-Residential Service						
Customer Charge	per month	3.52	4.00	6.00	6.00	6.50
Usage Charge	per kGal	3.94	4.63	4.94	5.07	5.29
Tacachale						
Customer Charge	per month	4,213.36	4,929.63	5,259.69	n/a	n/a
Usage Charge	per kGal	1.34	1.36	1.44	n/a	n/a
University of Florida - Maguire Village						
Customer Charge	per month	n/a	n/a	n/a	n/a	n/a
Usage Charge	per kGal	n/a	n/a	n/a	n/a	n/a
<u>Natural Gas:</u>						
Residential Service						
Customer Charge	per month	7.04	7.15	9.52	9.52	9.52
Energy Charge ¹	per therm	0.40537	0.42400	0.48300	0.48300	0.48300
MGP	per therm	0.03210	0.03210	0.03700	0.03700	0.04340
General Firm Service						
Customer Charge	per month	\$ 17.60	\$ 19.89	\$ 30.00	\$ 30.00	\$ 35.00
Energy Charge ¹	per therm	\$ 0.23490	\$ 0.26990	\$ 0.30800	\$ 0.30800	\$ 0.34300
MGP	per therm	\$ 0.03210	\$ 0.32100	\$ 0.03700	\$ 0.03700	\$ 0.04340
Interruptible Service						
Customer Charge	per month	\$ 351.90	\$ 360.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge ²	per therm	\$ 0.17153	\$ 0.20590	\$ 0.28600	\$ 0.28600	\$ 0.31500
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340
Contract Interruptible Service						
Customer Charge	per month	\$ 351.90	\$ 360.00	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge ³	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340
Large Volume Interruptible Service						
Customer Charge	per month	\$ 351.90	\$ 351.90	\$ 375.00	\$ 375.00	\$ 375.00
Energy Charge ²	per therm	\$ 0.10486	\$ 0.11990	\$ 0.14268	\$ 0.14268	\$ 0.15730
MGP	per therm	\$ 0.03210	\$ 0.03210	\$ 0.03700	\$ 0.03700	\$ 0.04340
Liquid Propane (LP) Service						
Customer Charge	per month	\$ 7.04	\$ 7.15	\$ 9.52	\$ 9.52	\$ 9.52
Energy Charge ⁴	per gallon	\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513	\$ 0.64513
3-yr recovery		\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513	\$ 0.59513
5-yr recovery		\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013	\$ 0.57013
7-yr recovery		\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513
> 7-yr recovery		\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513	\$ 0.52513
Average Annual PGA		per therm				

Notes: (concluded)

1 Includes \$0.06906 per therm of fuel

2 Includes 6.5 mills of fuel

Source: GRU Annual Reports

**City of Gainesville
Principal Utility Rate Contributors
Current Year and Nine Years Ago**

	2011			2002		
	Total Payments	Rank	Percentage of Total Utility Value	Total Payments	Rank	Percentage of Total Utility Value
City of Gainesville	\$ 7,888,190	1	2.10%	\$ 3,435,677	1	1.57%
Alachua County School Board	5,799,130	2	1.54%	3,036,490	2	1.39%
Publix Super Markets Inc	4,478,426	3	1.19%	1,637,921	5	0.75%
VA Medical Center	4,385,581	4	1.17%	1,755,980	4	0.80%
Shands Healthcare	4,020,816	5	1.07%	1,854,069	3	0.85%
North FL Regional Medical Center	3,504,918	6	0.93%	871,547	9	0.40%
University of Florida	2,416,946	7	0.64%	-		n/a
Alachua County Board of County Comm	2,338,568	8	0.62%	1,202,664	6	0.55%
Santa Fe Community College	1,842,931	9	0.49%	1,086,146	7	0.50%
Metal Container Corp	1,740,488	10	0.46%	952,014	8	0.44%
Winn Dixie Stores Inc.	-		n/a	749,426	10	0.34%
Total	\$ 38,415,994		10.21%	\$ 16,581,934		7.59%

Note: Prior to 2008, GRU and the City of Gainesville were reported as one source

Source: GRU Annual Reports

City of Gainesville
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Presented by Governmental and Business-Type Activities

Fiscal Year	Governmental Activities			Business-Type Activities		Total	Total	
	Revenue Bonds	Notes	Capital Leases	Revenue Bonds	Revenue Notes	Primary Government	% of Personal Income	Per Capita
2002	37,847,467	1,166,002	-	341,130,721	77,921,952	458,066,142	16.14%	4,118
2003	125,120,811	1,489,009	-	376,436,480	73,625,952	576,672,252	18.85%	4,921
2004	122,036,108	-	-	365,874,265	69,985,702	557,896,075	16.24%	4,738
2005	158,791,270	-	-	354,697,051	96,822,250	610,310,571	16.38%	5,091
2006	174,699,926	2,319,485	942,136	620,165,000	-	798,126,547	20.15%	6,601
2007	169,864,822	1,836,310	879,513	616,050,000	-	788,630,645	19.01%	6,491
2008	162,789,829	1,234,366	808,654	730,495,000	62,000,000	957,327,849	21.75%	7,690
2009	155,036,095	11,500,000	740,339	889,600,000	78,965,901	1,135,842,335	25.67%	9,021
2010	149,632,743	11,500,000	669,111	859,725,000	66,036,166	1,087,563,020	23.14%	8,226
2011	140,886,047	11,128,468	594,846	963,180,000	65,690,256	1,181,479,617	26.46%	9,499

Presented by City Government and Gainesville Regional Utilities (GRU)

