



Comprehensive Annual
Financial Report

Fiscal Year Ended
September 30, 2004
City of Gainesville, Florida

ABOUT THE COVER

Prairie Sunset, created by poster artist Candace McCaffery, a fiber wall hanging portraying Gainesville, Florida's beautiful sunsets. A branch in the center of the artwork represents the City of Gainesville, also known as "Tree City USA." The various colored and textured leaves symbolize the rich cultural and ethnic diversity of the City and University community that makes Gainesville such a unique place.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**
City of Gainesville, Florida
Year Ended September 30, 2004

Prepared By
The Finance Department

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

<i>Pegeen Hanrahan</i>	<i>Mayor-Commissioner</i>
<i>Tony Domenech</i>	<i>Mayor-Commissioner Pro-Tem</i>
<i>Edward Braddy</i>	<i>Commissioner</i>
<i>Rick Bryant</i>	<i>Commissioner</i>
<i>Charles Chestnut IV</i>	<i>Commissioner</i>
<i>Craig Lowe</i>	<i>Commissioner</i>
<i>Warren Nielsen</i>	<i>Commissioner</i>

APPOINTED OFFICIALS

<i>Barbara Lipscomb</i>	<i>Interim City Manager</i>
<i>Michael L. Kurtz</i>	<i>General Manager for Utilities</i>
<i>Marion Radson</i>	<i>City Attorney</i>
<i>Kurt M. Lannon</i>	<i>Clerk of the Commission</i>
<i>Brent Godshalk</i>	<i>City Auditor</i>
<i>Jimmie Williams</i>	<i>Equal Opportunity Director</i>

FINANCE PROGRAM STAFF

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

INTRODUCTORY



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Transmittal Letter



**Government Finance Officers
Certificate of Achievement
For Excellence in Financial Reporting**



Organizational Charts

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CITY OF GAINESVILLE

Finance Department

March 12, 2005

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

Dear Mayor, Commissioners, and Citizens:

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Gainesville, Florida for the fiscal year ended September 30, 2004. The report fulfills the requirements set forth in the *City Code of Ordinances*, Section 2-433; *Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the City Code of Ordinances, and the Government Finance Officers Association.

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

Florida Statutes and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed jointly by Davis, Monk and Company and Ernst & Young. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2004, 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, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Accounting Division

Station 14 • P.O. Box 490 • Gainesville, FL 32602-0490
352.334.5034 • FAX 352.334.3163

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

Profile of the City

The **City of Gainesville** is the most populous city in and county seat of Alachua County, and serves as the cultural, educational and commercial center for the North Central Florida region. Gainesville is located midway between the Gulf of Mexico and the Atlantic Ocean and halfway between Miami and Pensacola. There are approximately 54 square miles of land included within the corporate boundaries of the City. As of April 1, 2004, the official population estimate was 117,754.

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 over 70 years. The elected Mayor serves a three year term and presides over public meetings and ceremonial events. The Commission appoints the City Manager, General Manager for Utilities, City Auditor, City Attorney, 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 an Assistant City Manager, an Administrative Services Director, Assistant General Managers 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**
- **code enforcement**
- **community development**
- **cultural affairs**
- **economic development**
- **electrical power**
- **golf course**
- **mass transit**
- **natural gas distribution**
- **parks and recreation**
- **police and fire protection**
- **refuse collection**
- **small business development**
- **stormwater management**
- **street maintenance**
- **traffic engineering and parking**
- **water and wastewater**
- **telecommunications and data transfer**

Internal support services include the following:

- **accounting**
- **accounts payable**
- **affirmative action**
- **billing & collections**
- **cash management**
- **City-wide management**
- **computer systems support**
- **debt management**
- **equal opportunity**
- **fleet maintenance**

- facilities maintenance
- human resources
- information systems
- investment management
- labor relations
- mail services
- payroll
- property control
- purchasing
- risk management

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

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

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

Factors Affecting Financial Condition

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

Local economy. The economic landscape in Gainesville continues to be dominated by the government sector. Statistics compiled by the Bureau of Economic and 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 remains a low 2.62% and enrollment at the University of Florida, the engine for the area's economy, continues to grow, with a 2004 enrollment of 48,000 students.

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 of a Regional Transit System transfer center, rehabilitation of administrative offices, and construction of an employee parking lot
- Expansion of the City's fleet management and garage complex
- Construction of the Depot Park Downtown Stormwater Basin
- Rehabilitation and expansion of the Murphree Water Treatment Plant disinfection system and solids handling facilities
- Replacement of the Continuous Emission Monitoring System at the Deerhaven Generating Station

Cash management policies and practices. It is the City's intention to earn a competitive yield on its portfolio consistent with its primary function of safeguarding public assets by minimizing credit and market risks. To that end, City investments are guided by an investment ordinance and a detailed administrative policy as explained in **Note 1(D)** of the *Notes to the Financial Statements*. Cash temporarily idle during the

year is invested in certificates of deposit, instruments issued by agencies of the United States of America, corporate notes, and repurchase agreements. In keeping with City policy, approximately 99% of the carrying value of the City's portfolio is held in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The yield on investments was 3.58% percent for the City's operating portfolio, 14.95% for the General Employees' Pension Plan, and 13.28% for the Consolidated Police Officers' and Firefighters' Pension Plan. The different rates of return for the pension funds as opposed to the City's operating portfolio are attributable to the fact that the pension funds asset mix allocation is 70% equities and 30% fixed income investments.

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

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

The City is self-insured for workers' compensation, auto, general and professional liability. Third-party coverage is maintained for workers' compensation claims in excess of \$500,000 for police officers and fire fighters and \$400,000 for general employees. These activities, among other things, are reported in the *General Insurance Fund* which is an *Internal Service Fund*.

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

Pension and other postemployment benefits. The City provides three pension plans for its employees:

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

The *Employees' Plan* and the *Consolidated Plan* are contributory defined benefit plans whose assets are maintained in separate investment pools. Each plan has a separate Board of Trustees. Plan administration and investment management responsibility rests with these Boards. The Consolidated Board employs six investment managers, four of which invest in equity securities, one that invests in international equity securities, and the other in fixed income securities. At September 30, 2004, the fair value of *Consolidated Plan* assets was \$147,189,741.

The **Employees' Plan** has nine investment managers, five of which invest in domestic equity securities, two of which invest in international equity securities, and two others which invest in fixed income securities. At September 30, 2004, the fair value of the *Employees' Plan* assets was \$239,350,871.

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

The *Defined Contribution Pension Plan* is qualified under the provisions of Section 401(a) of the Internal Revenue Code. Under the provisions of this Plan, the City contributes an amount equal to 10% of the employees' gross pay, and the participating employee contributes 5%. These contributions are submitted to external retirement corporations that are responsible for management of the investments as directed by the employee. At September 30, 2004, the value of the assets was \$5,967,730.

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

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

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2003. 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, 2003. 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 daily maintain the financial records upon which this report is based. Special recognition is given to the employees of the Finance Department who worked diligently to ensure the timeliness and accuracy of the report.

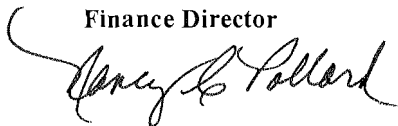
Respectfully submitted,



Glenda T. Currie
Administrative Services Director



Mark S. Benton
Finance Director



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003.

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.



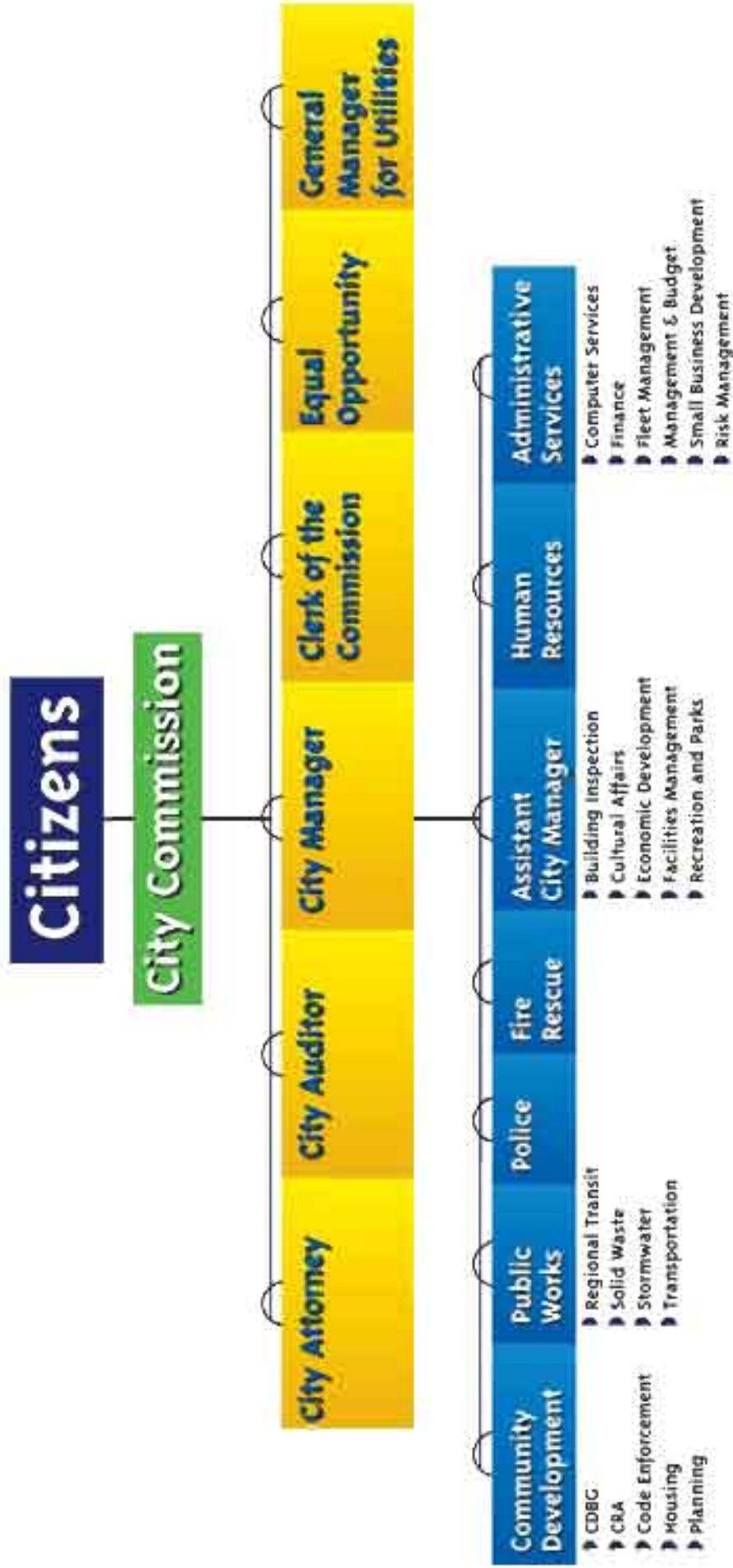
Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

City of Gainesville Organizational Chart





FINANCIAL



Auditors' Report



Management's Discussion and Analysis



Basic Financial Statements



Notes to the Financial Statements



Required Supplementary Information

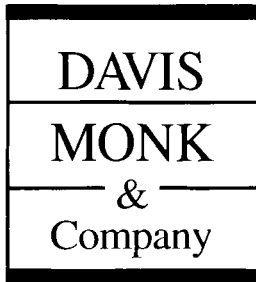


Supplemental Information



Auditors' Report





Certified Public Accountants
& Business Consultants

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Professional Associations*

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CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath
International

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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Utility Fund, a major fund, which represent 97 percent and 90 percent, respectively, of the assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2005 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 budgetary comparison schedule and schedules of funding progress listed in the table of contents as "required supplementary information" are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads "Davis, York & Company". The signature is written in a cursive, flowing style.

February 4, 2005
Gainesville, Florida



Management's Discussion and Analysis



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, 2004. 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 \$498,499,062 (*net assets*). Of this amount, \$36,794,999 (*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 \$15,677,122.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$31,510,952, a decrease of \$11,348,417 in comparison with the prior year. Of this total amount, \$18,225,332 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, the undesignated fund balance in the General Fund was \$6,744,693.
- The City's total bonded debt decreased by \$18,820,250, or 3.18% during the current fiscal year. In addition to the scheduled pay down of existing debt, the prominent components of this change were the issuance of \$9,805,000 in Guaranteed Entitlement Refunding Bonds Series 2004. These bonds refunded \$10,010,000 in Series 1994 Guaranteed Entitlement Revenue and Refunding Bonds.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the city's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in

this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

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

The government-wide financial statements include not only the City itself, but also 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 forty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other thirty-nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-43 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with its General Fund budget and the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 44-48 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and capital asset schedules can be found on pages 47-108 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 \$498,499,062 at the close of the most recent fiscal year.

Approximately 75% 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	
	FY04	FY03	FY04	FY03	FY04	FY03
Current and other assets	\$ 143,708,474	\$ 155,096,811	\$ 378,095,598	\$ 429,050,735	\$ 521,804,072	\$ 584,147,546
Capital assets	<u>107,952,914</u>	<u>97,442,123</u>	<u>731,041,444</u>	<u>702,723,007</u>	<u>838,994,358</u>	<u>800,165,130</u>
Total assets	251,661,388	252,538,934	1,109,137,042	1,131,773,742	1,360,798,430	1,384,312,676
Long-term liabilities						
outstanding	124,893,489	129,419,632	438,617,383	452,689,486	563,510,872	582,109,118
Other liabilities	<u>14,816,961</u>	<u>13,325,271</u>	<u>283,971,535</u>	<u>306,056,348</u>	<u>298,788,496</u>	<u>319,381,619</u>
Total liabilities	139,710,450	142,744,903	722,588,918	758,745,834	862,299,368	901,490,737
Net assets:						
Invested in capital assets,						
net of related debt	79,593,219	47,854,313	319,702,835	281,117,024	399,296,054	328,971,337
Restricted	12,928,276	22,754,050	49,479,733	83,814,681	62,408,009	106,568,731
Unrestricted	<u>19,429,443</u>	<u>39,185,669</u>	<u>17,365,556</u>	<u>8,096,203</u>	<u>36,794,999</u>	<u>47,281,872</u>
Total net assets	<u>\$ 111,950,938</u>	<u>\$ 109,794,032</u>	<u>\$ 386,548,124</u>	<u>\$ 373,027,908</u>	<u>\$ 498,499,062</u>	<u>\$ 482,821,940</u>

An additional portion of the City's net assets (\$62,408,009 or 12.5 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$36,794,999) may be used to meet the government's ongoing obligations to citizens and creditors.

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

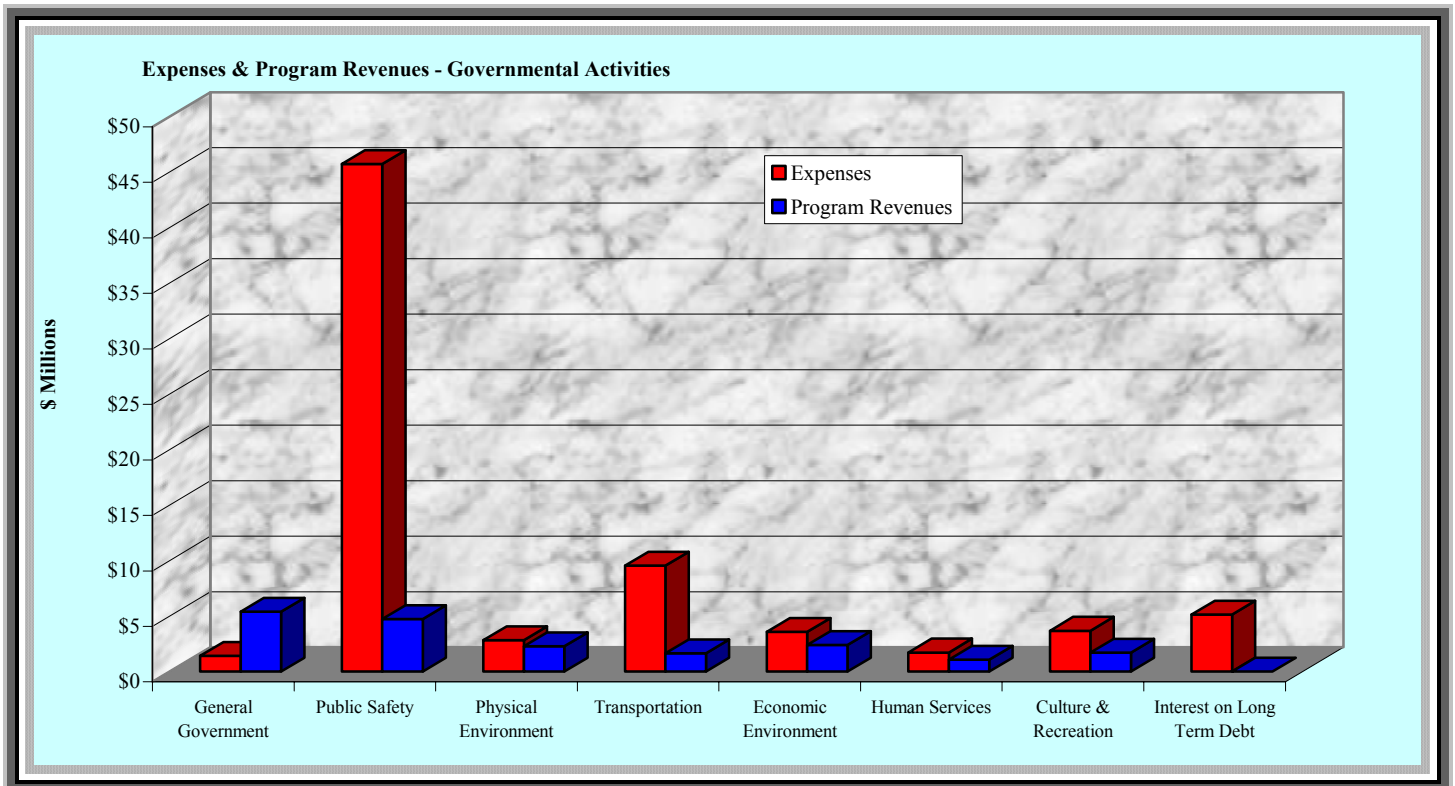
The City's net assets increased by \$15,677,122 during the current fiscal year.

City of Gainesville Changes in Net Assets

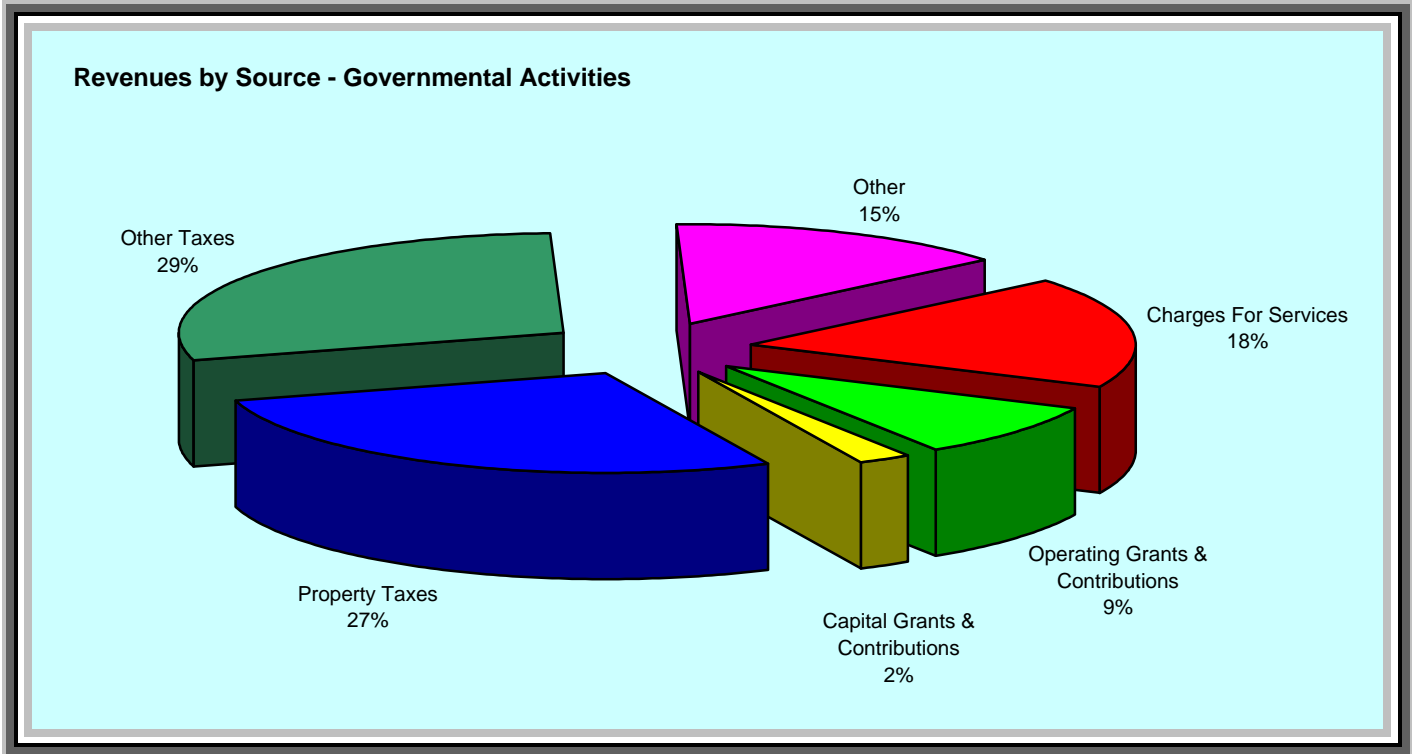
	Governmental activities		Business-type activities		Total	
	FY04	FY03	FY04	FY03	FY04	FY03
Revenues:						
Program revenues:						
Charges for services	\$ 11,802,297	\$ 11,863,349	\$ 245,134,371	\$ 229,449,766	\$ 256,936,668	\$ 241,313,115
Operating grants and contributions	5,951,582	4,681,010	5,059,409	4,968,210	11,010,991	9,649,220
Capital grants and contributions	1,406,477	4,971,251	7,572,300	5,953,321	8,978,777	10,924,572
General Revenues:						
Property taxes	17,983,617	16,341,921	-	-	17,983,617	16,341,921
Other taxes	18,961,421	17,738,773	-	-	18,961,421	17,738,773
State revenue sharing	3,367,156	2,825,141	-	-	3,367,156	2,825,141
Interest	2,641,812	1,634,773	7,011,499	6,468,299	9,653,311	8,103,072
Other revenues	3,564,261	6,097,543	16,155,309	13,945,313	19,719,570	20,042,856
Total revenues	65,678,623	66,153,761	280,932,888	260,784,909	346,611,511	326,938,670
Expenses:						
General Government	18,458,043	15,061,813	-	-	18,458,043	15,061,813
Public Safety	45,714,000	42,574,106	-	-	45,714,000	42,574,106
Physical environment	2,827,492	2,832,078	-	-	2,827,492	2,832,078
Transportation	9,548,804	9,358,165	-	-	9,548,804	9,358,165
Economic environment	3,583,832	5,135,218	-	-	3,583,832	5,135,218
Human services	1,713,715	1,490,131	-	-	1,713,715	1,490,131
Culture & recreation	3,669,838	5,317,908	-	-	3,669,838	5,317,908
Interest on long-term debt	5,136,385	3,626,965	-	-	5,136,385	3,626,965
Electric	-	-	152,668,644	140,555,094	152,668,644	140,555,094
Gas	-	-	22,402,154	20,745,014	22,402,154	20,745,014
Water	-	-	15,662,347	14,213,832	15,662,347	14,213,832
Wastewater	-	-	17,978,035	17,514,229	17,978,035	17,514,229
GRUCom	-	-	6,626,562	6,296,174	6,626,562	6,296,174
Regional Transit System	-	-	13,946,979	12,833,553	13,946,979	12,833,553
Stormwater	-	-	3,963,762	3,934,824	3,963,762	3,934,824
Ironwood	-	-	1,438,628	1,531,655	1,438,628	1,531,655
Solid waste	-	-	5,595,169	5,703,055	5,595,169	5,703,055
Total expenses	90,652,109	85,396,384	240,282,280	223,327,430	330,934,389	308,723,814
Increase(Decrease) in net assets						
before transfers	(24,973,486)	(19,242,623)	40,650,608	37,457,479	15,677,122	18,214,856
Transfers	27,130,392	26,366,066	(27,130,392)	(26,366,066)	-	-
Increase in net assets	2,156,906	7,123,443	13,520,216	11,091,413	15,677,122	18,214,856
Net assets - 10/1/03	109,794,032	102,670,589	373,027,908	437,371,315	\$ 482,821,940	\$ 540,041,904
Prior Period Adjustment	-	-	-	(75,434,820)	\$ -	\$ (75,434,820)
Net assets - 10/1/03, as restated	109,794,032	102,670,589	373,027,908	361,936,495	482,821,940	464,607,084
Net assets - 9/30/04	\$ 111,950,938	\$ 109,794,032	\$ 386,548,124	\$ 373,027,908	\$ 498,499,062	\$ 482,821,940

Governmental activities. Governmental activities increased the City’s net assets by \$2,156,906, thereby accounting for 13.8% of the total growth in the net assets of the City. Key elements of this increase from the revenue side are as follows:

- Property taxes increased by \$1,641,696 (10.1%) from last year.
- \$985,000 increase in half cent sales tax
- \$1,000,000 increase in interest earnings
- \$542,000 increase in state revenue sharing
- \$952,000 from the termination of a \$30,000,000 seven year taxable fixed-to-floating LIBOR swap agreement related to the 2003 Pension Obligation Bonds.
- \$518,287 net impact from \$1,000,000 Temporary Assistance to Needy Families grant

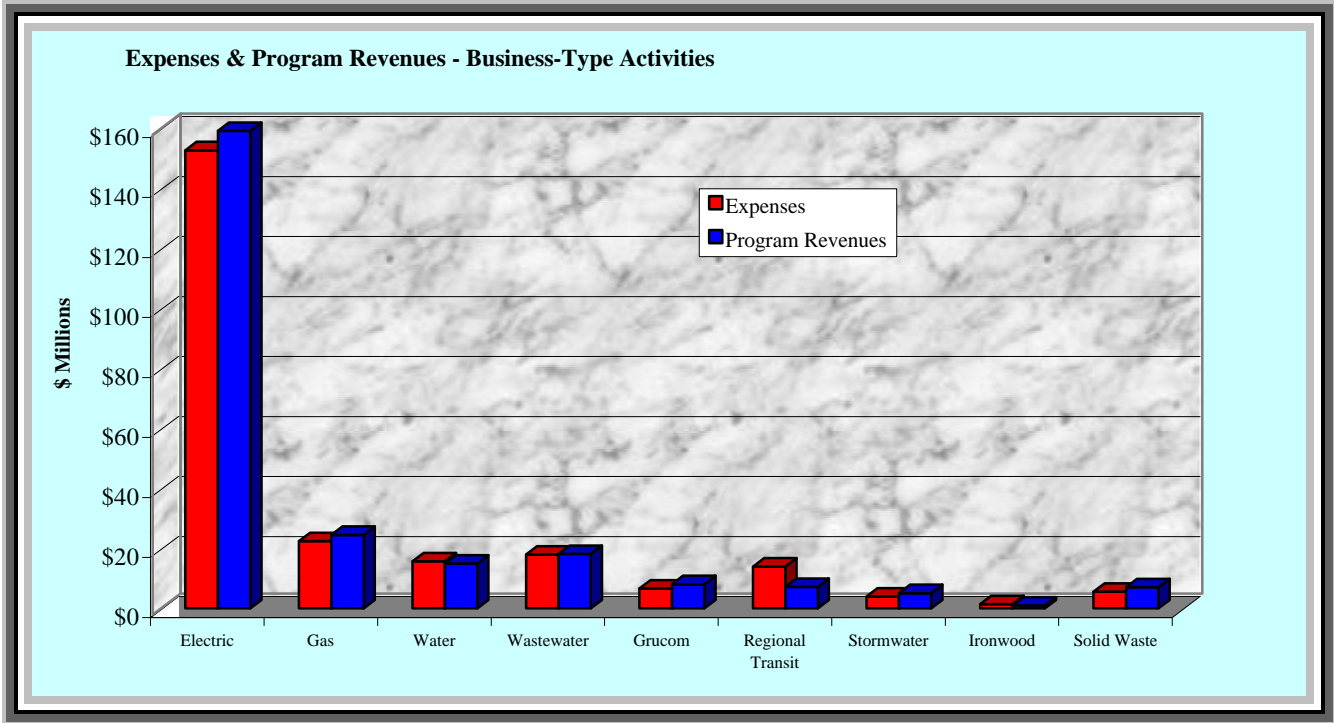


Overall expense increased by \$5,274,739 or approximately 6.2%. The principal component of this increase was a \$4,848,447 expense related to the amortization of the negative net pension obligation resulting from the issuance of the 2003 Taxable Pension Obligation Bonds.



Business-type activities. Business-type activities increased the City's net assets by \$13,520,216 accounting for 86.2% of the total growth of the City's net assets. Key elements of this increase are as follows:

- Utility operating revenue increased \$15.1 million, or approximately 6.7%. The increase was offset in part by higher fuel costs in fiscal 2004 at approximately \$8.2 million, or about 10%, which are passed directly through to our customers.
- The number of customers for electric, water, wastewater and gas services increased 3.3%, 3.1%, 2.9% and 1.8% respectively in fiscal 2004.
- Gainesville Regional Utility's service area incurred approximately \$5.5 million of damage to its facilities as a result of two hurricanes in September 2004. It is anticipated that a significant portion of the costs will be reimbursed through Federal Emergency Management Agency (FEMA) funding. The estimated \$5.5 million cost has been accrued as part of fiscal 2004 activity.



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 \$31,510,952, a decrease of \$11,348,417 in comparison with the prior year. Approximately 58% (\$18,225,332) of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$6,170,526), 2) to pay debt service (\$499,000), 3) noncurrent receivables (\$2,189,096), and 4) for a variety of other restricted purposes (\$4,426,948).

The general fund is the chief operating fund of the City. At the end of the current fiscal year there was \$6,744,693 undesignated fund balance of the general fund, while total fund balance was \$13,264,280. As a measure of the general fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures. Undesignated fund balance is 9.4% of total expenditures, while total fund balance represents 18.4% of that same amount.

The fund balance of the City's general fund decreased by \$1,314,532 during the current fiscal year. This was an improvement from the prior year decline of \$3,318,771. Key factors in this improvement from the prior year are as follows:

- An increase in property tax revenues of \$1,404,141. The millage rate remained the same as the previous year, so this growth was generated through an increase in the property tax base.
- An increase of \$985,902 in half cent sales tax revenue.

- A decrease of \$669,920 in fire protection revenues through the Designated Assistance Agreement with Alachua County. This decrease was the result of the southwest area annexation.
- An increase of \$1,094,329 in transfers from the City-owned utility system, including water and wastewater connection surcharges.
- Revenues of \$952,733 from the termination of a \$30,000,000 seven year taxable fixed-to-floating LIBOR swap agreement.

The special revenue funds have a total fund balance of \$8,867,187, which represents a decrease of \$1,459,515 from last year's balance of \$10,326,702. The debt service funds have a total fund balance of \$1,201,303, \$499,000 of which is reserved for the payment of debt service. The net increase in fund balance for the current year for these funds was \$83,732. Fund balance in the capital projects funds decreased by \$8,658,102 from \$16,836,284 to \$8,178,182. This reduction is primarily the product of the expenditures of the 1¢ sales tax proceeds on construction of the Downtown Parking Garage.

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 sources budget was \$1,485,259 or 1.9%. The primary components of this change were:

- \$953,733 related to the termination payment the City received on the \$30,000,000 fixed-to-floating interest rate swap against the Series 2003A and Series 2003B Taxable Pension Obligation Bonds.
- \$290,597 in Utility transfer incentive monies.

The difference between the original and final general fund budget for expenditures and other uses was \$3,201,664, or 4.05%. The largest part of this change was a \$2,659,575 increase in transfers, most of which went to the construction and acquisition of certain capital projects in the General Capital Projects Fund.

Capital Asset and Debt Administration

Capital assets. The City's investments in capital assets for its governmental and business type activities as of September 30, 2004 amounts to \$838,994,358 (this is net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, utility infrastructure, roads, bikepaths and sidewalks. Major capital asset events during the fiscal year include:

- 600,000 in general roadway resurfacing.
- 1.3 million North East Duck Pond restoration and stormwater improvements.
- The expansion of the Kanapaha Reclamation Facility's wastewater treatment capacity by 5 million gallons per day (MGD) was completed in FY 2004. Costs added to the project this year were \$2.4 million. Total value added to wastewater treatment assets was \$15.5 million.
- Electric transmission and distribution net expansion was \$9.3 million.
- Fiber optic service expansion was \$6.7 million and included \$2.3 million for trunking radio projects.
- Electric production plant increased \$16.6 million and included boiler control upgrades of \$3.3 million at the Deerhaven Generation Unit.
- Near completion of the \$8 million 850 space City owned parking garage.
- \$500,000 reconstruction of SW 23rd Terrace between Williston Road and Archer Road.

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

	Governmental activities		Business-type activities		Total	
	FY04	FY03	FY04	FY03	FY04	FY03
Land	15,387,695	\$ 14,313,806	\$ 2,574,746	\$ 2,140,529	\$ 17,962,441	\$ 16,454,335
Utility p & e	-	-	637,048,549	611,281,383	637,048,549	611,281,383
Buildings	18,197,783	15,202,326	1,949,750	2,058,212	20,147,533	17,260,538
Improvements	1,273,227	1,046,170	446,367	385,630	1,719,594	1,431,800
Mach & equip	11,732,163	11,270,481	6,319,727	7,600,561	18,051,890	18,871,042
Infrastructure	50,059,887	48,997,182	7,794,112	4,812,684	57,853,999	53,809,866
Const in prog	11,302,159	6,612,157	74,908,193	74,444,008	86,210,352	81,056,165
Total	<u>\$ 107,952,914</u>	<u>\$ 97,442,122</u>	<u>\$ 731,041,444</u>	<u>\$ 702,723,007</u>	<u>\$ 838,994,358</u>	<u>\$ 800,165,129</u>

Additional information on the City's capital assets can be found in note 5 on pages 37-38 of this report.

Bonded debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$573,801,729. All of this amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds and notes).

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

	Governmental activities	Business-type activities	Total
Pension obligation bonds	\$ 89,044,759	\$ -	\$ 89,044,759
Revenue bonds & Utility notes	<u>32,347,220</u>	<u>452,409,750</u>	<u>484,756,970</u>
Total	<u>\$ 121,391,979</u>	<u>\$ 452,409,750</u>	<u>\$ 573,801,729</u>

The City's total debt decreased by \$18,820,250, or 3.18% during the current fiscal year. In addition to the scheduled pay down of existing debt, the prominent components of this change were the issuance of the \$9,805,000 Series 2004 Guaranteed Entitlement Refunding Bonds. This issue refunded \$10,010,000 of Series 1994 Guaranteed Entitlement Revenue and Refunding Bonds.

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

Additional information on the City's long-term debt can be found in Note 4 on pages 30-36 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- Gainesville's unemployment rate is currently 2.62%. This is less than half of the state and national averages.
- Per capita income in Gainesville is \$25,572. This equates to 88% of state and 84% of national levels.
- Over half of Gainesville's 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.

Utility rate highlights for the 2004 fiscal year are as follows:

- Water and wastewater connection fee charges increased 3.3% and 9.3% respectively.
- No change in electric or gas rates.
- Water system customer charges increased from \$0.15 to \$3.15.
- Commercial customer water rates increased \$0.21 per 1,000 gallons, or 20.6%.
- Wastewater customer charges increased \$0.12 to \$2.39 and base rates were increased \$0.14, or 5.4%.

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.





Basic Financial Statements



CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004

	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNITS</u>	
	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>	<u>GEZDA</u>	<u>CRA</u>
ASSETS					
Cash and cash equivalents	\$ 1,417,487	\$ -	\$ 1,417,487	\$ -	\$ -
Equity in pooled cash and investments	46,087,845	10,263,863	56,351,708	3,770	43,119
Investments	1,245,052	-	1,245,052	-	-
Receivables	11,258,176	38,373,504	49,631,680	-	-
Internal balances	(7,258)	7,258	-	-	-
Inventories	165,199	15,219,410	15,384,609	-	-
Prepays	57,173	10,686,909	10,744,082	-	-
Assets held for evidence	77,455	-	77,455	-	-
Deferred charges and other assets	1,893,133	161,389,496	163,282,629	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	142,155,158	142,155,158	-	-
Negative net pension obligation asset	81,514,212	-	81,514,212	-	-
Capital assets (net of accumulated depreciation):					
Utility plant & equipment	-	637,048,549	637,048,549	-	-
Buildings	18,197,783	1,949,750	20,147,533	-	-
Improvements other than buildings	1,273,227	446,367	1,719,594	-	-
Machinery and equipment	11,732,163	6,319,727	18,051,890	-	-
Infrastructure	50,059,887	7,794,112	57,853,999	-	-
Capital assets (not depreciated):					
Land	15,387,695	2,574,746	17,962,441	-	-
Construction in progress	11,302,159	74,908,193	86,210,352	-	-
Total assets	<u>251,661,388</u>	<u>1,109,137,042</u>	<u>1,360,798,430</u>	<u>3,770</u>	<u>43,119</u>
LIABILITIES					
Accounts payable	11,141,084	22,095,221	33,236,305	-	1,653
Accounts payable - payroll	1,649,484	1,639,769	3,289,253	-	-
Accrued interest payable	322,969	8,753,375	9,076,344	-	-
Deferred revenue	1,703,424	181,227,351	182,930,775	-	-
Liabilities payable from restricted assets	-	70,255,819	70,255,819	-	-
Long term debt due within one year	4,119,899	17,268,756	21,388,655	-	-
Long-term debt due in more than one year	120,773,590	421,348,627	542,122,217	-	-
Total liabilities	<u>139,710,450</u>	<u>722,588,918</u>	<u>862,299,368</u>	<u>-</u>	<u>1,653</u>
NET ASSETS					
Invested in capital assets, net of related debt	79,593,219	319,702,835	399,296,054	-	-
Restricted for:					
Debt service	702,303	12,280,653	12,982,956	-	-
Other purposes	12,225,973	37,199,080	49,425,053	-	-
Unrestricted	19,429,443	17,365,556	36,794,999	3,770	41,466
Total net assets	<u>\$ 111,950,938</u>	<u>\$ 386,548,124</u>	<u>\$ 498,499,062</u>	<u>\$ 3,770</u>	<u>\$ 41,466</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, 2004