Fiscal Year	City Government	Utility (GRU)	Total Primary Government	City Government		Utility (GRU)	
				% of Personal Income	Per Capita	% of Personal Income	Per Customer
2002	42,124,421	415,941,721	458,066,142	1.48%	379	6.95%	1,774
2003	128,720,772	447,951,480	576,672,252	4.21%	1,098	7.22%	1,885
2004	123,147,060	434,749,015	557,896,075	3.58%	1,046	6.09%	1,777
2005	158,791,270	451,519,301	610,310,571	4.26%	1,324	5.88%	1,826
2006	177,961,547	620,165,000	798,126,547	4.49%	1,472	7.49%	2,453
2007	172,580,645	616,050,000	788,630,645	4.16%	1,420	7.02%	2,397
2008	164,832,849	792,495,000	957,327,849	3.75%	1,324	8.48%	2,997
2009	121,963,020	965,600,000	1,087,563,020	2.76%	969	10.38%	3,649
2010	165,838,020	921,725,000	1,087,563,020	3.53%	1,254	9.85%	3,500
2011	156,299,617	1,025,180,000	1,181,479,617	3.50%	1,257	10.85%	3,895

Sources: Personal income information was obtained from the Bureau of Economic Analysis
Population figures were obtained from the Bureau of Economic and Business Research.
Customer information was obtained from GRU's Annual Report.

Notes: Details regarding the City's outstanding debt may be found in the Notes to the Financial Statements.

The debt ratios for the primary government include both General Government and GRU. These ratios are shown separately as well to provide more meaningful information.

The increase in General Government's debt ratios in fiscal year 2003 is attributable to the issuance of the 2003 Series A & B Taxable Pension Obligation Bonds. These bonds were issued to take advantage of the opportunity to issue taxable debt at rates well below the interest charges on the unfunded accrued actuarial liability of the City's defined benefit pension plans.

The increase in General Government's debt ratios in fiscal year 2005 is attributable to the issuance of the 2005 Taxable Other Post Employment Benefit Obligation Bonds. These bonds were issued to take advantage of the opportunity to issue taxable debt at rates well below the interest charges on the unfunded accrued actuarial liability of the City's retiree health care plan.

City of Gainesville
Direct and Overlapping Governmental Activities Debt
As of September 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Alachua County:			
Sales Tax Revenue Bonds	\$ 78,345,000	41.753%	\$ 32,711,087
Commercial Paper Notes Payable	15,000,000	41.753%	6,262,892
Capital Improvement bank loan	6,630,000	41.753%	2,768,198
Local Option Gas Tax bank loan	9,500,000	41.753%	3,966,499
Alachua County School Board District			
General Obligation Bonds	9,040,000	41.753%	3,774,437
State Motor Vehicle License Tax Revenue Bonds	891,060	41.753%	372,041
Certificates of Participation	85,688,400	41.753%	<u>35,777,149</u>
Subtotal, Overlapping Debt			85,632,303
City of Gainesville Governmental Activities Direct Debt			<u>152,609,361</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 238,241,664</u></u>

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by dividing the portion of another government unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

Sources:

Alachua County Finance Department, Alachua County School Board and Alachua County Property Appraiser

**City of Gainesville
Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	State Guaranteed Entitlement Revenue Bonds				Utilities System Revenue Bonds					
	State Guaranteed Entitlement Revenue	Debt Service			Utilities Revenues (1)	Less: Operating Expenses (2)	Net Available Revenues	Debt Service		
		Principal	Interest	Coverage				Principal	Interest	Coverage
2002	1,100,340	475,000	623,641	1.0015	218,416,063	127,953,800	90,462,263	11,520,000	17,792,587	3.0861
2003	1,100,340	495,000	599,891	1.0050	229,879,820	144,689,344	85,190,476	9,585,000	15,917,972	3.3404
2004	1,100,340	525,000	412,574	1.1736	244,500,436	161,501,757	82,998,679	10,100,000	16,573,276	3.1117
2005	1,100,340	580,000	462,613	1.0554	254,112,058	177,618,895	76,493,163	9,385,000	15,491,978	3.0749
2006	1,100,340	600,000	442,613	1.0554	292,422,154	215,149,976	77,272,178	9,815,000	24,292,669	2.2655
2007	1,100,340	620,000	421,313	1.0567	297,747,273	203,665,825	94,081,448	13,015,000	27,530,456	2.3204
2008	1,100,340	645,000	396,513	1.0565	352,615,563	241,084,088	111,531,475	18,555,000	28,572,033	2.3666
2009	1,100,340	670,000	370,713	1.0573	363,585,373	237,644,597	125,940,776	21,985,000	29,077,280	2.4664
2010	1,100,340	700,000	341,163	1.0568	376,339,759	234,351,801	141,987,958	35,045,000	27,123,819	2.2839
2011	1,100,340	735,000	309,362	1.0536	376,167,181	222,620,162	153,547,019	121,055,000	27,768,386	1.0317

Notes:

- (1) Utilities revenues include electric, gas, water, wastewater and telecommunications charges to customers, other utilities revenues (including fees for connection, installation and backflow prevention), rate stabilization transfers, and interest income (excluding interest income earned on construction funds). Source: GRU Annual Reports
- (2) Operating expenses exclude depreciation and debt service charges.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF
GAINESVILLE

every path starts with passion

FLORIDA

City of Gainesville
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(1) Median Age (Alachua County)	(3) Public School Enrollment (Alachua County)	(4) Unemployment Rate
2002	111,224	5,519,952,000	25,509	29.0	28,492	3.90%
2003	117,182	5,672,386,000	26,108	29.0	28,135	3.80%
2004	117,754	6,444,881,000	29,178	29.3	28,086	3.30%
2005	119,889	7,351,425,000	31,076	29.4	28,043	3.00%
2006	120,919	8,314,000,000	32,762	29.2	28,118	2.80%
2007	121,497	8,781,243,000	34,153	29.3	27,535	3.00%
2008	124,491	9,162,494,000	35,352	29.6	28,198	4.70%
2009	125,904	9,162,933,000	35,149	29.7	27,100	7.40%
2010	132,217	9,401,240,000	35,543	30.1	28,581	8.30%
2011	124,379	9,495,252,400	35,898	N/A	28,085	8.10%

Note:

- (a) At the 2009 Year-end, the BEA published revised Personal Income and Per Capita Personal Income Statistics for all years prior. The revised statistics are reflected in the totals for 2006 through 2008.
- (b) 2011 Personal Income and Per Capital Personal Income are estimates based on a 1% growth rate from the 2010 BEA data published September 30, 2011.