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	PROGRAM REVENUES				NET EXPENSE/REVENUE AND CHANGES IN NET ASSETS			
	Expenses	Operating		Capital Grants and Contributions	Governmental Activities	Business-type Activities		Component Units
		Charges for Services	Grants and Contributions			GEZDA	CRA	
Governmental activities:								
General government	\$ 18,458,043	\$ 5,394,342	\$ -	\$ -	\$ (13,063,701)	\$ -	\$ -	\$ -
Public safety	45,714,000	4,011,789	698,414	6,528	(40,997,269)	-	-	-
Physical environment	2,827,492	-	1,370,979	900,842	(555,671)	-	-	-
Transportation	9,548,804	1,088,956	554,835	-	(7,905,013)	-	-	-
Economic environment	3,583,832	202,868	2,183,115	-	(1,197,849)	-	-	-
Human services	1,713,715	-	1,056,509	-	(657,206)	-	-	-
Culture & recreation	3,669,838	1,104,342	87,730	499,107	(1,978,659)	-	-	-
Interest on long-term debt	5,136,385	-	-	-	(5,136,385)	-	-	-
Total governmental activities	90,652,109	11,802,297	5,951,582	1,406,477	(71,491,753)	-	-	-
Business-type activities								
Electric	152,668,644	159,117,967	-	-	-	6,449,323	-	-
Gas	22,402,154	24,500,625	-	-	-	2,098,471	-	-
Water	15,662,347	14,980,256	-	2,126,165	-	1,444,074	-	-
Wastewater	17,978,035	18,140,708	-	2,795,530	-	2,958,203	-	-
GRUCom	6,626,562	8,081,031	-	-	-	1,454,469	-	-
Regional Transit System	13,946,979	7,171,493	5,059,409	1,173,410	-	(542,667)	-	-
Stormwater Management	3,963,762	5,086,927	-	1,471,871	-	2,597,036	-	-
Ironwood Golf Course	1,438,628	974,888	-	5,324	-	(458,416)	-	-
Solid Waste	5,595,169	7,078,476	-	-	-	1,483,307	-	-
Total business-type activities	240,282,280	245,134,371	5,059,409	7,572,300	-	17,483,800	-	-
Total primary government	\$ 330,934,389	\$ 256,936,668	\$ 11,010,991	\$ 8,978,777	(71,491,753)	17,483,800	(54,007,953)	-

COMPONENT UNITS	General revenues:	Property taxes	Franchise & utility taxes	Communications services tax	Half cent sales tax	State revenue sharing	Gain on sale of capital assets	Other general revenues	Interest	Transfers	Total general revenues and transfers	Change in net assets	Net assets - beginning of year	Net assets - ending
Gainesville Enterprise Zone Development Agency	\$ 1,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Redevelopment Authority	296,057	-	-	-	-	-	-	-	-	-	-	-	-	(296,057)
Total component units	\$ 297,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(296,057)
	17,983,617	-	-	-	-	-	-	-	-	17,983,617	6,394,688	6,133,565	6,433,168	3,367,156
	6,394,688	-	-	-	-	-	-	-	-	6,394,688	3,525,973	2,841,812	38,288	10,842
	6,133,565	-	-	-	-	-	-	-	-	6,133,565	2,641,812	73,848,659	2,156,906	109,794,032
	6,433,168	-	-	-	-	-	-	-	-	6,433,168	27,130,392	109,794,032	111,950,938	109,794,032
	3,367,156	-	-	-	-	-	-	-	-	3,367,156	(27,130,392)	111,950,938	111,950,938	111,950,938
	49,130	-	-	-	-	-	-	-	-	49,130	3,525,973	16,144,467	7,011,499	10,842
	19,670,440	-	-	-	-	-	-	-	-	19,670,440	16,144,467	16,144,467	16,144,467	16,144,467
	275,030	-	-	-	-	-	-	-	-	275,030	2,841,812	7,011,499	9,653,311	9,653,311
	(1,747)	-	-	-	-	-	-	-	-	(1,747)	27,130,392	27,130,392	27,130,392	27,130,392
	273,283	-	-	-	-	-	-	-	-	273,283	(3,963,584)	69,685,075	69,685,075	69,685,075
	(22,774)	-	-	-	-	-	-	-	-	(22,774)	2,156,906	15,677,122	15,677,122	15,677,122
	64,240	-	-	-	-	-	-	-	-	64,240	109,794,032	373,027,908	482,821,940	482,821,940
	41,466	-	-	-	-	-	-	-	-	41,466	\$ 111,950,938	\$ 386,548,124	\$ 498,499,062	\$ 498,499,062

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

CITY OF GAINESVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 589,877	\$ 589,877
Equity in pooled cash and investments	4,081,021	19,348,408	23,429,429
Investments	-	1,245,052	1,245,052
Receivables	6,030,472	4,830,163	10,860,635
Due from other funds	4,678,951	330,682	5,009,633
Inventories	74,195	-	74,195
Assets held for evidence	-	77,455	77,455
Total assets	<u>\$ 14,864,639</u>	<u>\$ 26,421,637</u>	<u>\$ 41,286,276</u>
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	\$ 1,062,165	\$ 3,236,045	\$ 4,298,210
Due to other funds	-	742,008	742,008
Deferred revenue	538,194	4,196,912	4,735,106
Total liabilities	<u>1,600,359</u>	<u>8,174,965</u>	<u>9,775,324</u>
Fund balances:			
Reserved	6,519,587	6,765,983	13,285,570
Unreserved, reported in:			
General Fund			
Undesignated	6,744,693	-	6,744,693
Special Revenue Funds			
Designated for Future Use	-	8,902,141	8,902,141
Undesignated	-	(4,612,848)	(4,612,848)
Debt Service Funds			
Designated for Future Use	-	702,303	702,303
Capital Projects Funds			
Designated for Future Use	-	6,061,159	6,061,159
Undesignated	-	427,934	427,934
Total fund balances	<u>13,264,280</u>	<u>18,246,672</u>	<u>31,510,952</u>
Total liabilities and fund balances	<u>\$ 14,864,639</u>	<u>\$ 26,421,637</u>	<u>\$ 41,286,276</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, 2004

Total fund balances: governmental funds balance sheet	\$ 31,510,952
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$207,080,953 and the accumulated depreciation is \$106,874,371.	100,206,582
Long term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:	(124,893,489)
Bonds and promissory notes payable	122,036,108
Compensated absences	2,857,381
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.	1,893,133
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.	(322,969)
In fund financial statements, governmental fund types recognize discounts during the current period as other financing uses. In the government-wide statements, discounts are applied against bonds payable.	62,583
Liabilities for earned but unavailable revenues are reported in the funds, but not in the statement of net assets.	3,138,315
Negative net pension obligation asset created through treatment of Taxable Pension Obligation Bonds as employer contribution to defined benefit pension plans is not recognized in the funds. The original negative net pension obligation at 9/30/03 was \$86,362,659 and amortization during FY2004 is \$4,848,447	81,514,212
Internal service funds are used by management to charge the costs of fleet management, general insurance, employees health insurance, and retirees health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>18,841,619</u>
Net assets of governmental activities	<u>\$ 111,950,938</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Taxes	\$ 30,253,964	\$ 1,049,937	\$ 31,303,901
Licenses and permits	2,426,963	-	2,426,963
Intergovernmental	9,320,726	8,951,572	18,272,298
Charges for services	6,205,558	1,609,397	7,814,955
Fines and forfeitures	1,251,951	133,733	1,385,684
Miscellaneous	1,001,748	2,958,705	3,960,453
Total revenues	<u>50,460,910</u>	<u>14,703,344</u>	<u>65,164,254</u>
EXPENDITURES			
Current:			
General government	15,999,322	257,525	16,256,847
Public safety	41,402,195	5,159,499	46,561,694
Physical environment	2,125,688	581,653	2,707,341
Transportation	8,057,872	80,631	8,138,503
Economic environment	205,044	3,308,009	3,513,053
Human services	-	1,713,667	1,713,667
Culture and recreation	4,291,022	1,464,675	5,755,697
Debt service:			
Principal	-	3,608,817	3,608,817
Interest	-	5,015,779	5,015,779
Bond issuance costs	-	282,612	282,612
Capital outlay	-	10,207,478	10,207,478
Total expenditures	<u>72,081,143</u>	<u>31,680,345</u>	<u>103,761,488</u>
Excess of revenues over(under) expenditures	<u>(21,620,233)</u>	<u>(16,977,001)</u>	<u>(38,597,234)</u>
OTHER FINANCING SOURCES(USES)			
Debt issuance - Refunding Issue	-	9,805,000	9,805,000
Bond Premium	-	728,392	728,392
Deposit to Refund Escrow	-	(10,460,858)	(10,460,858)
Transfers in	28,394,209	12,090,197	40,484,406
Transfers out	(8,088,508)	(5,219,615)	(13,308,123)
Total other financing sources(uses)	<u>20,305,701</u>	<u>6,943,116</u>	<u>27,248,817</u>
Net change in fund balances	<u>(1,314,532)</u>	<u>(10,033,885)</u>	<u>(11,348,417)</u>
Fund balances - beginning	14,578,812	28,280,557	42,859,369
Fund balances - ending	<u>\$ 13,264,280</u>	<u>\$ 18,246,672</u>	<u>\$ 31,510,952</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, 2004

Net changes in fund balances - total governmental funds	\$ (11,348,417)
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.	14,222,763
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.	(3,561,665)
In the governmental funds, revenue cannot be recognized until it is available to liquidate liabilities of the current period. In the statement of activities, revenue is recognized as soon it is earned regardless of its availability.	547,768
The issuance of long-term debt provides current financial resources to governmental funds. These transactions, however, have no effect on net assets. This is the amount of long-term debt issued in the current period, including premium of \$728,392.	(10,533,392)
Proceeds of pension obligation bonds issued during FY2003 were contributed to the pension plans to retire the unfunded obligation. Governmental funds report such outlays as expenditures. However, the outlay is reported as an asset on the Statement of Net Assets. The only impact on the Statement of Activities is the amortization of the Net Negative NPO during the current fiscal year which is not reported in Governmental funds.	(4,848,447)
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.	3,608,817
The deposit to refund escrow consumes the current financial resources of governmental funds. As the debt issuance has no effect on net assets, neither does the deposit to refund escrow. This is the amount for the current period.	10,460,858
Adjustment for CRA notes previously reported as long-term debt.	1,489,009
Governmental funds report the effect of issuance discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of the effect of the difference in treatment of unamortized bond discounts.	(3,585)
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.	116,767
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.	(47,569)
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.	41,654
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>2,012,345</u>
Change in net assets of governmental activities	<u>\$ 2,156,906</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			GOVERNMENTAL
	<u>Utility</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	ACTIVITIES - Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 827,610
Equity in pooled cash and investments	3,389,978	6,873,885	10,263,863	22,658,416
Receivables	35,291,020	3,042,606	38,333,626	64,922
Due from other funds	101,747	907,763	1,009,510	294,210
Prepaid rent - lease/leaseback	10,686,909	-	10,686,909	-
Inventories	14,736,044	483,366	15,219,410	91,003
Prepaid expenses	-	-	-	57,173
Deferred charges	2,904,822	-	2,904,822	-
Restricted Assets - cash and investments	91,339,483	-	91,339,483	-
Total current assets	158,450,003	11,307,620	169,757,623	23,993,334
Noncurrent assets:				
Restricted Assets - cash and investments	50,815,675	-	50,815,675	-
Prepaid rent - lease/leaseback	140,710,968	-	140,710,968	-
Other noncurrent assets	17,773,706	-	17,773,706	-
Capital assets (net of accumulated depreciation)				
Utility plant & equipment	637,048,549	-	637,048,549	-
Buildings	-	1,949,750	1,949,750	250,220
Improvements other than buildings	-	446,367	446,367	-
Machinery and equipment	-	6,319,727	6,319,727	7,496,110
Infrastructure	-	7,794,112	7,794,112	-
Capital assets (not depreciated)				
Land	-	2,574,746	2,574,746	-
Construction in progress	72,961,047	1,947,146	74,908,193	-
Total capital assets	710,009,596	21,031,848	731,041,444	7,746,330
Total noncurrent assets	919,309,945	21,031,848	940,341,793	7,746,330
Total assets	1,077,759,948	32,339,468	1,110,099,416	31,739,664
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	23,066,871	848,243	23,915,114	8,266,104
Accounts payable - payroll	695,467	124,417	819,884	22,962
Due to other funds	4,223,644	1,347,701	5,571,345	-
Current portion of long-term debt	92,526	1,013,530	1,106,056	-
Deferred credits	1,725,904	-	1,725,904	-
Current liabilities payable from restricted assets:				
Rate stabilization deferred credit	61,091,124	-	61,091,124	-
Accrued interest payable	8,753,375	-	8,753,375	-
Current portion of long-term debt	16,051,750	-	16,051,750	-
Other liabilities payable from restricted assets	5,443,234	-	5,443,234	-
Total current liabilities	121,143,895	3,333,891	124,477,786	8,289,066
Noncurrent liabilities:				
Long-term debt	421,010,403	449,174	421,459,577	-
Operating lease - lease/leaseback	164,069,621	-	164,069,621	-
Other noncurrent liabilities	17,957,380	195,907	18,153,287	-
Total noncurrent liabilities	603,037,404	645,081	603,682,485	-
Total liabilities	724,181,299	3,978,972	728,160,271	8,289,066
NET ASSETS				
Invested in capital assets, net of related debt	299,670,987	20,031,848	319,702,835	7,746,330
Restricted for:				
Debt Service	12,280,653	-	12,280,653	-
Other purposes	36,730,480	468,600	37,199,080	-
Unrestricted	4,896,529	7,860,048	12,756,577	15,704,268
Total net assets	\$ 353,578,649	\$ 28,360,496	\$ 381,939,145	\$ 23,450,598

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, 2004

Total net assets of Enterprise Funds on the statement of net assets of proprietary funds	\$ 381,939,145
Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants	<u>4,608,979</u>
Net assets of business-type activities	<u><u>\$ 386,548,124</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, 2004

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	Utility	Other Enterprise Funds	Totals	ACTIVITIES - Internal Service Funds
Operating Revenues:				
Sales and service charges	\$ 224,820,587	\$ 20,313,784	\$ 245,134,371	\$ 12,788,724
Employer contributions	-	-	-	7,462,616
Employee contributions	-	-	-	6,820,684
Retiree contributions	-	-	-	1,383,860
Other operating revenues	15,934,554	30,052	15,964,606	118,598
Total operating revenues	240,755,141	20,343,836	261,098,977	28,574,482
Operating expenses:				
Operations and maintenance	137,825,854	22,140,585	159,966,439	9,953,890
Administrative and general	23,938,149	1,649,305	25,587,454	2,660,678
Depreciation and amortization	36,752,375	1,718,785	38,471,160	1,750,530
Benefits paid and other expenses	-	-	-	10,395,300
Total operating expenses	198,516,378	25,508,675	224,025,053	24,760,398
Operating income (loss)	42,238,763	(5,164,839)	37,073,924	3,814,084
Nonoperating revenues (expenses):				
Investment income	4,156,003	134,909	4,290,912	487,171
Gain on sale of investments	2,720,587	-	2,720,587	-
Interest expense	(18,656,887)	-	(18,656,887)	-
Gain on disposal of fixed assets	-	10,842	10,842	152,937
Local option gas tax	-	2,215,977	2,215,977	-
Other revenue	-	179,861	179,861	-
Operating grants	-	2,843,432	2,843,432	-
Total nonoperating revenue(expenses)	(11,780,297)	5,385,021	(6,395,276)	640,108
Income before capital contributions and transfers	30,458,466	220,182	30,678,648	4,454,192
Capital contributions	4,921,695	2,650,605	7,572,300	3,704
Transfers in	-	1,134,160	1,134,160	110,219
Transfers out	(27,010,442)	(1,254,110)	(28,264,552)	(156,110)
Change in net assets	8,369,719	2,750,837	11,120,556	4,412,005
Total net assets - beginning of year	345,208,930	25,609,659	370,818,589	19,038,593
Total net assets - ending	\$ 353,578,649	\$ 28,360,496	\$ 381,939,145	\$ 23,450,598

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, 2004

Change in net assets - Enterprise Funds	\$ 11,120,556
Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants	<u>2,399,660</u>
Change in net assets of business-type activities	<u>\$ 13,520,216</u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	UTILITY FUND	NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 224,278,927	\$ 19,177,832	\$ 243,456,759	\$ 28,482,171
Cash Paid to Suppliers	(122,045,434)	(13,296,262)	(135,341,696)	(20,463,657)
Cash Paid to Employees	(43,109,125)	(10,821,148)	(53,930,273)	(2,104,532)
Other Operating Receipts	6,813,668	394,217	7,207,885	110,005
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>65,938,036</u>	<u>(4,545,361)</u>	<u>61,392,675</u>	<u>6,023,987</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Local Option Gas Tax	-	2,215,978	2,215,978	-
Operating Grants	-	1,899,348	1,899,348	-
Interest Paid	-	(49,799)	(49,799)	-
Transfers from Other Funds	-	1,134,160	1,134,160	110,219
Transfers to Other Funds	(27,010,442)	(1,254,110)	(28,264,552)	(156,110)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITIES	<u>(27,010,442)</u>	<u>3,945,577</u>	<u>(23,064,865)</u>	<u>(45,891)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Principal Repayments on Long-Term Debt	(15,025,250)	(1,000,000)	(16,025,250)	-
Proceeds from Sale of Fixed Assets	-	2,609	2,609	152,937
Interest Paid on Long-term Debt	(18,031,898)	-	(18,031,898)	-
Capital Contributions	-	2,667,716	2,667,716	2,209
Acquisition and Construction of Fixed Assets	(47,791,846)	(1,706,775)	(49,498,621)	(1,607,110)
Capitalized Connection Fees	2,437,528	-	2,437,528	-
Other Receipts (Payments)	72,631	-	72,631	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(78,338,835)</u>	<u>(36,450)</u>	<u>(78,375,285)</u>	<u>(1,451,964)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Received	2,554,172	183,680	2,737,852	490,769
Purchase of Investments	(447,704,385)	(4,481,317)	(452,185,702)	(15,311,334)
Investment in The Energy Authority	(114,601)	-	(114,601)	-
Distributions from The Energy Authority	1,342,398	-	1,342,398	-
Proceeds from Investment Maturities	481,017,390	5,110,387	486,127,777	12,884,514
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>37,094,974</u>	<u>812,750</u>	<u>37,907,724</u>	<u>(1,936,051)</u>
NET INCREASE (DECREASE) IN CASH	<u>(2,316,267)</u>	<u>176,516</u>	<u>(2,139,751)</u>	<u>2,590,081</u>
CASH - OCTOBER 1, 2003	<u>32,868,301</u>	<u>2,216,052</u>	<u>35,084,353</u>	<u>5,584,611</u>
CASH - SEPTEMBER 30, 2004	<u>\$ 30,552,034</u>	<u>\$ 2,392,568</u>	<u>\$ 32,944,602</u>	<u>\$ 8,174,692</u>

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

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	UTILITY FUND	NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING INCOME (LOSS)	\$ 42,238,763	\$ (5,164,839)	\$ 37,073,924	\$ 3,814,084
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation and Amortization	36,752,375	1,718,785	38,471,160	1,758,913
Operating Lease-Lease/leaseback Revenue	(1,774,203)	-	(1,774,203)	-
(Increase)/Decrease in Receivables	(663,043)	(934,188)	(1,597,231)	63,585
(Increase)/Decrease in Inventories	(801,636)	(17,775)	(819,411)	54,870
(Increase)/Decrease in Due from Other Funds	-	(140,712)	(140,712)	(42,293)
(Increase)/Decrease in Prepaid Expenses	(2,724,359)	-	(2,724,359)	(21,330)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	8,357,806	(400,849)	7,956,957	406,259
Increase/(Decrease) in Due to Other Funds	(3,348,400)	394,217	(2,954,183)	(10,101)
Increase/(Decrease) in Deferred Credits	(26,663,208)	-	(26,663,208)	-
(Increase)/Decrease in Deferred Debits	14,442,558	-	14,442,558	-
Increase/(Decrease) in Utility Deposits	121,383	-	121,383	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 65,938,036	\$ (4,545,361)	\$ 61,392,675	\$ 6,023,987

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

Cash	\$ 30,552,034	\$ 2,392,568	\$ 32,944,602	\$ 8,174,692
Unamortized Discount	(9,849,194)	-	(9,849,194)	-
Accrued Interest	692,662	-	692,662	-
Investments	124,149,634	4,481,317	128,630,951	15,311,334
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER STATEMENT OF NET ASSETS	\$ 145,545,136	\$ 6,873,885	\$ 152,419,021	\$ 23,486,026

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Contribution of Capital Assets	\$ 4,921,695	\$ -	\$ 4,921,695	\$ -
Change in Fair Value of Investments	(267,736)	240,555	(27,181)	(154,013)

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, 2004

	<u>PENSION TRUST FUNDS</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 436,603
Investments, at fair value:	
U. S. Treasury Obligations	5,963,581
Corporate Bonds	51,209,909
Government Bonds	18,378,564
Mortgage backed Obligations	292,987
Common and Preferred Stock	<u>310,258,968</u>
TOTAL ASSETS	386,540,612
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	<u>5,667</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 386,534,945</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, 2004

	PENSION TRUST FUNDS
<u>ADDITIONS:</u>	
Contributions:	
Employer Contributions	\$ 3,636,988
Employee Contributions	7,255,302
State Contributions	<u>1,020,022</u>
Total Contributions	<u>11,912,312</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	44,041,258
Dividends & Interest	<u>6,968,901</u>
Total Investment Income	51,010,159
Less Investment Expense	<u>2,407,645</u>
Net Investment Income	<u>48,602,514</u>
TOTAL ADDITIONS	<u>60,514,826</u>
<u>DEDUCTIONS:</u>	
Benefit Payments	18,917,503
Refunds of Contributions	666,944
Administrative Expenses	<u>487,189</u>
TOTAL DEDUCTIONS	<u>20,071,636</u>
CHANGE IN NET ASSETS	40,443,190
NET ASSETS - beginning	<u>346,091,755</u>
NET ASSETS - ending	<u>\$ 386,534,945</u>

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



Notes to the Financial Statements



CITY OF GAINESVILLE, FLORIDA
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September 30, 2004

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CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(A) Reporting Entity

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

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

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

Discretely Presented Component Units - The Community Redevelopment Agency (CRA) and the Gainesville Enterprise Zone Development Agency (GEZDA) were created by ordinance of the City to carry out community redevelopment within the City of Gainesville under Chapter 163 of the Florida Statutes. The City Commission appoints the boards of these organizations and approves their budgets. These organizations have a September 30 year-end. Separate financial statements of the individual component units are available at the office of the Finance Director, 200 East University Avenue, Gainesville, Florida, 32601.

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

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

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

The only joint venture in which the City participated in fiscal year 2003-2004 was Gainesville Regional Utilities' investment in The Energy Authority, which is described in Note 14.

(B) Government-wide and Fund Financial Statements

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

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

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

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

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

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

- Enterprise Funds
- Internal Service Funds

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Measurable refers to the ability to quantify in monetary terms the amount of the revenue and receivable. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities at the balance sheet date. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on 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 funds' revenues are not considered susceptible to accrual because they are not both measurable and available to finance expenditures of the current period:

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

The City reports one major governmental fund:

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

The City reports one major proprietary fund:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customer for sales and services. The principal operating revenues for the City's internal service funds related to general insurance and fleet management are charges to customers for sales and service. For those internal service funds related to health insurance, the principal operating

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

revenues are employer and employee contributions. Operating expenses for enterprise funds and internal service funds include the cost of sales and service, administrative expenses, depreciation on capital assets, and benefits paid. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

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

(D) Deposits with Financial Institutions and Investments

In accordance with *GASB Statement No. 3*, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," the City's investments and deposits are categorized as follows to give an indication of the level of risk assumed by the City.

Deposits

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

Investments

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

	CATEGORY		TOTAL @
	1	2	FAIR VALUE
Defined Benefit			
<u>Pension investments</u>			
U.S. Treasury Obligations	5,963,581	-	5,963,581
Corporate bonds	51,209,909	-	51,209,909
Government bonds	18,378,564	-	18,378,564
Mortgage backed obligations	292,987	-	292,987
Common and preferred stock	310,258,968	-	310,258,968
Subtotal defined benefit pension investments	386,104,009	-	386,104,009
<u>Deposits</u>			
Cash in bank	42,441,124	-	42,441,124
Cash held by pension trustees	436,603	-	436,603
Certificates of deposit	197,000	-	197,000
Subtotal deposits	43,074,727	-	43,074,727
<u>Other investments</u>			
Government securities	113,688,842	-	113,688,842
Repurchase agreements	-	332,643	332,643
Money Market	588,000	-	588,000
Corporate bonds	600,000	-	600,000
Mortgage backed securities	481,921	-	481,921
Corporate commercial paper	41,641,712	-	41,641,712
Subtotal other investments	157,000,475	332,643	157,333,118
Investments - mutual funds			1,245,052
Total deposits and investments			\$ 587,756,906

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

	<u>GEZDA</u>	<u>CRA</u>
Certificates of Deposit	\$17	\$197
Repurchase Agreements	29	332
Money Market	51	587
Government Bonds	3,579	40,923
Corporate Bonds	52	599
Mortgage Backed Securities	42	481
TOTAL	\$3,770	\$43,119

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

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

	Cash & Cash Equivalents	Equity in Pooled Cash & Investments	Investments	Restricted Cash & Investments	Total Deposits & Investments
Govt. Activities:					
General	\$ -	\$ 4,081,021	\$ -	\$ -	\$ 4,081,021
Special Revenue	52,888	9,768,255	1,245,052	-	11,066,195
Debt Service	536,989	627,614	-	-	1,164,603
Capital Projects	-	8,952,539	-	-	8,952,539
Internal Service	827,610	22,658,416	-	-	23,486,026
Subtotal Govt. Activities	<u>1,417,487</u>	<u>46,087,845</u>	<u>1,245,052</u>	<u>-</u>	<u>48,750,384</u>
Bus.-type Activities:					
Enterprise	-	10,263,863	-	142,155,158	152,419,021
Subtotal Bus.-type Activities	<u>-</u>	<u>10,263,863</u>	<u>-</u>	<u>142,155,158</u>	<u>152,419,021</u>
Pension Trust	436,603	-	386,104,009	-	386,540,612
Total Primary Government	1,854,090	56,351,708	387,349,061	142,155,158	587,710,017
Component Units:					
GEZDA	-	3,770	-	-	3,770
CRA	-	43,119	-	-	43,119
Total	<u>\$ 1,854,090</u>	<u>\$ 56,398,597</u>	<u>\$ 387,349,061</u>	<u>\$ 142,155,158</u>	<u>\$ 587,756,906</u>

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

	Pooled Cash & Investments per Financial Statements	Adjustment for Overdraft Liabilities	Balance
Governmental Activities:			
General	\$ 4,081,021	\$ 2,035,216	\$ 6,116,237
Community Development			
Block Grant	-	(188,574)	(188,574)
Miscellaneous Grants	-	(2,195)	(2,195)
FEMA Grant	-	(370,425)	(370,425)
Art in Public Places	-	(108,679)	(108,679)
Pension Obligation Series 2003A	-	(64,877)	(64,877)
Business-Type Activities:			
Ironwood Golf Course	-	(1,300,466)	(1,300,466)

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

Defined Benefit Pension Investments

These funds represent investments administered by the City's Defined Benefit Pension Fund Investment Managers. They comprise \$386,104,009 of the City's total fair value of investments, and are exclusive of the \$436,603 held in cash by the Trustees. These investments are reported at fair value. The fair market value of this plan is arrived at through valuation efforts done by our investment managers in conjunction with our plan custodian. The market values for the vast majority of these assets are readily available. For those assets whose fair market 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 instruments:

Equity Funds (domestic and international)

- Common Stocks
- Convertible Preferred Stocks
- Convertible Debentures

Fixed Income Funds

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

Other Than Defined Benefit Pension Investments

These funds comprise \$201,652,897 of the City's total fair value of deposits and investments. This figure includes \$1,245,052 invested in mutual funds.

Deposits At year end, the bank balances for City deposits was \$42,638,124 . The institutions in which the City's monies were deposited were certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the City's total bank balances on deposit are entirely insured by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. Additionally, under the terms of the Gainesville Regional Utilities bond resolution, the depository is restricted to be a bank, savings and loan association or trust company of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$10 million.

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

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

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

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

Money belonging to the Evergreen Cemetery Trust Fund (a non-major special revenue fund), is invested in accordance with guidelines established by the Evergreen Cemetery Advisory Committee and/or as approved

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Notes to Financial Statements
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by the City Commission. These guidelines authorize investments in mutual funds including domestic equities, international equities and natural resources funds as well as in certificates of deposit and in repurchase agreements at the City's contracted rate.

(E) Receivables

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

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

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

Unbilled utilities service receivables are recorded at year end. They are calculated by prorating cycle billings subsequent to September 30, 2004 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, 2004, the allowance was \$28,507 for the General Fund and \$1,152,882 for Enterprise Funds.

(F) Inventories

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

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

(G) Capital Assets

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated market value on the date donated.

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

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

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

Infrastructure acquired prior to fiscal years ended after June 30, 1980 is reported.

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was capitalized in the Enterprise Funds during the 2004 fiscal year. This amount, if any, is included in construction in progress and reduces interest expense in the Enterprise Funds. It is computed by applying the effective interest rate on the funds borrowed to finance the projects to the monthly balance of projects under construction. For assets constructed with governmental fund resources, interest during construction is not capitalized.

(H) Long-term Obligations

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

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

(I) Amortization and Deferred Charges/Credits

Currently, GRU prepares its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 71, and records various regulatory assets and liabilities. For a company to report under SFAS No. 71, the company's rates must be designed to recover its costs of providing services, and the company 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

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continued application of SFAS No. 71, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

(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 \$400,000 for general employees and \$500,000 for police and fire personnel. Settlements have not exceeded insurance coverage for each of the last three years.

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

All funds other than the Utility Fund participate in the general insurance program. Risk management/insurance related activities of the Utility fund are accounted for within the Utility Fund. An actuarially computed liability of \$2,106,000 is recorded in the Utility Fund as a fully amortized deferred credit. 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>
2003-2004	\$2,422,309	\$657,000	\$973,009	\$2,106,300
2002-2003	3,152,309	422,000	1,152,000	2,422,309

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

	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2003-2004	\$6,714,000	\$2,899,875	\$2,899,875	\$6,714,000
2002-2003	6,714,000	2,097,202	2,097,202	6,714,000

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 which is based upon the volume of claims processed. Contributions for City employees and their dependents are shared by the city and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$150,000 per individual. Three claims have exceeded insurance coverage in the last three years. Changes in claims liability for the last two years are as follows:

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	BEGINNING OF FISCAL YEAR			END OF FISCAL YEAR
	<u>LIABILITY</u>	<u>INCURRED</u>	<u>PAYMENTS</u>	<u>LIABILITY</u>
2003-2004	\$ 985,064	\$10,691,532	\$10,395,300	\$1,281,296
2002-2003	1,007,000	9,213,091	9,235,027	985,064

(L) Interfund Activity

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

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

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

(M) Property Taxes

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

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

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

(N) Budgetary Information

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

(O) Statement of Cash Flows

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

CITY OF GAINESVILLE, FLORIDA
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(P) Enterprise Activities

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

NOTE 2 - RETIREMENT PLANS

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

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

(A) Defined Benefit Plans

Employees' Plan:

Plan Description. The Employees' Plan is a contributory defined benefit pension plan that covers all permanent employees of the City, except certain personnel who elected to participate in the Defined Contribution Plan and who were grandfathered into that plan, and police officers and firefighters who participate in the Consolidated Plan. The Employees' Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The pension plan's basis of accounting is modified accrual; the policy is to recognize costs of the plan under modified 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 5.0 % of their annual covered salary. The City is required to contribute at an actuarially determined rate; the rate for fiscal year 2003 for retirement and death benefits was 4.52% of covered payroll through March 31, 2003. On April 1, 2003 the rate decreased to 3.36%, and on October 1, 2003 the rate decreased to 2.82% and remained at that rate for fiscal year 2004. This reduction was brought about through the issuance of the Taxable Pension Obligation Bonds, Series 2003A. The proceeds from this issue were utilized to retire the unfunded actuarial accrued liability in the Employees' Plan - the 2.82% represents the ongoing normal cost of the plan. A contribution of 1.05% of covered payroll is made for disability benefits.

CITY OF GAINESVILLE, FLORIDA
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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	\$ 4,029,908
Interest on net pension obligation	(3,572,588)
Adjustment to annual required contribution	4,550,145
<i>Annual Pension Cost</i>	\$ 5,007,465
Contributions Made	2,719,588
Change in net pension obligation	\$ 2,287,877
Net Pension Obligation (Asset), beginning of year	(38,634,133)
<i>Net Pension Obligation(Asset), end of year</i>	\$ (36,346,256)

The annual required contribution for the current year was determined as part of the October 1, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 9.25% investment rate of return (net of administrative expenses) and (b) projected salary increase of 5% per year. 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 an open basis. The amortization period at September 30, 2004 was 30 years.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/02	\$ 3,032,698	\$ 3,032,698	100.0%	\$ -
09/30/03	2,901,910	41,536,043	1431.4%	(38,634,133)
09/30/04	5,007,465	2,719,588	54.3%	(36,346,256)

The City's FY03 contribution to the plan included \$38,634,133 from the proceeds of the Taxable Pension Obligation Bonds, Series 2003A.

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. 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.

CITY OF GAINESVILLE, FLORIDA
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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 2003 was 18.12% through March 31, and on April 1, 2003 decreased to 3.87% of covered payroll. This reduction was brought about through the issuance of the Taxable Pension Obligation Bonds, Series 2003B. The proceeds from this issue were utilized to retire the unfunded actuarial accrued liability in the Consolidated Plan. The actuarially determined rate for fiscal year 2004 began at 4.52%. This rate was later adjusted to 4.54% on April 1, 2004 to cover a pension obligation that resulted from new terms negotiated with the fire fighters – the 4.54% represents the ongoing normal cost of the plan. In addition, State contributions, which totaled \$1,020,022, are also made to the plan on behalf of the City.

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

Annual required contribution	\$	4,664,126
Interest on net pension obligation		(4,056,842)
Adjustment to annual required contribution		2,870,687
Annual Pension Cost	\$	3,477,971
Contributions Made		917,400
Change in net pension obligation	\$	2,560,571
Net Pension Obligation (Asset), beginning of year		(47,728,526)
Net Pension Obligation(Asset), end of year	\$	(45,167,955)

The annual required contribution for the current year was determined as part of the October 1, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4% to 7% per year. Both (a) and (b) included an inflation component of 4%. The assumptions 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 an open basis. The amortization period at September 30, 2004 was 30 years.

Three Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
09/30/02	\$ 3,283,644	\$ 3,283,644	100.0%	\$ -
09/30/03	2,629,438	50,357,964	1915.2%	(47,728,526)
09/30/04	3,477,971	917,400	26.4%	(45,167,955)

The City's contribution to the plan in fiscal year 2003 included \$47,728,526 from the proceeds of the Taxable Pension Obligation Bonds, Series 2003B.

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.

(B) Defined Contribution Pension Plan

Plan Description. As noted above, the Defined Contribution Pension Plan is open to certain City professional and managerial employees. It is no longer available to all newly hired professional and

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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 10.0% of covered payroll. During the 2004 fiscal year, plan member contributions totaled \$198,659 and the City's contribution totaled \$312,078.

NOTE 3 - DEFERRED COMPENSATION PLAN

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

NOTE 4 - LONG-TERM DEBT

Long-term debt is hereafter described:

GOVERNMENTAL ACTIVITIES:

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

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

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

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

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

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

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

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\$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.

BUSINESS-TYPE ACTIVITIES:

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

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

\$134,920,000 Utilities System Revenue Bonds, Series 1992 - 6.0-7.5%, dated March 1, 1992, final maturity 2017.

The 1992 B Bonds mature at various dates from October 1, 2001 to October 1, 2017. Those Bonds maturing on or after October 1, 2003 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 – 4.0%-5.75%, dated February 1, 1996, final maturity October, 2026.

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

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

A portion of the Bonds maturing from October 1, 2004 to October 1, 2008 (\$6.2 million) were advance-refunded to the maturity dates. The bonds were defeased, in substance, and will be paid from escrowed funds. There were \$6,235,000 outstanding as of September 30, 2004.

\$37,300,000 2002 Utilities System Subordinated Utilities System Revenue Bonds Series 2002A – variable interest, dated July 20, 2002. The 2002A bonds were issued as multi-modal variable interest rate bonds, initially issued as variable-rate auction notes. Interest rates are reset by an auction process each 35 days based on market rates. While in the variable auction-rate mode, the Bonds may be redeemed at the

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option of the City in whole or in part on any interest payment date immediately following the end of the auction period without premium.

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

\$33,000,000 2003 Utilities System Revenue Bonds Series 2003A – 4.625% - 5.25%, dated January 30, 2003, final maturity October 1, 2024. The 2003A bonds are subject to redemption at the option of the City on or after October , 2013 at 100%.

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

\$115,925,000 2003 Utilities System Revenue Bonds Series 2003C – 4.0% - 5.0%, dated August 20, 2003, final maturity October 1, 2013.

Utility Notes

The following Utility System notes are outstanding as of September 30, 2004:

\$85,000,000 Commercial Paper Notes, Series C Notes (tax-exempt)- These may continue to be issued to refinance maturing Series C Notes or provide for other costs. Liquidity support for the Series C notes is provided under a long-term credit agreement dated as of March 1, 2000 with Bayerische Landesbank Gironzentrale. The obligation of the bank may be substituted by another bank which meets certain credit standards and which is approved by GRU and the agent. Under terms of the agreement, GRU may borrow up to \$85,000,000 with same day availability ending on the termination date, as defined in the agreement. Series C Notes of \$1.9 million and \$2.6 million were redeemed during 2004 and 2003, respectively. Proceeds from GRU's lease/leaseback transaction, along with other funds on hand were used to redeem the Series C Notes in 1999. GRU issued \$16,500,000 of Series C Notes in 1999 to finance future electric construction projects.

\$25,000,000 Commercial Paper Notes, Series D (taxable) - In June 2000, a Utilities System Commercial Paper Note Program, Series D (taxable) was established in a principal amount not to exceed \$25,000,000. Liquidity support for the Series D Notes is provided under a long-term credit agreement dated June 1, 2000 with SunTrust Bank. The obligation of the bank may be substituted by another bank which meets certain credit standards and is approved by GRU. Under the terms of the agreement, GRU may borrow up to \$25,000,000 with same day availability ending on the termination date, as defined in the agreement. Series D Notes of \$734,000 and \$784,000 were redeemed during 2004 and 2003, respectively. As of September 30, 2004, \$17,031,000 of Series D Notes was outstanding.