Sources:

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

**City of Gainesville
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Florida	14,723	1	12.88%	11,870	1	11.11%
Shands Hospital	12,588	2	11.01%	7,986	2	7.47%
VA Hospital	4,317	3	3.78%	1,627	6	1.52%
Alachua County School Board	4,299	4	3.76%	4,209	3	3.94%
City of Gainesville	2,200	5	1.92%	1,863	5	1.74%
Publix Supermarkets	2,056	6	1.80%	-		n/a
North Florida Regional Medical Ctr.	1,700	7	1.49%	900	8	0.84%
Nationwide Insurance	1,300	8	1.14%	1,065	7	1.00%
Alachua County	1,120	9	0.98%	783	10	0.73%
Santa Fe Community College	796	10	0.70%	800	9	0.75%
Florida Dept. Of Children & Family	-	-	n/a	2,089	4	1.95%
Total	45,099		39.46%	33,192		31.05%

Source: Gainesville Council for Economic Research

Note:

(1) Alachua County employment includes employees of constitutional officers, such as the Sheriff's Office

City of Gainesville
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Charter Offices:										
City Commission	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Clerk of the Commission	9.50	9.50	9.50	8.00	8.00	8.00	8.00	8.00	6.50	6.50
Assistant City Manager	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager's Office	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	4.00	4.00
City Auditor's Office	4.50	4.50	4.50	5.50	5.50	5.50	5.50	5.50	4.50	4.50
City Attorney's Office	13.00	13.00	13.00	14.50	16.00	16.00	16.00	16.00	15.00	15.00
Equal Opportunity Office	4.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
General Government:										
Administrative Services	2.00	2.00	2.00	2.00	5.00	4.50	4.50	4.50	4.00	4.00
Computer Services	14.00	16.00	16.00	16.00	18.00	18.00	18.00	17.00	19.00	17.00
Budget & Finance	-	-	-	-	49.00	45.50	45.50	47.00	36.00	37.00
Finance	46.00	44.50	45.50	45.50	-	-	-	-	-	-
Office of Management and Budget	7.50	7.50	7.50	7.50	-	-	-	-	-	-
Human Resources	23.00	21.50	21.50	21.50	19.00	19.00	19.00	19.00	15.00	15.00
Risk Management	10.00	11.00	11.00	13.00	15.00	15.00	15.00	15.00	15.00	15.00
Communications and Marketing	-	-	-	-	7.00	7.00	7.00	5.00	4.00	4.00
Public Safety:										
Police										
Officers	273.00	273.00	278.00	278.00	284.00	284.00	284.00	299.00	295.00	301.00
Civilians	89.00	70.00	80.00	73.00	90.00	88.00	94.00	87.00	80.00	80.00
Fire Rescue										
Officers	142.00	142.00	141.00	143.00	144.00	144.00	144.00	144.00	155.00	158.00
Civilians	8.00	8.00	10.00	8.00	10.00	10.00	10.00	9.00	10.00	7.00
Physical Environment:										
Codes Enforcement	-	-	-	-	-	19.00	19.00	19.00	16.00	16.00
Planning & Development Services	-	-	-	-	-	45.50	46.50	48.00	38.00	38.50
Community Development	54.50	57.50	57.50	59.00	82.50	-	-	-	-	-
Building Inspection	17.00	20.00	20.00	20.00	-	-	-	-	-	-
Public Works	136.25	147.25	147.25	158.75	161.75	163.75	163.75	164.75	160.38	161.87
Facilities Management	30.00	28.00	28.00	28.00	-	-	-	-	-	-
Transportation:										
Regional Transit System	176.00	212.00	212.00	219.50	232.00	232.00	235.00	236.00	238.00	262.50
General Services	-	-	-	-	53.00	52.00	52.00	51.00	48.38	48.38
Fleet Management	30.00	30.00	30.00	30.00	-	-	-	-	-	-
Economic Environment:										
Housing	-	-	-	-	-	8.00	8.00	5.00	1.00	1.70
Community Development Block Grant	-	-	-	-	-	4.00	4.00	4.00	9.00	8.30
Community Redevelopment Agency	-	-	-	-	-	-	8.00	10.00	11.00	11.00
Economic Development	2.00	2.00	3.00	3.00	3.00	3.00	-	-	-	-
Small Business Development	2.00	2.00	-	-	-	-	-	-	-	-
Culture & Recreation:										
Parks, Recreation and Cultural Affairs	-	-	-	-	108.13	103.13	103.00	102.00	80.50	80.50
Cultural Affairs	13.50	16.50	16.50	14.88	-	-	-	-	-	-
Recreation & Parks	94.75	94.00	94.00	87.25	-	-	-	-	-	-
General Manager for Utilities	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: City of Gainesville Budget Division, FTE Report

Notes: In 2011 the General Government Computer Services department merged with that of Gainesville Regional Utility (GRU). These positions were absorbed by GRU and now provide support to the General Government as contract services.