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

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Year ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2005	\$ 4,010,000	\$ 4,894,857	\$ 16,051,750	\$ 18,171,519
2006	3,047,052	4,775,994	15,757,000	17,352,376
2007	2,770,104	4,706,967	16,265,000	16,873,681
2008	3,084,992	4,686,197	21,055,000	16,309,753
2009	3,393,734	4,681,530	24,200,000	15,509,209
2010-2014	16,512,943	24,493,223	139,335,000	59,537,187
2015-2019	17,880,867	27,337,359	86,110,000	33,568,167
2020-2024	16,924,924	31,137,342	57,745,000	20,352,034
2025-2029	24,742,363	26,481,422	36,296,000	11,460,673
2030-2034	29,025,000	3,361,484	39,595,000	6,000,649
Total	\$ 121,391,979	\$ 136,556,375	\$ 452,409,750	\$ 215,135,248

Derivatives

GRU is a party to certain interest rate swap agreements, which are not recorded in the financial statements. Following is a disclosure of key aspects of the agreements.

Objective of the interest rate swap. On July 3, 2002, the City of Gainesville entered into an interest rate swap with Merrill Lynch Capital Services in connection with its variable rate 2002A Subordinated Bonds. The objective was to lower borrowing costs by synthetically fixing an interest rate.

Terms. The swap, with a notional amount of \$37.3 million, became effective on July 3, 2002. The swap amount decreases over time, matching the amount of the variable rate debt. The first notional decrease for both was October 1, 2003, with the final maturity of October 1, 2017. Under the terms of the swap agreement, GRU will pay the Counterparty a fixed annual interest rate of 4.10%. GRU will receive from the Counterparty a variable payment based on the Bond Market Association Municipal Swap Index (BMA). GRU will also pay the interest rate resulting from the 35-day remarketing of the auction rate notes.

Fair Value. As of September 30, 2004, the fair value of the swap was \$(2,100,000), based on quoted market prices. This negative fair value is a result of changes in interest rates and reflects the fact that at year end, GRU would have to pay this amount to terminate the swap agreement.

Swap payments and associated debt. Assuming interest rates remain the same at September 30, 2004, debt service requirements on the auction rate notes and interest rate swap would be as follows:

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

Fiscal Year Ending Sept 30	Auction-Rate Notes		Interest Rate	Total
	Principal	Interest	Swaps, Net	
2005	\$ 2,900,000	\$ 465,750	\$ 948,750	\$ 4,314,500
2006	3,100,000	426,600	869,000	4,395,600
2007	3,200,000	384,750	783,750	4,368,500
2008	3,300,000	341,550	695,750	4,337,300
2009	-	297,000	605,000	902,000
2010-2014	-	1,485,000	3,025,000	4,510,000
2015-2017	22,000,000	760,050	1,548,250	24,308,300
Total	\$ 34,500,000	\$ 4,160,700	\$ 8,475,500	\$ 47,136,200

Credit Risk. As of September 30, 2004, the fair value of the swap was negative, therefore the City is not subject to credit risk. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the derivative's fair value. The swap Counterparty was rated Aa3, A+ and AA- by Moody's, S&P and Fitch respectively as of September 30, 2004. To mitigate the potential for credit risk, if the Counterparty's credit quality assigned by any two of Moody's, S&P and Fitch shall be suspended or withdrawn or lower than "Aa3" in the case of Moody's, "A+" in the case of S&P and "AA-" in the case of Fitch, the City shall have the right to require that the Counterparty's obligations under the Agreement be collateralized. Failure to deliver the Collateral Agreement to the City on or before the third business day after receipt of the written request will constitute an Event of Default with respect to the Counterparty.

Basis Risk. The swap exposes GRU to the difference between a weekly BMA index and a 35-day rollover based on current market conditions. As a result, savings could not be realized. As of September 30, 2004, BMA was 1.69% for the week of September 29, 2004, while the last 35-day rollover rate was 1.25%.

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.

Fixed-to-Floating LIBOR swap agreement – The City of Gainesville entered into a \$30,000,000 seven year fixed-to-floating LIBOR swap agreement on July 1, 2004 with Citibank N.A., New York as the counterparty. The purpose of the swap was to convert a portion of outstanding fixed-rate City of Gainesville Series 2003A and 2003B Taxable Pension Obligation Bonds into synthetic variable –rate debt to improve the City's asset/liability matching. Subsequent to executing the swap, interest rates declined which provided the City the opportunity to terminate its obligation under the swap and realize a gain. On September 21, 2004 the swap was terminated, with Citibank agreeing to make a payment to the City to unwind the swap of \$952,233.

Other Business-type activity long-term liabilities

The following long-term liabilities are outstanding as of September 30, 2004:

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

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

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

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

Year ending September 30	Principal	Interest
2005	\$ 1,011,095	\$ -
2006	11,095	3,628
2007	11,095	3,265
2008	11,095	2,902
2009	11,095	2,540
2010-2014	<u>55,477</u>	<u>5,442</u>
Total	<u>\$ 1,110,952</u>	<u>\$ 17,777</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

(A) Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2004 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within one year
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 35,292,220	\$ 9,805,000	\$ 12,750,000	\$ 32,347,220	\$ 2,890,000
Bond Premium	-	728,392	21,680	706,712	-
Pension Obligation bonds	89,894,759	-	850,000	89,044,759	1,120,000
Less deferred amounts:					
For issuance discounts	66,168	-	3,585	62,583	-
Total bonds payable	125,120,811	10,533,392	13,618,095	122,036,108	4,010,000
Promissory Notes	1,489,009	-	1,489,009	-	-
Compensated Absences	2,809,812	2,041,345	1,993,776	2,857,381	109,899
Governmental activity Long-term liabilities	<u>\$ 129,419,632</u>	<u>\$ 12,574,737</u>	<u>\$ 17,100,880</u>	<u>\$ 124,893,489</u>	<u>\$ 4,119,899</u>

Typically, the General Fund has been used in prior years to liquidate the liability for compensated absences.

Business-type activities:

Bonds payable:					
Utility revenue bonds	\$ 395,920,000	\$ -	\$ 12,385,000	\$ 383,535,000	\$ 16,051,750
Add: Issuance premiums	10,888,559	-	1,039,365	9,849,194	-
Less deferred amounts:					
For issuance discounts on refunding	30,372,079	-	2,862,150	27,509,929	-
Total bonds payable	376,436,480	-	10,562,215	365,874,265	16,051,750
Utility Notes payable	71,515,000		2,640,250	68,874,750	-
Clean Water State Revolving Loan Fund Agreement	110,952			110,952	110,952
State Infrastructure Bank Loan	2,000,000		1,000,000	1,000,000	1,000,000
Compensated absences	2,627,054	1,773,739	1,643,377	2,757,416	106,054
Business-type activity Long-term liabilities	<u>\$ 452,689,486</u>	<u>\$ 1,773,739</u>	<u>\$ 15,845,842</u>	<u>\$ 438,617,383</u>	<u>\$ 17,268,756</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 14,313,806	\$ 1,534,186	\$ (460,297)	\$ 15,387,695
Construction in progress	<u>6,612,157</u>	<u>7,974,640</u>	<u>(3,284,638)</u>	<u>11,302,159</u>
Total capital assets, not being depreciated	20,925,963	9,508,826	(3,744,935)	26,689,854
Capital assets, being depreciated:				
Buildings	29,238,515	2,272,938	(265,151)	31,246,302
Improvements other than buildings	5,957,537	103,259	(3,359)	6,057,437
Machinery and equipment	29,688,477	3,778,315	(1,693,753)	31,773,039
Infrastructure	<u>124,365,138</u>	<u>4,120,704</u>	<u>-</u>	<u>128,485,842</u>
Total capital assets being depreciated	189,249,667	10,275,216	(1,962,263)	197,562,620
Less accumulated depreciation for:				
Buildings	(14,036,189)	886,758	100,912	(13,048,519)
Improvements other than buildings	(4,911,367)	123,798	3,359	(4,784,210)
Machinery and equipment	(18,417,996)	(3,273,133)	1,650,253	(20,040,876)
Infrastructure	<u>(75,367,956)</u>	<u>(3,057,999)</u>	<u>-</u>	<u>(78,425,955)</u>
Total accumulated depreciation	(112,733,508)	(5,320,576)	1,754,524	(116,299,560)
Total capital assets, being depreciated, net	<u>76,516,159</u>	<u>4,954,640</u>	<u>(207,739)</u>	<u>81,263,060</u>
Governmental activities capital assets, net	<u>\$ 97,442,122</u>	<u>\$ 14,463,466</u>	<u>\$ (3,952,674)</u>	<u>\$ 107,952,914</u>

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

General Government	\$ (193,731)
Public Safety	864,226
Transportation	3,005,435
Economic Environment	69,407
Culture & Recreation	(183,674)
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>1,758,913</u>
Total depreciation expense - governmental activities	<u>\$ 5,320,576</u>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,140,529	\$ 434,217	\$ -	\$ 2,574,746
Construction in progress	<u>74,444,008</u>	<u>63,746,995</u>	<u>(63,282,810)</u>	<u>74,908,193</u>
Total capital assets, not being depreciated	76,584,537	64,181,212	(63,282,810)	77,482,939
Capital assets, being depreciated:				
Utility plant and equipment	991,165,476	140,072,388	(88,861,535)	1,042,376,329
Buildings	3,522,458	-	-	3,522,458
Improvements other than buildings	1,784,129	107,040	-	1,891,169
Machinery and equipment	16,939,391	138,605	(301,828)	16,776,168
Infrastructure	<u>21,724,886</u>	<u>3,127,162</u>	<u>-</u>	<u>24,852,048</u>
Total capital assets, being depreciated	1,035,136,340	143,445,195	(89,163,363)	1,089,418,172
Less accumulated depreciation for:				
Utility plant and equipment	(379,884,093)	(35,365,329)	9,921,642	(405,327,780)
Buildings	(1,464,246)	(108,462)	-	(1,572,708)
Improvements other than buildings	(1,398,499)	(46,303)	-	(1,444,802)
Machinery and equipment	(9,338,830)	(1,418,281)	300,670	(10,456,441)
Infrastructure	<u>(16,912,202)</u>	<u>(145,734)</u>	<u>-</u>	<u>(17,057,936)</u>
Total accumulated depreciation	<u>(408,997,870)</u>	<u>(37,084,109)</u>	<u>10,222,312</u>	<u>(435,859,667)</u>
Total capital assets, being depreciated, net	<u>626,138,470</u>	<u>106,361,086</u>	<u>(78,941,051)</u>	<u>653,558,505</u>
Business-type activities capital assets, net	<u>\$ 702,723,007</u>	<u>\$ 170,542,298</u>	<u>\$ (142,223,861)</u>	<u>\$ 731,041,444</u>

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

Utility	\$ 35,365,329
Regional Transit System	1,402,562
Stormwater	167,752
Ironwood	124,829
Solid Waste	<u>23,637</u>
Total depreciation expense - business type activities	<u>\$ 37,084,109</u>

NOTE 6 - INDIVIDUAL FUND DEFICITS

The following funds had deficit fund balances/net assets at September 30, 2004:

Special Revenue Funds

Federal Emergency Management Agency Grant Fund <2,505,287>

Internal Service

General Insurance <1,879,205>

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

The Federal Emergency Management Agency Grant Fund deficit is related to costs incurred from two hurricanes, which impacted Gainesville in September 2004. It is anticipated that the bulk of these costs will be reimbursed through FEMA.

In the General Insurance Fund, claim expense outpaced estimates. Premium structures have been revised in FY05 to address these issues.

NOTE 7 – COMPOSITION OF RECEIVABLES AND PAYABLES

Governmental activities

Receivables:

General Fund – Net accounts receivable as of September 30, 2004 are comprised of approximately 22% taxes (communications services tax, half cent sales tax, and local option gas tax), 16% notes receivable, 8% receivables from employees, and 54% other receivables.

Nonmajor governmental funds - Net accounts receivable as of September 30, 2004 consist of approximately 46% loans receivable, 44% intergovernmental receivables, and 10% other receivables.

Payables:

General Fund – As of September 30, 2004, the payables balance in the General Fund consists of 52% wages payable and 48% other payables.

Nonmajor governmental funds - Payables balances as of September 30, 2004 are comprised of 44% construction related obligations and 56% other payables.

Business-type activities

Receivables:

Net accounts receivable as of September 30, 2004 are comprised of approximately 90% receivables from utility customer accounts and 10% other receivables.

Payables:

As of September 30, 2004 payables balances consist of 24% fuels payable, 8% intergovernmental payables, 3% wages payable and 65% other payables.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from other funds:

Due to	Due from					Total
	General	Utility	Nonmajor governmental	Internal Service	Nonmajor Enterprise	
General	\$ -	\$ 2,643,735	\$ 734,750	\$ -	\$ 1,300,466	\$ 4,678,951
Utility	-	47,254	7,258	-	47,235	101,747
Nonmajor governmental	-	330,682	-	-	-	330,682
Internal Service	-	294,210	-	-	-	294,210
All others	-	907,763	-	-	-	907,763
Total	\$ -	\$ 4,223,644	\$ 742,008	\$ -	\$ 1,347,701	\$ 6,313,353

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

Of the \$4,678,951 due to the General Fund, \$2,035,216 is the result of the establishment of an interfund payable resulting from funds overdrawing their share of the pooled cash account. All remaining balances resulted from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfer in	Transfer out					Total
	General	Utility	Nonmajor governmental	Internal Service	Nonmajor Enterprise	
General	\$ -	\$ 27,010,442	\$ 1,083,767	\$ -	\$ 300,000	\$ 28,394,209
Utility	-	-	-	-	-	-
Nonmajor governmental	6,976,348	-	4,113,848	45,891	954,110	12,090,197
Internal Service	-	-	-	110,219	-	110,219
All others	1,112,160	-	22,000	-	-	1,134,160
Total	\$ 8,088,508	\$ 27,010,442	\$ 5,219,615	\$ 156,110	\$ 1,254,110	\$ 41,728,785

The Utility transfer to the General Fund is based on a formula adopted by the City Commission. Please refer to note 10 for more detail. The other interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

NOTE 9 -EQUITY RESERVES

In the accompanying fund financial statements, use of the term “reserved” is limited to indicating that a portion of reported equity is legally restricted to a specific future use, or not available for appropriation or expenditure. Such reserves are clearly distinguished from designations, since designations represent

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

management's tentative future spending plans and such plans are subject to change and may never be legally authorized or result in actual expenditures.

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

<u>Fund Type</u>	<u>Encumbrances</u>	<u>Inventories</u>	<u>Noncurrent Receivable</u>	<u>Debt Service</u>	<u>Legal Restrictions for a Specific Future Use</u>	<u>TOTAL</u>
<i>General Fund</i>	\$ 478,188	\$ 74,195	\$ 2,189,096	\$ -	\$ 3,778,108	\$ 6,519,587
<i>Special Revenue Funds</i>	4,091,338	-	-	-	486,556	4,577,894
<i>Debt Service Funds</i>	-	-	-	499,000	-	499,000
<i>Capital Projects Funds</i>	1,601,000	-	-	-	88,089	1,689,089
Total Reserves	\$ 6,170,526	\$ 74,195	\$ 2,189,096	\$ 499,000	\$ 4,352,753	\$ 13,285,570

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

Governmental activities

Debt service	\$ 702,303
Special Revenue Fund fund balances	6,164,814
Capital Projects	6,061,159

Business-type activities

Utility Fund debt service	\$ 12,280,653
Utility plant improvement	29,095,045
Investment in The Energy Authority	1,987,205
Nuclear decommissioning reserve	5,648,230
Regional Transit Capital Acquisition reserve	468,600

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

In 1986, the City Commission established a formula to determine the amount of Utility System revenues to be transferred to the General Fund of the City from the Enterprise (Utilities System) Funds. The transfer to the General Fund may be made only to the extent such monies are not necessary to pay debt service on the outstanding bonds and subordinated debt or to make other necessary transfers under the Resolution. The transfer to the General Fund for the year ended September 30, 2004 was \$27,010,442.

NOTE 11- POST-RETIREMENT BENEFITS

In addition to providing pension benefits, the City provides certain health care insurance benefits for retired employees. The City also permits retirees to participate in the life insurance program. Most permanent full and part-time employees who are eligible for normal, early retirement, or disability are eligible for these benefits. Individual benefits are the same for all employees, but the cost to the City may vary. Contributions by the City to fund these benefits are neither mandated nor guaranteed. Funds are appropriated annually to fund the actuarially determined costs of the health insurance program and to cover the costs of other programs. The City recognizes the cost of these benefits on a monthly basis by contributing a percentage of active payroll costs. The cost of providing these benefits for the 652 retirees for fiscal year 2004 was \$3,052,870.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Under the Comprehensive Environmental response Compensation and Liability Act, commonly known as "Superfund", the Utilities System Enterprise Funds (operating as Gainesville Regional Utilities, or GRU) has been named as a potentially responsible party at one hazardous waste site. In addition, in January 1990, GRU purchased the natural gas distribution assets of a company and pursuant to the related purchase agreement, assumed responsibility for the investigation and remediation of environmental impact related to the operation of the former manufactured gas plant. Based upon GRU's analysis of the cost to clean up these sites and other identified environmental contingencies, GRU has accrued a liability of \$7,528,000 as of September 30, 2004. Because GRU believes it is probable that it will recover the costs of environmental cleanup through future customer rates, a regulatory asset of equal amount has been reflected as a deferred charge in the accompanying balance sheet. Although uncertainties associated with environmental assessment and remediation activities remain, GRU believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect on the City's financial position, results of operations or liquidity.

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

NOTE 13 - LEASE/LEASEBACK TRANSACTION

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

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

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

Amortization of the net benefit was \$1,775,000 in fiscal 2004 and was reported as a component of other operating revenue.

CITY OF GAINESVILLE, FLORIDA
Notes to Financial Statements
September 30, 2004

NOTE 14 – INVESTMENT IN THE ENERGY AUTHORITY

In May 2000, GRU became an equity member of The Energy Authority (“TEA”), a power marketing joint venture. In May, 2002, TEA began trading natural gas on behalf of GRU. As of September 30, 2004 this joint venture was comprised of six municipal utilities across the nation, all of which are participating in the electric marketing and five of which participate in the gas program. GRU’s ownership interest was 7.1% in the electric venture and 7.7% in the gas venture, and it accounted for this investment using equity accounting. To become a member, GRU paid an initial capital contribution of \$1,000,000 and a membership fee of \$867,360. The membership fee was amortized over 24 months and, consequently, eliminated. GRU has reflected the capital contribution as an investment in TEA. The investment balance has been adjusted for GRU’s subsequent share of TEA’s net income or loss. In calculating GRU’s share of net income or loss, profit on transactions between GRU and TEA have been eliminated. Such transactions primarily relate to purchases and sales of electricity between GRU and TEA. GRU had purchase transactions with TEA of \$15,258,036 and sales transactions of \$1,761,596 in fiscal year 2004. TEA’s profit on these transactions has been reflected as a reduction to GRU’s reported revenue or expense. As of September 30, 2004, GRU’s investment in TEA was \$1,987,205. Additionally, in accordance with the membership agreement between GRU and its joint venture members, GRU has provided TEA with guarantees of \$9,600,000 to secure power marketing transactions. Of this amount, \$8,600,000 is represented by a trade guarantee with the balance through a TEA letter-of-credit supported. GRU has also provided guarantees of \$13,600,000 to secure natural gas purchases. Of this amount, \$8,800,000 is represented by a trade guarantee with the balance through a TEA letter-of-credit.





**Required
Supplementary Information**



CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUES						
Taxes	\$ 30,314,183	\$ 30,314,183	\$ 30,253,964	\$ -	\$ 30,253,964	\$ (60,219)
Licenses and Permits	2,204,098	2,204,098	2,426,963	-	2,426,963	222,865
Intergovernmental	8,883,805	8,883,805	9,320,726	-	9,320,726	436,921
Charges for Services	5,911,047	6,154,300	6,205,558	-	6,205,558	51,258
Fines and Forfeitures	1,533,981	1,533,981	1,251,951	-	1,251,951	(282,030)
Miscellaneous	1,091,906	1,091,906	1,001,748	-	1,001,748	(90,158)
TOTAL REVENUES	49,939,020	50,182,273	50,460,910	-	50,460,910	278,637
EXPENDITURES						
Current:						
General Government	17,223,181	17,208,008	15,999,322	180,727	16,180,049	1,027,959
Public Safety	39,833,683	40,305,486	41,402,195	67,419	41,469,614	(1,164,128)
Physical Environment	2,133,084	2,161,028	2,125,688	42,102	2,167,790	(6,762)
Transportation	8,121,982	8,121,982	8,057,872	118,584	8,176,456	(54,474)
Economic Environment	228,539	228,539	205,044	-	205,044	23,495
Culture and Recreation	4,416,584	4,416,584	4,291,022	69,356	4,360,378	56,206
TOTAL EXPENDITURES	71,957,053	72,441,627	72,081,143	478,188	72,559,331	(117,704)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,018,033)	(22,259,354)	(21,620,233)	(478,188)	(22,098,421)	160,933
OTHER FINANCING SOURCES (USES)						
Transfers In	27,670,383	28,912,389	28,394,209	-	28,394,209	(518,180)
Transfers Out	(7,059,260)	(9,776,350)	(8,088,508)	-	(8,088,508)	1,687,842
TOTAL OTHER FINANCING SOURCES (USES)	20,611,123	19,136,039	20,305,701	-	20,305,701	1,169,662
NET CHANGE IN FUND BALANCES	\$ (1,406,910)	\$ (3,123,315)	\$ (1,314,532)	\$ (478,188)	\$ (1,792,720)	\$ 1,330,595

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2004

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

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

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

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

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

As illustrated on the previous page, on the budgetary basis, total expenditures exceeded the final budget by \$117,704. Because total revenues exceeded the final budget by \$278,637 a favorable excess of revenues over expenditures was achieved. Considering the addition of \$1,169,662 other financing sources in excess of budget, General Fund fund balances increased \$1,330,595 more than was budgeted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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
9/30/04	\$ 222,092,000	\$ 236,067,000	\$ 13,975,000	94.08%	\$ 67,135,000	20.82%
9/30/03	202,748,044	212,162,122	9,414,078	95.56%	52,321,455	17.99%
9/30/02	152,896,547	191,220,663	38,324,116	79.96%	52,418,000	73.11%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF FUNDING PROGRESS
POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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
10/1/04	\$ 133,518,595	\$ 140,334,408	\$ 6,815,813	95.14%	\$ 21,229,170	32.11%
10/1/03	125,816,211	129,549,367	3,733,156	97.12%	17,703,178	21.09%
10/1/02	72,451,280	119,370,846	46,919,566	60.69%	17,437,302	269.08%

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULES OF FUNDING PROGRESS
SEPTEMBER 30, 2004

	EMPLOYEES' PLAN	CONSOLIDATED PLAN		
Valuation Date	9/30/02	9/30/03		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal		
Amortization Method	Level percent	Level percent		
Asset Valuation Method	5-year smoothed market	Market related value with 5-year phase in		
Actuarial Assumptions:				
Investment Rate of Return*	9.25% per annum	8.50% per annum		
Salary Increase Rate*	<u>Years of svc.</u>	<u>Rate</u>	<u>Age range</u>	<u>Rate</u>
	6 & under	7%	Less than 30	7%
	7 - 11	6	30 - 35	6
	12 - 16	4	35 - 40	5
	Over 16	3.5	40 & older	4

Includes inflation of 3.75% for both plans.





Supplemental Information



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.

Supportive Housing Investment Partnership Fund - to account for documentary stamp proceeds from real estate transactions to be used as funding for the entitlement program for expenditures made by the City improve housing options for lower income and less advantaged citizens.

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

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

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

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

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

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

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

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.

Temporary Assistance to Needy Families Fund – to account for grant proceeds and expenditures to third party entity providing educational, recreational, shelter, safety and care services to needy families and assisting the with the cost incurred by the City for administering the funding program.

Federal Emergency Management Act Fund – to account for expenditures and federal 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.

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

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

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

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

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

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

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

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

East Side 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 East Side district.

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

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

DEBT SERVICE FUNDS

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

The City maintains the following Debt Service Funds:

Pension Obligation Bonds Interest Rate Swap Fund - to account for the transactions associated with the July 2004 variable rate swap against the Taxable Pension Obligation Bonds, Series 2003A and 2003B.

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

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

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

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.

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

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.

Pension Obligation Bonds Series 2003 B – to account for funds to accumulate the debt service requirements of the pension obligation bonds.

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

CAPITAL PROJECTS FUNDS

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

The City maintains the following Capital Projects Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS

	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	SHIP FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND	CULTURAL AND NATURE PROJECTS FUND
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	364,286	99,247	1,688,220	-	94,048
Investments	-	-	-	-	-	-
Receivables	411,227	1,254,881	271,774	-	302,705	989
Due from Other Funds	80	-	-	-	35	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ 411,307	\$ 1,619,167	\$ 371,021	\$ 1,688,220	\$ 302,740	\$ 95,037
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 2,195	\$ -	\$ 652	\$ 1,674	\$ 25,142	\$ 2,392
Due to Other Funds	189,455	-	-	-	2,195	-
Deferred Revenue	47,195	1,254,881	271,774	-	153,273	-
TOTAL LIABILITIES	238,845	1,254,881	272,426	1,674	180,610	2,392
FUND BALANCES						
Reserved for Encumbrances	212,036	-	977,934	133,120	374,201	15,819
Reserved for Legal Restrictions	-	-	486,556	-	-	-
Reserved for Debt Service	-	-	-	-	-	-
Unreserved:						
Designated for Future Use	-	-	-	1,553,426	-	76,826
Undesignated	(39,574)	364,286	(1,365,895)	-	(252,071)	-
TOTAL FUND BALANCES	172,462	364,286	98,595	1,686,546	122,130	92,645
TOTAL LIABILITIES AND FUND BALANCES	\$ 411,307	\$ 1,619,167	\$ 371,021	\$ 1,688,220	\$ 302,740	\$ 95,037

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (continued)

	STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOPMENT FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	36,138	3,216,973	109,997	247,680	287,063
Investments	-	-	-	-	-
Receivables	-	-	19,460	83,287	-
Due from Other Funds	-	-	-	3,241	-
Assets Held for Evidence	77,455	-	-	-	-
TOTAL ASSETS	\$ 113,593	\$ 3,216,973	\$ 129,457	\$ 334,208	\$ 287,063
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ 20,313	\$ -	\$ 4,761	\$ 7,225
Due to Other Funds	-	-	-	-	-
Deferred Revenue	77,455	-	19,460	-	-
TOTAL LIABILITIES	77,455	20,313	19,460	4,761	7,225
FUND BALANCES					
Reserved for Encumbrances	-	377,595	-	10,377	11,493
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	36,138	2,819,065	-	-	-
Undesignated	-	-	109,997	319,070	268,345
TOTAL FUND BALANCES	36,138	3,196,660	109,997	329,447	279,838
TOTAL LIABILITIES AND FUND BALANCES	\$ 113,593	\$ 3,216,973	\$ 129,457	\$ 334,208	\$ 287,063

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (continued)

	WATER AND WASTEWATER SURCHARGE INFRASTRUCTURE FUND	TANF GRANT FUND	FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND	RECREATION FUND
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	222,506	518,287	-	131,271
Investments	-	-	-	-
Receivables	-	-	2,350,774	9,045
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 222,506	\$ 518,287	\$ 2,350,774	\$ 140,316
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 2,134,862	\$ 3,938
Due to Other Funds	3,677	-	370,425	-
Deferred Revenue	-	-	2,350,774	-
TOTAL LIABILITIES	3,677	-	4,856,061	3,938
FUND BALANCES				
Reserved for Encumbrances	-	-	1,620,369	11,158
Reserved for Legal Restrictions	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved:				
Designated for Future Use	218,829	518,287	-	125,220
Undesignated	-	-	(4,125,656)	-
TOTAL FUND BALANCES	218,829	518,287	(2,505,287)	136,378
TOTAL LIABILITIES AND FUND BALANCES	\$ 222,506	\$ 518,287	\$ 2,350,774	\$ 140,316

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (continued)

	MISCELLANEOUS SPECIAL REVENUE FUND	TOURIST DESTINATION ENHANCEMENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER FUND	FIFTH AVENUE TAX INCREMENT FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 52,888	\$ -	\$ -
Equity in Pooled Cash and Investments	210,591	81,959	-	11,066	223,106
Investments	-	-	1,245,052	-	-
Receivables	12,697	57,130	814	-	21,286
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 223,288	\$ 139,089	\$ 1,298,754	\$ 11,066	\$ 244,392
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 1,120	\$ 271	\$ -	\$ -	\$ -
Due to Other Funds	-	-	108,679	-	-
Deferred Revenue	-	-	814	-	21,286
TOTAL LIABILITIES	1,120	271	109,493	-	21,286
FUND BALANCES					
Reserved for Encumbrances	26,511	67,868	-	-	33,736
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	195,657	70,950	1,189,261	11,066	189,370
Undesignated	-	-	-	-	-
TOTAL FUND BALANCES	222,168	138,818	1,189,261	11,066	223,106
TOTAL LIABILITIES AND FUND BALANCES	\$ 223,288	\$ 139,089	\$ 1,298,754	\$ 11,066	\$ 244,392

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (concluded)

	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND	COLLEGE PARK TAX INCREMENT FUND	EASTSIDE TAX INCREMENT FUND	ART IN PUBLIC PLACES TRUST FUND	SCHOOL CROSSING GUARD TRUST FUND
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	560,390	1,375,218	122,805	58,754	108,650
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 560,390	\$ 1,375,218	\$ 122,805	\$ 58,754	\$ 108,650
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Reserved for Encumbrances	20,333	192,988	5,800	-	-
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	540,057	1,182,230	117,005	58,754	-
Undesignated	-	-	-	-	108,650
TOTAL FUND BALANCES	560,390	1,375,218	122,805	58,754	108,650
TOTAL LIABILITIES AND FUND BALANCES	\$ 560,390	\$ 1,375,218	\$ 122,805	\$ 58,754	\$ 108,650

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

DEBT SERVICE FUNDS (continued)

	<u>POB INTEREST RATE SWAP</u>	<u>FFGFC SERIES 1996</u>	<u>FFGFC SERIES 1998</u>	<u>FFGFC SERIES 2001</u>	<u>FFGFC SERIES 2002</u>	<u>GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994</u>
ASSETS						
Cash and Cash Equivalents	\$ -	536,989	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	162,004	36,858	18,092	49,196	289,636
Investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 698,993	\$ 36,858	\$ 18,092	\$ 49,196	\$ 289,636
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Reserved for Encumbrances	-	-	-	-	-	-
Reserved for Legal Restrictions	-	-	-	-	-	-
Reserved for Debt Service	-	499,000	-	-	-	-
Unreserved:						
Designated for Future Use	-	199,993	36,858	18,092	49,196	289,636
Undesignated	-	-	-	-	-	-
TOTAL FUND BALANCES	-	698,993	36,858	18,092	49,196	289,636
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 698,993	\$ 36,858	\$ 18,092	\$ 49,196	\$ 289,636

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

	<u>DEBT SERVICE FUNDS (concluded)</u>				<u>CAPITAL PROJECTS FUNDS</u>
	<u>GUARANTEED ENTITLEMENT REFUNDING BONDS 2004</u>	<u>PENSION OBLIGATION BOND SERIES 2003A</u>	<u>PENSION OBLIGATION BOND SERIES 2003B</u>	<u>CRA PROMISSORY NOTES</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	23,528	-	48,300	-	516,851
Investments	-	-	-	-	-
Receivables	-	4,917	-	-	29,177
Due from Other Funds	-	96,660	-	-	230,666
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 23,528	\$ 101,577	\$ 48,300	\$ -	\$ 776,694
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 104,241
Due to Other Funds	-	64,877	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	64,877	-	-	104,241
FUND BALANCES					
Reserved for Encumbrances	-	-	-	-	244,519
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	23,528	36,700	48,300	-	-
Undesignated	-	-	-	-	427,934
TOTAL FUND BALANCES	23,528	36,700	48,300	-	672,453
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,528	\$ 101,577	\$ 48,300	\$ -	\$ 776,694

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

CAPITAL PROJECTS FUNDS (continued)

	GREENSPACE ACQUISITION FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	43,115	200,638	22,196	692,529
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
TOTAL ASSETS	\$ 43,115	\$ 200,638	\$ 22,196	\$ 692,529
<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>				
Reserved for Encumbrances	-	-	2,578	-
Reserved for Legal Restrictions	16,200	-	-	71,889
Reserved for Debt Service	-	-	-	-
Unreserved:				
Designated for Future Use	26,915	200,638	19,618	620,640
Undesignated	-	-	-	-
TOTAL FUND BALANCES	43,115	200,638	22,196	692,529
TOTAL LIABILITIES AND FUND BALANCES	\$ 43,115	\$ 200,638	\$ 22,196	\$ 692,529

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

CAPITAL PROJECTS FUNDS (continued)

	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	35,954	59,956	456,774	66,725	4,443,497
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Assets Held for Evidence	-	-	-	-	-
TOTAL ASSETS	\$ 35,954	\$ 59,956	\$ 456,774	\$ 66,725	\$ 4,443,497
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 63,772	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	63,772	-	-
FUND BALANCES					
Reserved for Encumbrances	13,902	4,500	80,806	-	222,830
Reserved for Legal Restrictions	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Unreserved:					
Designated for Future Use	22,052	55,456	312,196	66,725	4,220,667
Undesignated	-	-	-	-	-
TOTAL FUND BALANCES	35,954	59,956	393,002	66,725	4,443,497
TOTAL LIABILITIES AND FUND BALANCES	\$ 35,954	\$ 59,956	\$ 456,774	\$ 66,725	\$ 4,443,497

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

CAPITAL PROJECTS FUNDS (concluded)

	<u>DOWNTOWN PARKING GARAGE FUND 02</u>	<u>FIFTH AVENUE/ PLEASANT ST REHAB PROJ FUND 02</u>	<u>DOWNTOWN PARKING GARAGE SALES TAX FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 589,877
Equity in Pooled Cash and Investments	680,773	444,251	1,289,280	19,348,408
Investments	-	-	-	1,245,052
Receivables	-	-	-	4,830,163
Due from Other Funds	-	-	-	330,682
Assets Held for Evidence	-	-	-	77,455
TOTAL ASSETS	\$ 680,773	\$ 444,251	\$ 1,289,280	\$ 26,421,637
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 208,648	\$ -	\$ 654,839	\$ 3,236,045
Due to Other Funds	-	-	2,700	742,008
Deferred Revenue	-	-	-	4,196,912
TOTAL LIABILITIES	208,648	-	657,539	8,174,965
 <u>FUND BALANCES</u>				
Reserved for Encumbrances	400,430	1,956	629,479	5,692,338
Reserved for Legal Restrictions	-	-	-	574,645
Reserved for Debt Service	-	-	-	499,000
Unreserved:				
Designated for Future Use	71,695	442,295	2,262	15,665,603
Undesignated	-	-	-	(4,184,914)
TOTAL FUND BALANCES	472,125	444,251	631,741	18,246,672
TOTAL LIABILITIES AND FUND BALANCES	\$ 680,773	\$ 444,251	\$ 1,289,280	\$ 26,421,637

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	SPECIAL REVENUE FUNDS					
	COMMUNITY DEVELOP- MENT BLOCK GRANT FUND	URBAN DEVELOP- MENT ACTION GRANT FUND	HOME GRANT FUND	SHIP FUND	MISCEL- LANEOUS GIFTS AND GRANTS FUND	CULTURAL AND NATURE PROJECTS FUND
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,570,567	-	525,914	1,101,283	2,033,361	-
Charges for Services	56,643	-	306,406	-	-	421,072
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	21,930	156,752	89	129,035	2,420	4,226
TOTAL REVENUES	1,649,140	156,752	832,409	1,230,318	2,035,781	425,298
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	825,188	-
Physical Environment	-	-	-	-	577,976	-
Transportation	-	-	-	-	-	-
Economic Environment	1,634,782	-	743,745	-	-	-
Human Services	-	-	-	945,994	229,451	-
Culture and Recreation	-	-	-	-	460,700	507,449
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,634,782	-	743,745	945,994	2,093,315	507,449
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,358	156,752	88,664	284,324	(57,534)	(82,151)
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-	-
Transfers In	-	-	-	2,446,040	1,499,183	-
Transfers Out	(14,358)	-	(2,032)	(1,043,818)	(2,446,040)	-
TOTAL OTHER FINANCING SOURCES (USES)	(14,358)	-	(2,032)	1,402,222	(946,857)	-
NET CHANGE IN FUND BALANCES	-	156,752	86,632	1,686,546	(1,004,391)	(82,151)
FUND BALANCES, October 1	172,462	207,534	11,963	-	1,126,521	174,796
FUND BALANCES, September 30	\$ 172,462	\$ 364,286	\$ 98,595	\$ 1,686,546	\$ 122,130	\$ 92,645

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (continued)

	STATE LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	FEDERAL LAW ENFORCE- MENT CONTRABAND FORFEITURE FUND	STREET, SIDEWALK AND DITCH IMPROVEMENT FUND	ECONOMIC DEVELOPMENT FUND	TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	127,348	123,651
Fines and Forfeitures	15,066	81,860	-	-	-
Miscellaneous	6,592	140,140	6,802	8,900	9,024
TOTAL REVENUES	21,658	222,000	6,802	136,248	132,685
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	14,858	1,755,603	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	80,631
Economic Environment	-	-	-	184,558	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	14,858	1,755,603	-	184,558	80,631
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,800	(1,533,603)	6,802	(48,310)	52,054
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-
Transfers In	-	-	-	13,506	-
Transfers Out	-	(75,318)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(75,318)	-	13,506	-
NET CHANGE IN FUND BALANCES	6,800	(1,608,921)	6,802	(34,804)	52,054
FUND BALANCES, October 1	29,338	4,805,581	103,195	364,251	227,784
FUND BALANCES, September 30	\$ 36,138	\$ 3,196,660	\$ 109,997	\$ 329,447	\$ 279,838

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (continued)

	WATER AND WASTEWATER SURCHARGE INFRASTRUCTURE FUND	TANF GRANT FUND	FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUND	RECREATION FUND
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,056,509	-	-
Charges for Services	-	-	-	208,181
Fines and Forfeitures	-	-	-	-
Miscellaneous	(250)	-	-	21,789
TOTAL REVENUES	(250)	1,056,509	-	229,970
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	2,505,287	-
Physical Environment	3,677	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	538,222	-	-
Culture and Recreation	-	-	-	156,486
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Bond Issuance Costs	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	3,677	538,222	2,505,287	156,486
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,927)	518,287	(2,505,287)	73,484
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	-	-	-
Bond Premium	-	-	-	-
Deposit to Refund Escrow	-	-	-	-
Transfers In	222,756	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	222,756	-	-	-
NET CHANGE IN FUND BALANCES	218,829	518,287	(2,505,287)	73,484
FUND BALANCES, October 1	-	-	-	62,894
FUND BALANCES, September 30	\$ 218,829	\$ 518,287	\$ (2,505,287)	\$ 136,378