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

In 2006, a major reorganization was implemented which combined various departments. Finance and the Office of Management and Budget were combined into Budget and Finance, Building Inspections was combined with Public Works, Facilities Management and Fleet were combined into General Services, and Cultural Affairs and Recreation & Parks were combined into Parks, Recreation and Cultural Affairs.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fire & EMS ³									
Total EMS incidents per 1,000 population served	2.84	2.52	1.70	1.15	33.78	29.90	33.70	27.80	99.60
Total Non-EMS incidents per 1,000 population served	n/a	83.16	96.93	84.65	81.10	90.12	96.20	92.70	27.90
Total arson incidents per 10,000 population served	1.01	1.42	0.92	0.66	0.41	1.46	0.64	0.54	-
90 th percentile Turnout Time for Fire Apparatus to EMS Incidents	-	-	-	-	-	-	-	-	1:08
90 th percentile Turnout Time for Fire Apparatus to Building Fires	-	-	-	-	-	-	-	-	1:26
90 th percentile Travel Time for Fire Apparatus to EMS Incidents	-	-	-	-	-	-	-	-	7:27
90 th percentile Travel Time for First Arriving Unit at Building Fires	-	-	-	-	-	-	-	-	6:21
% of fire calls with a response time of 8 min or less	73.0%	81.0%	77.1%	72.4%	91.0%	85.0%	87.0%	83.0%	-
% of fire calls with a response time of 4 min or less	n/a	n/a	38.0%	41.0%	41.0%	42.0%	40.0%	47.0%	-
% of EMS calls with a response time of 4 min or less	n/a	n/a	45.0%	46.0%	48.0%	48.0%	47.0%	44.0%	-
Fleet									
Average age of police vehicles (months)	51	37	43	40	52	56	44	50	46
Average age of fire apparatus (months)	72	45	57	91	88	81	92	106	107
Hours billed as a percentage of hours available	60.2%	62.7%	n/a	82.9%	82.4%	79.1%	78.3%	79.9%	95.2%
No. of work orders completed - police vehicles	1,201	1,644	n/a	n/a	1,106	1,697	1,736	1,822	1,063
No. of work orders completed - fire apparatus	261	303	n/a	n/a	164	170	152	279	235
Total vehicle and heavy equipment work orders	9,143	8,279	n/a	8,025	8,814	8,025	7,711	7,327	7,466
Highway and Road Maintenance									
Number of potholes repaired	22,263	18,076	22,445	17,848	23,062	14,335	16,943	16,375	10,940
% lane miles assessed as satisfactory or better	n/a	94.0%	69.9%	88.0%	70.0%	66.0%	64.0%	60.0%	71.5%
Number of linear miles swept	11,387	16,049	17,136	16,073	20,319	19,293	18,337	14,016	11,998
Housing									
# of homes purchased or constructed	44	19	25	6	31	30	2	10	7
Number of properties rehabilitated	n/a	n/a	50	66	58	68	66	49	50
Number of families served through housing programs	n/a	n/a	658	697	978	784	798	558	314
Police									
Police 911 calls received	n/a	143,464	144,279	119,090	124,138	124,955	133,768	142,486	136,085
UCR Part I violent crimes reported per 1,000 pop	8.12	7.52	8.29	8.62	9.43	8.46	9.18	7.11	7.26
% of UCR Part I violent crimes cleared	40.06%	46.73%	39.96%	54.03%	43.72%	56.41%	65.14%	66.60%	62.56%
UCR Part I property crimes reported per 1,000 pop	43.45	42.40	41.39	57.77	49.78	47.11	50.71	43.05	42.17
% of UCR Part I property crimes cleared	14.02%	18.65%	16.83%	20.53%	19.00%	23.56%	29.95%	29.85%	29.93%
Injury-producing traffic accidents per 1,000 pop	11.07	18.62	7.47	27.33	5.89	5.35	6.03	5.67	6.42
Traffic fatalities per 1,000 population	0.07	0.03	0.07	0.03	0.15	0.05	0.06	0.05	0.05
Moving violation citations issued per 1,000 pop	202.22	206.21	199.29	168.82	219.08	233.25	176.48	216.00	215.89
DUI arrests per 1,000 population	1.53	1.98	2.64	1.58	2.06	2.96	2.75	3.06	3.88
Purchasing									
Dollar amount of purchasing card expenditures	n/a	n/a	\$2,612,506	\$2,824,290	\$2,731,400	\$4,049,230	\$4,370,367	\$4,001,232	\$3,898,638
Number of purchasing card transactions	n/a	n/a	16,500	17,442	15,575	17,008	14,919	13,815	14,971
Average number of days for a formal bid process	n/a	44	44	45	45	45	53	53	53
Refuse & Recycling									
Avg # accounts served per on-route hour	133	130	99	150	139	133	133	138	138
Tons of refuse collected & disposed	21,441	55,536	20,266	18,000	20,423	19,720	19,501	19,189	18,274
Tons yard waste collected & composted ²	4,627	7,984	9,000	11,280	4,604	8,494	8,481	8,099	7,814
Tons recycling materials collected	4,749	5,311	n/a	6,000	4,783	4,693	4,692	5,017	4,890
Complaints per 1,000 accounts	66	77	84	137	135	93	67	51	48
Utility									
Residential customers - Electric	74,164	76,435	77,918	79,125	80,237	82,399	82,668	82,038	81,900
Commercial & industrial - Electric	8,912	9,203	9,342	9,538	9,675	10,450	10,461	10,383	10,372
Customers - Natural Gas	30,206	30,901	31,704	32,522	33,125	33,777	33,451	33,202	33,208
Customers - Water	61,078	62,890	64,692	66,475	67,774	69,784	69,496	68,819	68,952
Customers - Wastewater	54,310	55,821	57,553	59,206	60,205	61,552	62,071	61,999	62,164