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (continued)

	MISCELLANEOUS SPECIAL REVENUE FUND	TOURIST DESTINATION ENHANCEMENT FUND	EVERGREEN CEMETERY TRUST FUND	THOMAS CENTER FUND	FIFTH AVENUE TAX INCREMENT FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 105,895
Intergovernmental	-	274,615	-	-	-
Charges for Services	333,766	-	32,320	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	67,796	-	137,809	(7,564)	21,153
TOTAL REVENUES	401,562	274,615	170,129	(7,564)	127,048
EXPENDITURES					
Current:					
General Government	257,525	-	-	-	-
Public Safety	58,563	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	166,711
Human Services	-	-	-	-	-
Culture and Recreation	85,862	239,087	-	14,399	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	401,950	239,087	-	14,399	166,711
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(388)	35,528	170,129	(21,963)	(39,663)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-
Transfers In	50,000	-	-	-	58,189
Transfers Out	(7,361)	-	(43,358)	-	(52,111)
TOTAL OTHER FINANCING SOURCES (USES)	42,639	-	(43,358)	-	6,078
NET CHANGE IN FUND BALANCES	42,251	35,528	126,771	(21,963)	(33,585)
FUND BALANCES, October 1	179,917	103,290	1,062,490	33,029	256,691
FUND BALANCES, September 30	\$ 222,168	\$ 138,818	\$ 1,189,261	\$ 11,066	\$ 223,106

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

SPECIAL REVENUE FUNDS (concluded)

	DOWNTOWN REDEVELOP- MENT TAX INCREMENT FUND	COLLEGE PARK TAX INCREMENT FUND	EASTSIDE TAX INCREMENT FUND	ART IN PUBLIC PLACES TRUST FUND	SCHOOL CROSSING GUARD TRUST FUND
REVENUES					
Taxes	\$ 390,501	\$ 490,987	\$ 62,215	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	36,807
Miscellaneous	27,820	54,889	3,549	24	4,615
TOTAL REVENUES	418,321	545,876	65,764	24	41,422
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	349,165	202,606	26,442	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	692	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	349,165	202,606	26,442	692	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	69,156	343,270	39,322	(668)	41,422
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-
Transfers In	214,784	269,994	35,503	75,252	-
Transfers Out	(131,681)	(46,503)	-	(9,000)	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	83,103	223,491	35,503	66,252	(80,000)
NET CHANGE IN FUND BALANCES	152,259	566,761	74,825	65,584	(38,578)
FUND BALANCES, October 1	408,131	808,457	47,980	(6,830)	147,228
FUND BALANCES, September 30	\$ 560,390	\$ 1,375,218	\$ 122,805	\$ 58,754	\$ 108,650

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

DEBT SERVICE FUNDS

REVENUES	POB INTEREST RATE SWAP	FFGFC SERIES 1996	FFGFC SERIES 1998	FFGFC SERIES 2001	FFGFC SERIES 2002
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	1,036,833	11,983	3,704	(292)	6,670
TOTAL REVENUES	1,036,833	11,983	3,704	(292)	6,670
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	355,000	965,000	555,000	340,000
Interest and Fiscal Charges	-	164,505	417,250	70,024	443,234
Bond Issuance Costs	97,100	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	97,100	519,505	1,382,250	625,024	783,234
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	939,733	(507,522)	(1,378,546)	(625,316)	(776,564)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-
Transfers In	-	479,093	1,380,493	624,200	776,109
Transfers Out	(939,733)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(939,733)	479,093	1,380,493	624,200	776,109
NET CHANGE IN FUND BALANCES	-	(28,429)	1,947	(1,116)	(455)
FUND BALANCES, October 1	-	727,422	34,911	19,208	49,651
FUND BALANCES, September 30	\$ -	\$ 698,993	\$ 36,858	\$ 18,092	\$ 49,196

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

DEBT SERVICE FUNDS (concluded)

	GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994	GUARANTEED ENTITLEMENT REFUNDING BONDS 2004	PENSION OBLIGATION BOND SERIES 2003A	PENSION OBLIGATION BOND SERIES 2003B	CRA PROMISSORY NOTES
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,099,641	-	1,164,840	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	31,124	(431)	29,245	15,267	-
TOTAL REVENUES	1,130,765	(431)	1,194,085	15,267	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	525,000	-	850,000	-	2,617
Interest and Fiscal Charges	304,276	111,798	1,129,390	2,333,920	41,279
Bond Issuance Costs	-	185,512	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	829,276	297,310	1,979,390	2,333,920	43,896
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	301,489	(297,741)	(785,305)	(2,318,653)	(43,896)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	9,805,000	-	-	-
Bond Premium	-	728,392	-	-	-
Deposit to Refund Escrow	-	(10,460,858)	-	-	-
Transfers In	-	248,735	805,540	2,333,921	43,896
Transfers Out	(248,735)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(248,735)	321,269	805,540	2,333,921	43,896
NET CHANGE IN FUND BALANCES	52,754	23,528	20,235	15,268	-
FUND BALANCES, October 1	236,882	-	16,465	33,032	-
FUND BALANCES, September 30	\$ 289,636	\$ 23,528	\$ 36,700	\$ 48,300	\$ -

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

CAPITAL PROJECTS FUNDS

	GENERAL CAPITAL PROJECTS FUND	GREENSPACE ACQUISITION FUND	PUBLIC IMPROVEMENT CONSTRUCTION FUND	INFORMATION SYSTEMS CAPITAL PROJECTS FUND	ROADWAY CONSTRUCTION FUND 96
REVENUES					
Taxes	\$ 339	\$ -	\$ -	\$ -	\$ -
Intergovernmental	124,842	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	558,144	(122)	284	580	41,474
TOTAL REVENUES	683,325	(122)	284	580	41,474
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	16,200	-	-	-
Interest and Fiscal Charges	-	103	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	1,529,774	-	76,529	-	713,762
TOTAL EXPENDITURES	1,529,774	16,303	76,529	-	713,762
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(846,449)	(16,425)	(76,245)	580	(672,288)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-
Transfers In	513,003	-	-	-	-
Transfers Out	(4,315)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	508,688	-	-	-	-
NET CHANGE IN FUND BALANCES	(337,761)	(16,425)	(76,245)	580	(672,288)
FUND BALANCES, October 1	1,010,214	59,540	276,883	21,616	1,364,817
FUND BALANCES, September 30	\$ 672,453	\$ 43,115	\$ 200,638	\$ 22,196	\$ 692,529

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

CAPITAL PROJECTS FUNDS (continued)

	COMMUNICATION EQUIPMENT PROJECT FUND 98	CAPITAL ACQUISITIONS FROM DEBT REFUNDING 98	COURTHOUSE PARKING GARAGE	FLEET ACQUISITION FUND 01	CAPITAL PROJECTS FUND 02
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	567	1,654	7,165	(72)	174,311
TOTAL REVENUES	567	1,654	7,165	(72)	174,311
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	27,843	-	175,191	-	1,459,323
TOTAL EXPENDITURES	27,843	-	175,191	-	1,459,323
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,276)	1,654	(168,026)	(72)	(1,285,012)
OTHER FINANCING SOURCES (USES)					
Debt Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Deposit to Refund Escrow	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(27,276)	1,654	(168,026)	(72)	(1,285,012)
FUND BALANCES, October 1	63,230	58,302	561,028	66,797	5,728,509
FUND BALANCES, September 30	\$ 35,954	\$ 59,956	\$ 393,002	\$ 66,725	\$ 4,443,497

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

CAPITAL PROJECTS FUNDS (concluded)

	DOWNTOWN PARKING GARAGE FUND 02	FIFTH AVENUE/ PLEASANT ST. REHAB. PROJ. FUND 02	DOWNTOWN PARKING GARAGE SALES TAX FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,049,937
Intergovernmental	-	-	-	8,951,572
Charges for Services	-	-	-	1,609,397
Fines and Forfeitures	-	-	-	133,733
Miscellaneous	45,712	1,104	176,261	2,958,705
TOTAL REVENUES	45,712	1,104	176,261	14,703,344
EXPENDITURES				
Current:				
General Government	-	-	-	257,525
Public Safety	-	-	-	5,159,499
Physical Environment	-	-	-	581,653
Transportation	-	-	-	80,631
Economic Environment	-	-	-	3,308,009
Human Services	-	-	-	1,713,667
Culture and Recreation	-	-	-	1,464,675
Debt Service:				
Principal	-	-	-	3,608,817
Interest and Fiscal Charges	-	-	-	5,015,779
Bond Issuance Costs	-	-	-	282,612
Capital Outlay	956,117	54,156	5,214,783	10,207,478
TOTAL EXPENDITURES	956,117	54,156	5,214,783	31,680,345
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(910,405)	(53,052)	(5,038,522)	(16,977,001)
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	-	-	9,805,000
Bond Premium	-	-	-	728,392
Deposit to Refund Escrow	-	-	-	(10,460,858)
Transfers In	-	-	-	12,090,197
Transfers Out	(75,252)	-	-	(5,219,615)
TOTAL OTHER FINANCING SOURCES (USES)	(75,252)	-	-	6,943,116
NET CHANGE IN FUND BALANCES	(985,657)	(53,052)	(5,038,522)	(10,033,885)
FUND BALANCES, October 1	1,457,782	497,303	5,670,263	28,280,557
FUND BALANCES, September 30	\$ 472,125	\$ 444,251	\$ 631,741	\$ 18,246,672

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 1,570,567	\$ -	\$ 1,570,567	\$ 1,530,000	\$ 40,567
Charges for Services	56,643	-	56,643	905,535	(848,892)
Miscellaneous	21,930	-	21,930	22,120	(190)
TOTAL REVENUES	1,649,140	-	1,649,140	2,457,655	(808,515)
EXPENDITURES					
Economic Environment	1,634,782	212,036	1,846,818	2,455,130	608,312
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,358	(212,036)	(197,678)	2,525	(200,203)
OTHER FINANCING USES					
Transfers Out	(14,358)	-	(14,358)	-	(14,358)
NET CHANGE IN FUND BALANCES	\$ -	\$ (212,036)	\$ (212,036)	\$ 2,525	\$ (214,561)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Miscellaneous:					
Principal Payments	\$ 117,192	\$ -	\$ 117,192	\$ 117,192	\$ -
Investment Income	39,560	-	39,560	39,559	1
TOTAL REVENUES	156,752	-	156,752	156,751	1
EXPENDITURES					
	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 156,752	\$ -	\$ 156,752	\$ 156,751	\$ 1

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
HOME GRANT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 525,914	\$ -	\$ 525,914	\$ 1,645,343	\$ (1,119,429)
Charges for Services	306,406	-	306,406	306,406	-
Miscellaneous	89	-	89	89	-
TOTAL REVENUES	832,409	-	832,409	1,951,838	(1,119,429)
EXPENDITURES					
Economic Environment	<u>743,745</u>	<u>977,934</u>	<u>1,721,679</u>	<u>1,869,171</u>	<u>147,492</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	88,664	(977,934)	(889,270)	82,667	(971,937)
OTHER FINANCING USES					
Transfer Out	<u>(2,032)</u>	<u>-</u>	<u>(2,032)</u>	<u>(2,032)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ 86,632	\$ (977,934)	\$ (891,302)	\$ 80,635	\$ (971,937)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SUPPORTIVE HOUSING INVESTMENT PARTNERSHIP FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 1,101,283	\$ -	\$ 1,101,283	\$ 1,101,283	\$ -
Miscellaneous:					
Investment Income	65,047	-	65,047	65,047	-
Other	63,988	-	63,988	63,988	-
Total Miscellaneous	129,035	-	129,035	129,035	-
TOTAL REVENUES	1,230,318	-	1,230,318	1,230,318	-
<u>EXPENDITURES</u>					
Human Services	945,994	284,500	1,230,494	1,230,494	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	284,324	(284,500)	(176)	(176)	-
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	2,446,040	-	2,446,040	2,446,040	-
Transfers Out	(1,043,818)	-	(1,043,818)	(1,043,818)	-
TOTAL OTHER FINANCING SOURCES(USES)	1,402,222	-	1,402,222	1,402,222	-
NET CHANGE IN FUND BALANCES	\$ 1,686,546	\$ (284,500)	\$ 1,402,046	\$ 1,402,046	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS GIFTS AND GRANTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Intergovernmental	\$ 2,033,361	\$ -	\$ 2,033,361	\$ 2,033,361	\$ -
Miscellaneous:					
Investment Income	<u>2,420</u>	<u>-</u>	<u>2,420</u>	<u>2,420</u>	<u>-</u>
TOTAL REVENUES	<u>2,035,781</u>	<u>-</u>	<u>2,035,781</u>	<u>2,035,781</u>	<u>-</u>
EXPENDITURES					
Public Safety	825,188	138,409	963,597	963,597	-
Physical Environment	577,976	79,880	657,856	657,856	-
Human Services	229,451	284,500	513,951	513,951	-
Culture and Recreation	<u>460,700</u>	<u>4,534</u>	<u>465,234</u>	<u>465,234</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,093,315</u>	<u>507,323</u>	<u>2,600,638</u>	<u>2,600,638</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(57,534)</u>	<u>(507,323)</u>	<u>(564,857)</u>	<u>(564,857)</u>	<u>-</u>
OTHER FINANCING SOURCES(USES)					
Transfers In	1,499,183	-	1,499,183	1,499,183	-
Transfers Out	<u>(2,446,040)</u>	<u>-</u>	<u>(2,446,040)</u>	<u>(2,446,040)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES(USES)	<u>(946,857)</u>	<u>-</u>	<u>(946,857)</u>	<u>(946,857)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,004,391)</u>	<u>\$ (507,323)</u>	<u>\$ (1,511,714)</u>	<u>\$ (1,511,714)</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CULTURAL AND NATURE PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 421,072	\$ -	\$ 421,072	\$ 623,584	\$ (202,512)
Miscellaneous:					
Investment Income	<u>4,226</u>	<u>-</u>	<u>4,226</u>	<u>6,000</u>	<u>(1,774)</u>
TOTAL REVENUES	425,298	-	425,298	629,584	(204,286)
<u>EXPENDITURES</u>					
Culture and Recreation	<u>507,449</u>	<u>15,819</u>	<u>523,268</u>	<u>668,963</u>	<u>145,695</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (82,151)</u>	<u>\$ (15,819)</u>	<u>\$ (97,970)</u>	<u>\$ (39,379)</u>	<u>\$ (58,591)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STATE LAW ENFORCEMENT CONTRABAND FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
REVENUES					
Fines and Forfeitures:					
Confiscated Property	\$ 15,066	\$ -	\$ 15,066	\$ 15,066	\$ -
Miscellaneous:					
Investment Income	968	-	968	968	-
Other Miscellaneous	5,624	-	5,624	5,624	-
Total Miscellaneous	6,592	-	6,592	6,592	-
TOTAL REVENUES	21,658	-	21,658	21,658	-
EXPENDITURES					
Public Safety	14,858	-	14,858	14,858	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 6,800	\$ -	\$ 6,800	\$ 6,800	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 81,860	\$ -	\$ 81,860	\$ 81,860	\$ -
Miscellaneous:					
Investment Income	<u>140,140</u>	<u>-</u>	<u>140,140</u>	<u>140,140</u>	<u>-</u>
TOTAL REVENUES	222,000	-	222,000	222,000	-
<u>EXPENDITURES</u>					
Public Safety	<u>1,755,603</u>	<u>377,595</u>	<u>2,133,198</u>	<u>2,133,198</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,533,603)	(377,595)	(1,911,198)	(1,911,198)	-
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(75,318)</u>	<u>-</u>	<u>(75,318)</u>	<u>(75,318)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (1,608,921)	\$ (377,595)	\$ (1,986,516)	\$ (1,986,516)	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STREET, SIDEWALK AND DITCH IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 3,453	\$ -	\$ 3,453	\$ 4,000	\$ (547)
Other	3,349	-	3,349	-	3,349
TOTAL REVENUES	6,802	-	6,802	4,000	2,802
<u>EXPENDITURES</u>					
	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 6,802	\$ -	\$ 6,802	\$ 4,000	\$ 2,802

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges For Services:					
Rents and Fees	\$ 127,348	\$ -	\$ 127,348	\$ 123,713	\$ 3,635
Miscellaneous:					
Investment Income	<u>8,900</u>	<u>-</u>	<u>8,900</u>	<u>10,161</u>	<u>(1,261)</u>
TOTAL REVENUES	136,248	-	136,248	133,874	2,374
<u>EXPENDITURES</u>					
Economic Environment	<u>184,558</u>	<u>10,377</u>	<u>194,935</u>	<u>198,064</u>	<u>3,129</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(48,310)	(10,377)	(58,687)	(64,190)	5,503
<u>OTHER FINANCING SOURCES</u>					
Transfers In	<u>13,506</u>	<u>-</u>	<u>13,506</u>	<u>13,506</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (34,804)	\$ (10,377)	\$ (45,181)	\$ (50,684)	\$ 5,503

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TRANSPORTATION CONCURRENCY EXCEPTION AREA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Charges for Services:					
Rents and Fees	\$ 123,661	\$ -	\$ 123,661	\$ 123,661	\$ -
Miscellaneous:					
Investment Income	<u>9,024</u>	<u>-</u>	<u>9,024</u>	<u>9,024</u>	<u>-</u>
TOTAL REVENUES	132,685	-	132,685	132,685	-
<u>EXPENDITURES</u>					
Transportation	<u>80,631</u>	<u>11,493</u>	<u>92,124</u>	<u>92,124</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 52,054</u>	<u>\$ (11,493)</u>	<u>\$ 40,561</u>	<u>\$ 40,561</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
WATER/WASTEWATER SURCHARGE INFRASTRUCTURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ (250)	\$ -	\$ (250)	\$ -	\$ (250)
<u>EXPENDITURES</u>					
Physical Environment	<u>3,677</u>	<u>44,551</u>	<u>48,228</u>	<u>222,756</u>	<u>174,528</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	(3,927)	(44,551)	(48,478)	(222,756)	(174,278)
<u>OTHER FINANCING SOURCES</u>					
Transfers In	<u>222,756</u>	<u>-</u>	<u>222,756</u>	<u>222,756</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>\$ 218,829</u>	<u>\$ (44,551)</u>	<u>\$ 174,278</u>	<u>\$ -</u>	<u>\$ (174,278)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TEMPORARY ASSISTANCE TO NEEDY FAMILIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 1,056,509	\$ -	\$ 1,056,509	\$ 1,056,509	\$ -
<u>EXPENDITURES</u>					
Human Services	<u>538,222</u>	<u>-</u>	<u>538,222</u>	<u>538,222</u>	<u>-</u>
 <u>EXCESS OF REVENUES OVER EXPENDITURES</u>	 <u>\$ 518,287</u>	 <u>\$ -</u>	 <u>\$ 518,287</u>	 <u>\$ 518,287</u>	 <u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ -	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>					
Public Safety	<u>2,505,287</u>	<u>159,769</u>	<u>2,665,056</u>	<u>2,485,256</u>	<u>(179,800)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,505,287)</u>	<u>\$ (159,769)</u>	<u>\$ (2,665,056)</u>	<u>\$ (2,485,256)</u>	<u>\$ (179,800)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
RECREATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 208,181	\$ -	\$ 208,181	\$ 213,255	\$ (5,074)
Miscellaneous:					
Contributions and Donations	19,792	-	19,792	15,000	4,792
Investment Income	1,997	-	1,997	2,992	(995)
Total Miscellaneous	<u>21,789</u>	<u>-</u>	<u>21,789</u>	<u>17,992</u>	<u>3,797</u>
TOTAL REVENUES	229,970	-	229,970	231,247	(1,277)
<u>EXPENDITURES</u>					
Culture and Recreation	<u>156,486</u>	<u>18,958</u>	<u>175,444</u>	<u>228,255</u>	<u>52,811</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 73,484	\$ (18,958)	\$ 54,526	\$ 2,992	\$ 51,534