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

Note:
¹ GASB Statement 44 was implemented in fiscal year 2005, in future years, additional years will be reported.
² As of 2008 the yard trash situation has changed; it all still gets reused, but much of it becomes boiler fuel instead of being composted now. It depends on the markets for composted materials vs. boiler fuel.
³ In 2011 the Fire department adapted new reporting software for tracking operational indicators using the 90th percentile. The 90th percentile is the performance baseline that indicates that 90% of the performance occurs below the time stated in mm:ss format

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fire & EMS									
Total number of fire apparatus	13	12	12	13	13	13	13	13	14
Average age of fire apparatus (in months)	72	45	61	91	89	81	92	106	107
Average annual mileage per fire apparatus	n/a	n/a	9,794	7,673	8,337	8,839	8,998	13,912	8,345
Number of fire stations	7	7	7	7	7	7	7	7	8
Fleet									
Light vehicles:									
Number	583	1,218	1,279	591	543	549	347	339	616
Number using alternative fuel	-	3	5	6	4	4	4	4	40
Average age (in months)	62	n/a	81	92	44	52	67	78	73
Medium-duty vehicles:									
Number	39	63	65	48	36	36	79	82	68
Average age (in months)	49	62	81	87	112	87	91	68	72
Heavy-duty vehicles:									
Number	137	174	164	126	48	36	128	107	90
Average age (in months)	83	38	53	93	108	101	103	89	103
Heavy equipment:									
Number	81	14	14	12	11	11	22	13	14
Average age (in months)	130	56	68	132	142	67	132	67	126
Highway and Road Maintenance									
Total paved lane miles maintained	1,473	1,473	1,473	1,473	779	779	764	773	773
Number of traffic signals	n/a	3,970	4,004	4,049	4,275	4,495	7,994	8,042	8,279
Parks and Recreation									
Park acres per 1,000 population	21.17	21.36	20.94	20.77	19.10	19.24	18.90	20.28	21.56
Total park acres	2,481	2,515	2,511	2,512	2,321	2,395	2,379	2,681	2,681
Recreation/community centers	8	8	8	8	8	8	8	8	8
Athletic fields	37	32	37	37	37	35	35	35	35
Play structures	78	80	78	89	93	112	112	98	98
Tennis courts	22	22	23	23	23	23	23	23	23
Basketball courts	24	24	24	24	24	23	23	23	23
Swimming pools	3	3	3	3	3	3	3	3	3
Miles of bike, walking, and hiking trails	23.7	23.7	24.7	24.7	24.7	30.6	31.4	37.4	49.8
Police									
Number of police vehicles - marked	208	285	244	244	223	201	268	210	227
Average age of police vehicles (in months)	51	37	44	40	52	56	44	50	46
Average annual mileage per police vehicle	n/a	n/a	11,297	11,000	10,554	6,856	5,311	8,472	9,087
Regional Transit System									
Number of buses	105	105	104	113	107	110	105	105	106
Average age of buses (in months)	n/a	137	125	126	125	118	108	82	88
Electricity									
Combined system net capability (megawatts)	611	612	611	611	611	611	611	611	616
Distribution - overhead (circuit miles)	611	597	594	595	589	583	580	575	575
Distribution - underground (circuit miles)	719	743	753	772	798	814	832	838	849
Distribution substations	9	9	9	9	10	10	10	11	11
Natural Gas									
Distribution mains (miles)	637	641	692	713	723	731	739	742	746
Delivery points	5	5	5	6	6	6	6	6	5

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Water									
FDEP permitted treatment capacity (million gallons/day)	54	54	54	54	54	54	54	54	54
Storage capacity (million gallons)	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Distribution mains (miles)	1,003	1,029	1,034	1,051	1,069	1,095	1,102	1,106	1,115
Supply wells	15	15	15	15	16	16	16	16	16
Wastewater									
Gravity mains (miles)	553	567	568	568	568	607	608	612	618
Force mains (miles)	126	127	127	127	127	133	137	137	139
Lift stations	156	152	154	154	154	165	164	164	164
Treatment capacity (million gallons per day)	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
GRUCom									
Fiber optic cable (miles)	234	259	268	275	301	318	341	351	389
Maximum bandwidth (2.5 gigabits/second)	OC-48	OC-48	OC-48	OC-48	OC-48	OC-48	OC-48	OC-192	OC-192
On-net locations	248	266	302	343	363	436	463	454	524

Sources:

Gainesville Regional Utilities Annual Report
ICMA Center for Performance Measurement

Note:

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

Management Letter

Honorable Mayor and City Commissioners
City of Gainesville, Florida

We have audited the basic financial statements of the City of Gainesville, Florida (the "City"), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 26, 2012. Our report on the basic financial statements included a reference to the report of other auditors who issued separate communications relative to Gainesville Regional Utilities. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

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

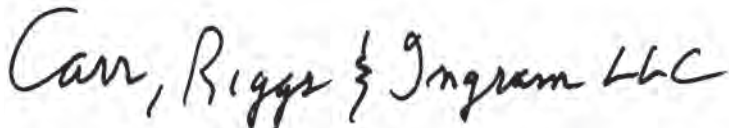
- As required by the Rules of the Auditor General, we determined that the annual financial report for the City, for the fiscal year ended September 30, 2011, was filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit report.
- The scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, *Determination of Financial Emergency*. We determined that the City has not met one or more of the conditions described in that section that are indicative of a state of financial emergency.
- As required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

- As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.
- The Rules of the Auditor General stipulate that auditors should review the status of prior-audit findings. If the audit findings in the preceding audit report are uncorrected, auditors are required to identify those findings that were also included in the second preceding audit report. In that regard, there are no uncorrected prior audit findings.

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

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

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

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

March 26, 2012
Gainesville, Florida

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Honorable Mayor and City Commissioners
City of Gainesville, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Gainesville, Florida (the "City"), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2012. Our report on the basic financial statements included a reference to the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Utility Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

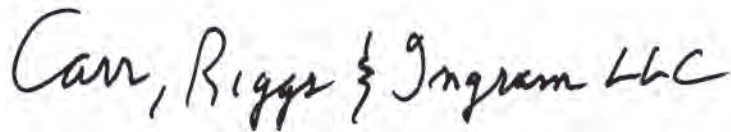
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

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

March 26, 2012
Gainesville, Florida

**Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2011
City of Gainesville, FL**

Federal Grantor/ Program Title	Federal CFDA NUMBER	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
FY 2009 Assistance to Firefighters Grant Program	97.044	EMW-2009-FO-10454	44,146			
FY 2010 Staffing for Adequate Fire and Emergency Response (SAFER) Passed Through Florida Division of Emergency Management	97.044	EMW-2010-FH-00337	311,473	355,619		
FEMA-HMGP Clear Lake Lift Station Rehab. Phase II	97.039	FM-1561-4131-R/ 10HM-23-03-01-014	5,478			
FEMA-HMGP S.W. 34th Street Industrial Park Phase II Passed Through DEM via Florida Department of Financial Services	97.039	FM-1561-102-R/ 10HM-23-03-11-02-021	18,750	24,228		
2007-2010 State Homeland Security Grant Program	97.073	08-DS-60-13-00-16-373/FM257	6,821			
2008-2009 State Homeland Security Grant Program	97.073	09-DS-51-13-00-16-409	19,751			
2009-2010 State Homeland Security Grant Program	97.073	10-DS-39-13-00-16-414	74,658	101,230		
<u>EXECUTIVE OFFICE OF THE PRESIDENT-OFFICE OF NATIONAL DRUG POLICY</u>						
Passed Through NFHIDTA via Alachua County Sherrif Department North Florida HIDTA	95.001	G09NF0001A	13,744			
Highway Interdiction North Florida HIDTA	95.001	G09NF0001A	6,912	20,656		
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
Passed Through Florida Department of Environmental Protection Duval Neighborhood Storm Water Basin Phase I	66.460	G0180/ C9-99451505-0	34,065			
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through FL Dept. of Edu. Via School Board of Alachua County 21st Century Community Learning Center	84.287	010-2440(1)-A-0(1)CCC1	111,437			
<u>U.S. DEPARTMENT OF ENERGY</u>						
ARRA-EECBG- City of Gainesville, FL	81.128	SC0002611	423,564			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>						
Community Development Block Grant-Entitlement Program	14.218	B-08/09 MC-12-0007	1,351,506			
ARRA-Community Development Block Grant Recovery	14.253	B09-MY-12-007	224,949		1,576,455	
Supportive Housing Program-MHS	14.235	FL10110B4H080802 (B4H081003)	93,889			91,345
Supportive Housing Program-VETSPACE	14.235	FL10112B4H080802 (B4H081003)	113,105	206,994		110,445
Passed Through Florida Department of Community Affairs via Alachua County-Dept. of Growth and Management	14.228	10DB-D4-03-11-01-K01	19,415			
Community Development Block Grant-Disaster Recovery Program	14.239	M-07/08/09-MC-12-0206	1,319,788			
HOME Investment Partnership Grant	14.257	S09-MY-12-0025	344,529			344,529
ARRA-Homelessness Prevention & Rapid Rehousing						
<u>U.S. DEPARTMENT OF JUSTICE</u>						
OJJDP FY 09 Recovery Act Internet Crimes Against Children-ARRA	16.800	2009-SN-B9-K015	243,953			243,953
2009 Internet Crimes Against Children	16.543	2009MCCXK059	327,224			46,079
A Coordinated Community Response to Preventing Violence Against Women	16.590	2007WEAX0054	142,458			
COPS Universal Hiring	16.710	2003UMWX0023	134,920			
2010 COPS Hiring Program	16.710	2010UMWX0066	143,300	278,220		
BVP	16.607	2009 Regular Solicitation	8,055			
BVP	16.607	2010 Regular Solicitation	14,778	22,833		
Federal Equitable Sharing Proceeds	16.XXX	N/A	450,011			
Edward Byrne Memorial Justice Assistance -ARRA	16.804	2009-SB-B9-2446	32,718			
Gainesville Police Department Technological Upgrade	16.738	2010-DJ-BX-1609	100,503			
Passed Through Florida Department of Law Enforcement: You And The Law	16.738	2011-JAGC-ALAC-2-B2-255	12,625			
GPD Mobile Safe-T Kiosk	16.738	2011-JAGC-ALAC-7-B2-181	8,894			
Sexual Predator & Offender Tracking	16.738	2011-JAGC-ALAC-8-B2-183	14,646			
Passed Through Alachua County Sheriff Department Problem Oriented Policing	16.738	2010 & 2011-JAGC-ALAC-4-B2-136	70,828	207,496	240,214	
Project Safe Neighborhood/ Tactical Impact Unit	16.609	2010-PSNN-ALAC-2-A2-004	13,098			

**Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2011
City of Gainesville, FL**

Federal Grantor/ Program Title	Federal CFDA NUMBER	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Passed Through Federal Transit Administration						
FY06 Section 5309 Grant-Facility Expansion	20.500	FL-00-0011	2,823			
FY07 Section 5309 Grant-Facility Expansion	20.500	FL-04-0089	37,179			
FY11 5310 Small Cutaway	20.500	XXXX	5,978	45,980		
ARRA FY10 FHWA Flex	20.507	FL-66-X003	329,294			
ARRA FY10 FHWA Flex	20.507	FL-66-X004	282,601			
FY07 Urbanized Formula Grant	20.507	FL-90-X624	191,953			
FY08 Urbanized Formula Grant	20.507	FL-90-X655	154,007			
FY09 Urbanized Formula Grant	20.507	FL-90-X694	112,328			
FY10 Urbanized Formula Grant	20.507	FL-90X737	709,131			
FY11 Urbanized Formula Grant	20.507	FL-90-X763	1,700,000			
FY08 Section 5307 Grant	20.507	FL-90-X678	66,140			
FY08 FHWA Flex Funds	20.507	FL-95-X016	243,508			
FY09 FHWA Flex Funds	20.507	FL-95-X040	250,000	4,038,962	4,084,942	
FY10 Transit to Non-Urbanized Areas of Alachua County	20.509	APX92: #423292-1-84-10	199,424			
FY10 Transit to Non-Urbanized Areas of Alachua County Supplement	20.509	APX92: #423292-1-84-10	5,246	204,670		
FY10 5613 JARC Funding-Low Income Riders	20.516	APC68: #425287-1-94-01	130,718			
FY10 5613 JARC Funding-Trapeze Software License	20.516	APU62: #428237-1-94-10	84,226	214,944		
FY10 5317 New Freedom Funding	20.521	APS99: #425290-1-84-01	15,285			
FY10 5317 New Freedom Funding	20.521	APW75: #427289-1-84-10	9,850	25,135	240,079	
Passed Through Florida Department of Transportation						
LAPA/ Enhancement of Depot Road	20.205	420537-1-38-01/088849/07	838,569			
LAPA/ NE 25th St. & NE 19th Drive	20.205	420541-2-38-01& 420541-2-58-01	160,867			
LAPA/ NE 19th St. & NE 19th Terrace	20.205	420541-1-38-01& 420541-1-58-01	375,144	1,374,580		
GPD Aggressive Driving Project	20.609	SC-10-13-08/ APY91	6,923			
Passed NHTSA via Western Michigan University						
GPD Aggressive Driving Project	20.614	DTNH22-06-00036	28,082			
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 12,195,267			836,351

**Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2011
City of Gainesville, FL**

<u>State Grantor/ Program Title</u>	<u>State CFSA NUMBER</u>	<u>Contract/Grant No.</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
SHIP 2008/2009	52.901	N/A	348,197	
SHIP 2009/2010	52.901	N/A	56,775	404,972
<u>DEPARTMENT OF ELDER AFFAIRS</u>				
City of Gainesville/ Alachua County Senior Recreation Center	65.013	XQ916	1,656,523	
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Passed Through St. Johns River Water Management District Gainesville Depot Park Stormwater Treatment	37.039	SI438AA	129,620	
Paynes Prairie Treatment Wetland	37.039	SK915AA	4,929	134,549
<u>DEPARTMENT OF HEALTH</u>				
EMS 2007-2008 EMS- Pass through from County	64.005	C7001	8,991	
EMS 2008-2009 EMS- Pass through from County	64.005	C8001	5,562	14,553
<u>DEPARTMENT OF TRANSPORTATION</u>				
FY 09/10 Block Grant - Public Transit	55.010	AQ298: #411757-1-84-11	1,453,384	
FY 09/10 Services Development Funds- Route 22	55.012	APN19: # 425445-1-84-01	1,536	
FY 10/11 Services Development Funds- Route 22	55.012	APN19: # 427683-1-84-11	59,659	
FY 10 Service Development Funds- Bio Diesel	55.012	APW12: #425444-1-84-10	96,959	
FY 09/10 Service Development Funds- Route 38	55.012	APY16: #425443-1-84-10	66,762	
FY 09/10 Service Development Funds- Route 25	55.012	APZ01: #425776-1-84-10	71,809	
FY 10/11 Service Development Funds- Route 28	55.012	AQC92: #430329-1-84-12	20,838	
FY 10/11 Service Development Funds- Route 27	55.012	AQD40: #430962-1-84-12	12,770	
FY 10/11 Service Development Funds- Route 46	55.012	AQC93: #430328-1-84-12	10,696	
FY 10/11 Service Development Funds- Route 25	55.012	APZ01: #425446-1-84-12	17,256	
FY 10/11 Service Development Funds- Route 38	55.012	AQ754: #427682-1-84-11	67,868	426,153
Transportation Regional Incentive Program	55.026	423306-1-58-01 & 423306-3-58-01	1,327,050	
TOTAL EXPENDITURES OF STATE AWARDS			\$ 5,417,184	

**Notes to the Schedule of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2011
City of Gainesville, Florida**

Note 1. Basis of Presentation

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

Note 2. Sub recipients

The City provided federal awards to sub recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Supportive Housing Programs	14.235	\$ 201,790
Sub recipients:		
Meridian Health Services		
VETSPACE		
ARRA-Homelessness Prevention & Rapid Rehousing	14.257	344,529
Sub recipient: Alachua County Housing Authority		
ARRA-OJJDP FY09 Recovery Act Internet Crimes Against Children	16.800	243,953
Sub recipients:		
Florida Office of the OAG		
Alachua County Sherriff Office		
Marion County Sherriff Office		
Brevard County Sherriff Office		
2009 Internet Crimes Against Children	16.543	46,079
Sub recipient:		
Alachua County Sheriff's Office		

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance

Honorable Mayor and City Commissioners
City of Gainesville, Florida

Compliance

We have audited the compliance of the City of Gainesville, Florida (the "City"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the *State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2011. The City's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and major state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-1 and 11-2. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

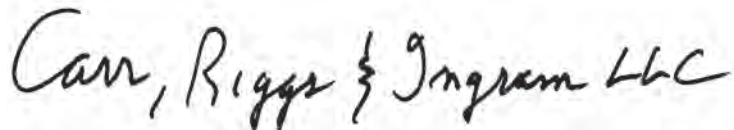
The City's responses to the findings identified in our audit are described in the accompanying letter of response. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2012. Our report on the basic financial statements included a reference to the report of other auditors. Our audit was performed 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.

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

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

March 26, 2012
Gainesville, Florida

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2011
City of Gainesville, Florida**

Part I - Summary of Auditors' Results

1. The auditors' report on the basic financial statements was unqualified.
2. The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. The audit did report significant deficiencies in internal control over the major federal programs and major state projects. No material weaknesses were disclosed during the audit.
5. The auditors' report on compliance for the major federal programs and major state projects was unqualified.
6. The audit did disclose findings relative to the major federal programs and major state projects, as referenced in No. 4 above.
7. The City's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA No.</u>
Community Development Block Grant Cluster	14.218; 14.253
HOME Investment Partnerships Program	14.239
Homelessness Prevention and Rapid Rehousing	14.257
Internet Crimes Against Children	16.800
Federal Transit Cluster – Capital and Formula Grants	20.500; 20.507
EECBG	81.128
<u>State Projects</u>	<u>CSFA No.</u>
Public Transit Block Grant	55.010
Public Transit Source Development Program	55.012
Transportation Regional Incentive Program	55.026
City of Gainesville/Alachua County Senior Recreation Center	65.013

8. A threshold of \$365,858 was used to distinguish between Type A and Type B programs for federal programs and \$300,000 was used for state projects.
9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II - Financial Statement Findings

No matters are reportable.

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2011
City of Gainesville, Florida**

Part III – Findings and Questioned Costs – Federal Programs

11-1 (Applies to all major programs)

		<u>Questioned Costs</u>
<i>Condition and Criteria:</i>	OMB Circular A-133 and the Rules of the Auditor General stipulate that an auditee who receives financial assistance should prepare an accurate Schedule of Expenditures of Federal Awards and State Financial Assistance ("Schedule"). Our audit revealed various errors and omissions, relating to Regional Transit System (RTS) grants, in the Schedule that was initially prepared by the City.	
<i>Effect:</i>	All known errors and omissions in the Schedule were corrected during the course of our audit.	\$ --
<i>Cause:</i>	The system of internal control did not provide for adequate oversight of the Schedule's preparation.	
<i>Auditor's Recommendation:</i>	Internal control procedures should be strengthened to ensure that RTS grants are accurately presented in the Schedule of Expenditures of Federal Awards and State Financial Assistance.	

(Continued on next page)

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2011
City of Gainesville, Florida**

11-2 Community Development Block Grant (14.218) and HOME Investment Partnerships Program (14.239)

**Questioned
Costs**

*Condition and
Criteria:*

Grantees who receive Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds directly from the Department of Housing and Urban Development (HUD) use the Integrated Disbursement and Information System (IDIS) to capture information for the Consolidated Annual Performance and Evaluation Report (CAPER). Our testing of the CDBG Financial Summary Report PR 26 and the HOME Financial Summary Report PR 27 revealed that the reports did not contain all costs incurred during the year.

Effect:

Incomplete financial information was reported to HUD in the CAPER, causing a delay in the City's receipt of its Federal reimbursements.

\$ --

Cause:

The City's reporting was not kept up-to-date.

*Auditor's
Recommendation:*

Internal control procedures should be strengthened to ensure that financial information is timely entered in IDIS.

Part IV – Findings and Questioned Costs – State Programs

See finding 11-1 above (applies to all major projects).

\$ --

Schedule of and Response to Prior Year Audit Findings

We are pleased to report that in connection with our September 30, 2010 financial statement audit and single audit, our external auditors listed no findings. Therefore, there was no plan required for corrective action and no discussion of current status is necessary.

Response to Current Year Audit Findings and Corrective Action Plan

Finding 11-1

We concur with this recommendation and will put stronger controls in place to ensure that RTS grants are accurately presented on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Finding 11-2

In FY 2011, Housing and Community Development (HCD) experienced a shortage of staff resulting in delays in the completion of draw requests. HCD will continue to strive to complete the draw authorizations in accordance with HCD's IDIS Draw Request/Authorization Procedure. These procedures also include a continual process of reconciling IDIS with the City's financial statements to ensure complete reporting to HUD.

We would like to take this opportunity to thank Carr, Riggs & Ingram for their professional and thorough audit. It is a pleasure to work with their partners and staff.

Honorable Mayor and Members of the City Commission, City of Gainesville, Florida
And Gainesville Regional Utilities

In planning and performing our audit of the financial statements of Gainesville Regional Utilities (GRU or the Utility), a department of the City of Gainesville, Florida, as of and for the year ended September 30, 2011, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GRU's internal control. Accordingly, we do not express an opinion on the effectiveness of GRU's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

Ernst & Young LLP

February 9, 2012

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

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

We have audited the financial statements of Gainesville Regional Utilities (a department of the City of Gainesville, Florida) as of and for the year ended September 30, 2011, and have issued our report thereon dated February 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gainesville Regional Utilities' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gainesville Regional Utilities' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gainesville Regional Utilities' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Ernst & Young LLP

February 9, 2012