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 333,766	\$ -	\$ 333,766	\$ 333,766	\$ -
Miscellaneous:					
Contributions and Donations	27,104	-	27,104	27,104	-
Investment Income	40,692	-	40,692	40,692	-
Total Miscellaneous	67,796	-	67,796	67,796	-
TOTAL REVENUES	401,562	-	401,562	401,562	-
<u>EXPENDITURES</u>					
General Government	257,525	-	257,525	257,525	-
Public Safety	58,563	8,842	67,405	67,405	-
Culture and Recreation	85,862	-	85,862	85,862	-
TOTAL EXPENDITURES	401,950	8,842	410,792	410,792	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(388)	(8,842)	(9,230)	(9,230)	-
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	50,000	-	50,000	50,000	-
Transfers Out	(7,361)	-	(7,361)	(7,361)	-
TOTAL OTHER FINANCING SOURCES(USES)	42,639	-	42,639	42,639	-
NET CHANGE IN FUND BALANCES	\$ 42,251	\$ (8,842)	\$ 33,409	\$ 33,409	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TOURIST DESTINATION ENHANCEMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 274,615	\$ -	\$ 274,615	\$ 274,615	\$ -
 <u>EXPENDITURES</u>					
Culture and Recreation	<u>239,087</u>	<u>67,868</u>	<u>306,955</u>	<u>306,955</u>	<u>-</u>
 <u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>\$ 35,528</u>	 <u>\$ (67,868)</u>	 <u>\$ (32,340)</u>	 <u>\$ (32,340)</u>	 <u>-</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
EVERGREEN CEMETERY TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	BUDGET	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES					
Charges for Services	\$ 32,320	\$ -	\$ 32,320	\$ 21,000	\$ 11,320
Miscellaneous:					
Investment Income	<u>137,809</u>	<u>-</u>	<u>137,809</u>	<u>41,674</u>	<u>96,135</u>
TOTAL REVENUES	170,129	-	170,129	62,674	107,455
EXPENDITURES					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	170,129	-	170,129	62,674	107,455
OTHER FINANCING USES					
Transfers Out	<u>(43,358)</u>	<u>-</u>	<u>(43,358)</u>	<u>(43,358)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ 126,771	\$ -	\$ 126,771	\$ 19,316	\$ 107,455

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
THOMAS CENTER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY</u> <u>BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET -</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
<u>REVENUES</u>					
Miscellaneous:					
Investment Income	\$ (7,564)	\$ -	\$ (7,564)	\$ (7,564)	\$ -
<u>EXPENDITURES</u>					
Culture and Recreation	<u>14,399</u>	<u>-</u>	<u>14,399</u>	<u>14,399</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>\$ (21,963)</u>	<u>\$ -</u>	<u>\$ (21,963)</u>	<u>\$ (21,963)</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FIFTH AVENUE TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Taxes	\$ 105,895	\$ -	\$ 105,895	\$ 105,895	\$ -
Miscellaneous:					
Investment Income	6,882	-	6,882	6,882	-
Other	14,271	-	14,271	14,271	-
Total Miscellaneous	21,153	-	21,153	21,153	-
TOTAL REVENUES	127,048	-	127,048	127,048	-
<u>EXPENDITURES</u>					
Economic Environment	166,711	33,736	200,447	200,447	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(39,663)	(33,736)	(73,399)	(73,399)	-
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	58,189	-	58,189	58,189	-
Transfers Out	(52,111)	-	(52,111)	(52,111)	-
TOTAL OTHER FINANCING SOURCES(USES)	6,078	-	6,078	6,078	-
NET CHANGE IN FUND BALANCES	\$ (33,585)	\$ (33,736)	\$ (67,321)	\$ (67,321)	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
DOWNTOWN REDEVELOPMENT TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Taxes	\$ 390,501	\$ -	\$ 390,501	\$ 390,501	\$ -
Miscellaneous:					
Investment Income	21,814	-	21,814	21,814	-
Other	6,006	-	6,006	6,006	-
Total Miscellaneous	27,820	-	27,820	27,820	-
TOTAL REVENUES	418,321	-	418,321	418,321	-
<u>EXPENDITURES</u>					
Economic Environment	349,165	20,333	369,498	369,498	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	69,156	(20,333)	48,823	48,823	-
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	214,784	-	214,784	214,784	-
Transfers Out	(131,681)	-	(131,681)	(131,681)	-
TOTAL OTHER FINANCING SOURCES(USES)	83,103	-	83,103	83,103	-
NET CHANGE IN FUND BALANCES	\$ 152,259	\$ (20,333)	\$ 131,926	\$ 131,926	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COLLEGE PARK TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Taxes	\$ 490,987	\$ -	\$ 490,987	\$ 490,987	\$ -
Miscellaneous:					
Investment Income	45,862	-	45,862	45,862	-
Other	9,027	-	9,027	9,027	-
Total Miscellaneous	54,889	-	54,889	54,889	-
TOTAL REVENUES	545,876	-	545,876	545,876	-
<u>EXPENDITURES</u>					
Economic Environment	202,606	192,988	395,594	395,594	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	343,270	(192,988)	150,282	150,282	-
<u>OTHER FINANCING SOURCES(USES)</u>					
Transfers In	269,994	-	269,994	269,994	-
Transfers Out	(46,503)	-	(46,503)	(46,503)	-
TOTAL OTHER FINANCING SOURCES(USES)	223,491	-	223,491	223,491	-
NET CHANGE IN FUND BALANCES	\$ 566,761	\$ (192,988)	\$ 373,773	\$ 373,773	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
EASTSIDE TAX INCREMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>					
Taxes	\$ 62,215	\$ -	\$ 62,215	\$ 62,215	\$ -
Miscellaneous:					
Investment Income	3,050	-	3,050	3,050	-
Other	499	-	499	-	499
Total Miscellaneous	3,549	-	3,549	3,050	499
TOTAL REVENUES	65,764	-	65,764	65,265	499
<u>EXPENDITURES</u>					
Economic Environment	26,442	5,800	32,242	32,242	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,322	(5,800)	33,522	33,023	499
<u>OTHER FINANCING SOURCES</u>					
Transfers in	35,503	-	35,503	35,503	-
NET CHANGE IN FUND BALANCES	\$ 74,825	\$ (5,800)	\$ 69,025	\$ 68,526	\$ 499

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ART IN PUBLIC PLACES TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<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	\$ 24	\$ -	\$ 24	\$ 24	\$ -
<u>EXPENDITURES</u>					
Culture and Recreation	692	-	692	692	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(668)	-	(668)	(668)	-
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	75,252	-	75,252	75,252	-
Transfers Out	(9,000)	-	(9,000)	(9,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	66,252	-	66,252	66,252	-
NET CHANGE IN FUND BALANCES	\$ 65,584	\$ -	\$ 65,584	\$ 65,584	\$ -

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SCHOOL CROSSING GUARD TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE <u>(NEGATIVE)</u>
<u>REVENUES</u>					
Fines and Forfeitures	\$ 36,807	\$ -	\$ 36,807	\$ 55,000	\$ (18,193)
Miscellaneous:					
Investment Income	<u>4,615</u>	<u>-</u>	<u>4,615</u>	<u>2,000</u>	<u>2,615</u>
TOTAL REVENUES	41,422	-	41,422	57,000	(15,578)
<u>EXPENDITURES</u>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	41,422	-	41,422	57,000	(15,578)
<u>OTHER FINANCING USES</u>					
Transfers Out	<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (38,578)	\$ -	\$ (38,578)	\$ (23,000)	\$ (15,578)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
TAXABLE PENSION OBLIGATION BOND INTEREST RATE SWAP
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 1,036,833	\$ 1,036,833	\$ -
<u>EXPENDITURES</u>			
Debt Service:			
Issuance Costs	<u>97,100</u>	<u>97,100</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	939,733	939,733	-
<u>OTHER FINANCING USES</u>			
Transfers Out	<u>(939,733)</u>	<u>(939,733)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1996
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 11,983	\$ 12,615	\$ (632)
<u>EXPENDITURES</u>			
Debt Service:			
Principal	355,000	355,000	-
Interest and Fiscal Charges	164,505	165,593	1,088
TOTAL EXPENDITURES	<u>519,505</u>	<u>520,593</u>	<u>1,088</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(507,522)	(507,978)	456
<u>OTHER FINANCING SOURCES</u>			
Transfers In	479,093	479,093	-
NET CHANGE IN FUND BALANCES	<u>\$ (28,429)</u>	<u>\$ (28,885)</u>	<u>\$ 456</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 1998
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 3,704	\$ 2,000	\$ 1,704
<u>EXPENDITURES</u>			
Debt Service:			
Principal	965,000	965,000	-
Interest and Fiscal Charges	417,250	417,493	243
TOTAL EXPENDITURES	<u>1,382,250</u>	<u>1,382,493</u>	<u>243</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,378,546)	(1,380,493)	1,947
<u>OTHER FINANCING SOURCES</u>			
Transfers In	1,380,493	1,380,493	-
NET CHANGE IN FUND BALANCES	<u>\$ 1,947</u>	<u>\$ -</u>	<u>\$ 1,947</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2001
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ (292)	\$ 2,751	\$ (3,043)
<u>EXPENDITURES</u>			
Debt Service:			
Principal	555,000	555,000	-
Interest and Fiscal Charges	70,024	71,951	1,927
TOTAL EXPENDITURES	<u>625,024</u>	<u>626,951</u>	<u>1,927</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(625,316)	(624,200)	(1,116)
<u>OTHER FINANCING SOURCES</u>			
Transfers in	<u>624,200</u>	<u>624,200</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,116)</u>	<u>\$ -</u>	<u>\$ (1,116)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FFGFC FUND - SERIES 2002
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ (1,054)	\$ 1,548	\$ (2,602)
Other	<u>7,724</u>	<u>7,724</u>	<u>-</u>
TOTAL REVENUES	<u>6,670</u>	<u>9,272</u>	<u>(2,602)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	340,000	340,000	-
Interest	<u>443,234</u>	<u>445,381</u>	<u>2,147</u>
TOTAL EXPENDITURES	<u>783,234</u>	<u>785,381</u>	<u>2,147</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(776,564)	(776,109)	(455)
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>776,109</u>	<u>776,109</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (455)	\$ -	\$ (455)

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GUARANTEED ENTITLEMENT REVENUE AND REFUNDING BONDS 1994
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental:			
State Revenue Sharing	\$ 1,099,641	\$ 1,099,641	\$ -
Miscellaneous:			
Investment Income	<u>31,124</u>	<u>35,019</u>	<u>(3,895)</u>
TOTAL REVENUES	<u>1,130,765</u>	<u>1,134,660</u>	<u>(3,895)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	525,000	525,000	-
Interest and Fiscal Charges	<u>304,276</u>	<u>305,277</u>	<u>1,001</u>
TOTAL EXPENDITURES	<u>829,276</u>	<u>830,277</u>	<u>1,001</u>
EXCESS OF REVENUES OVER EXPENDITURES	301,489	304,383	(2,894)
<u>OTHER FINANCING USES</u>			
Transfers Out	<u>(248,735)</u>	<u>(248,735)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 52,754</u>	<u>\$ 55,648</u>	<u>\$ (2,894)</u>

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

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	(431)	-	(431)
<u>EXPENDITURES</u>			
Debt Service:			
Bond Issuance Costs	185,512	209,469	23,957
Interest and Fiscal Charges	111,798	111,799	1
TOTAL EXPENDITURES	297,310	321,268	23,958
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(297,741)	(321,268)	23,527
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	248,735	248,735	-
Bond issuance	9,805,000	9,805,000	-
Bond Premium	728,392	728,392	
Deposit to Refund Escrow	(10,460,858)	(10,460,859)	1
TOTAL OTHER FINANCING SOURCES (USES)	321,269	321,268	1
NET CHANGE IN FUND BALANCES	\$ 23,528	\$ -	\$ 23,528

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003A
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental:			
Charges to GACRAA	\$ 4,917	\$ 4,917	\$ -
Charges to GRU	1,159,923	1,159,923	-
Miscellaneous:			
Investment Income	20,230	-	20,230
Other	<u>9,015</u>	<u>9,015</u>	-
TOTAL REVENUES	<u>1,194,085</u>	<u>1,173,855</u>	<u>20,230</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	850,000	850,000	-
Interest & Fiscal Charges	<u>1,129,390</u>	<u>1,129,390</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,979,390</u>	<u>1,979,390</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(785,305)	(805,535)	20,230
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>805,540</u>	<u>805,541</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 20,235</u>	<u>\$ 6</u>	<u>\$ 20,229</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003B
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous:			
Investment Income	\$ 15,267	\$ -	\$ 15,267
<u>EXPENDITURES</u>			
Debt Service:			
Interest & Fiscal Charges	<u>2,333,920</u>	<u>2,333,921</u>	<u>1</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,318,653)	(2,333,921)	15,268
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>2,333,921</u>	<u>2,333,921</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 15,268</u>	<u>\$ -</u>	<u>\$ 15,268</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CRA PROMISSORY NOTES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	2,617	2,617	-
Interest and Fiscal Charges	<u>41,279</u>	<u>41,279</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>43,896</u>	 <u>43,896</u>	 <u>-</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(43,896)</u>	 <u>(43,896)</u>	 <u>-</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	<u>43,896</u>	<u>43,896</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>



ENTERPRISE FUNDS

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

The City maintains the following Non major Enterprise Funds:

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

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

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2004

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 319,524	\$ 5,523,985	\$ 3,400
Receivables	2,532,238	97,890	1,400
Due from Other Funds	-	391,009	-
Inventories	444,718	-	38,648
Total Current Assets	<u>3,296,480</u>	<u>6,012,884</u>	<u>43,448</u>
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	1,280,508	44,295	624,947
Improvements other than buildings	136,703	-	295,718
Machinery and equipment	5,993,870	61,992	172,248
Infrastructure	-	7,794,112	-
Capital Assets (not depreciated):			
Land	434,765	1,518,727	520,265
Construction in progress	192,345	1,382,653	7,674
Total Noncurrent Assets	<u>8,038,191</u>	<u>10,801,779</u>	<u>1,620,852</u>
TOTAL ASSETS	<u>11,334,671</u>	<u>16,814,663</u>	<u>1,664,300</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	199,428	3,656	9,045
Accounts Payable - Payroll	91,087	25,149	2,503
Due to Other Funds	-	28,187	1,300,466
Current Portion of Long-term Debt	1,009,570	2,808	339
Total Current Liabilities	<u>1,300,085</u>	<u>59,800</u>	<u>1,312,353</u>
Noncurrent Liabilities:			
Long-Term Debt	239,218	181,163	8,472
Other noncurrent liabilities	-	-	195,907
Total Noncurrent Liabilities	<u>239,218</u>	<u>181,163</u>	<u>204,379</u>
TOTAL LIABILITIES	<u>1,539,303</u>	<u>240,963</u>	<u>1,516,732</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,038,191	10,801,779	1,620,852
Restricted for:			
Other purposes	468,600	-	-
Unrestricted	2,288,577	5,771,921	(1,473,284)
TOTAL NET ASSETS	<u>\$ 9,795,368</u>	<u>\$ 16,573,700</u>	<u>\$ 147,568</u>

(CONTINUED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2004

	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	\$ 1,026,976	\$ 6,873,885
Receivables	411,078	3,042,606
Due from Other Funds	516,754	907,763
Inventories	-	483,366
Total Current Assets	<u>1,954,808</u>	<u>11,307,620</u>
Noncurrent Assets:		
Capital Assets (net of accumulated depreciation):		
Buildings	-	1,949,750
Improvements other than buildings	13,946	446,367
Machinery and equipment	91,617	6,319,727
Infrastructure	-	7,794,112
Capital Assets (not depreciated):		
Land	100,989	2,574,746
Construction in progress	<u>364,474</u>	<u>1,947,146</u>
Total Noncurrent Assets	<u>571,026</u>	<u>21,031,848</u>
TOTAL ASSETS	<u>2,525,834</u>	<u>32,339,468</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	636,114	848,243
Accounts Payable - Payroll	5,678	124,417
Due to Other Funds	19,048	1,347,701
Current Portion of Long-term Debt	<u>813</u>	<u>1,013,530</u>
Total Current Liabilities	<u>661,653</u>	<u>3,333,891</u>
Noncurrent Liabilities:		
Long-Term Debt	20,321	449,174
Other noncurrent liabilities	-	195,907
Total Noncurrent Liabilities	<u>20,321</u>	<u>645,081</u>
TOTAL LIABILITIES	<u>681,974</u>	<u>3,978,972</u>
NET ASSETS		
Invested in capital assets, net of related debt	571,026	20,031,848
Restricted for:		
Other purposes	-	468,600
Unrestricted	<u>1,272,834</u>	<u>7,860,048</u>
TOTAL NET ASSETS	<u>\$ 1,843,860</u>	<u>\$ 28,360,496</u>

(CONCLUDED)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING REVENUES					
Sales and Service Charges	\$ 7,171,493	\$ 5,088,927	\$ 974,888	\$ 7,078,476	\$ 20,313,784
Other Operating Revenues	30,052	-	-	-	30,052
TOTAL OPERATING REVENUES	7,201,545	5,088,927	974,888	7,078,476	20,343,836
OPERATING EXPENSES					
Operations and Maintenance	12,074,725	3,591,244	887,892	5,586,724	22,140,585
Administrative and General	852,470	369,622	427,213	-	1,649,305
Depreciation and Amortization	1,402,562	167,752	124,829	23,642	1,718,785
TOTAL OPERATING EXPENSES	14,329,757	4,128,618	1,439,934	5,610,366	25,508,675
OPERATING INCOME (LOSS)	(7,128,212)	960,309	(465,046)	1,468,110	(5,164,839)
NON OPERATING REVENUES (EXPENSES)					
Investment Income	(8,970)	166,573	(39,801)	17,107	134,909
Gain(Loss) on Disposal of Fixed Assets	8,294	-	-	2,548	10,842
Local Option Gas Tax	2,215,977	-	-	-	2,215,977
Other Revenue	-	179,861	-	-	179,861
Operating Grants	2,843,432	-	-	-	2,843,432
TOTAL NON OPERATING REVENUE(EXPENSES)	5,058,733	346,434	(39,801)	19,655	5,385,021
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,069,479)	1,306,743	(504,847)	1,487,765	220,182
Capital Contributions	1,173,410	1,471,871	5,324	-	2,650,605
Transfers In	892,160	22,000	220,000	-	1,134,160
Transfers Out	(165,531)	(257,126)	(223,258)	(608,195)	(1,254,110)
CHANGE IN NET ASSETS	(169,440)	2,543,488	(502,781)	879,570	2,750,837
TOTAL NET ASSETS					
October 1	9,964,808	14,030,212	650,349	964,290	25,609,659
TOTAL NET ASSETS					
September 30	\$ 9,795,368	\$ 16,573,700	\$ 147,568	\$ 1,843,860	\$ 28,360,496

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	REGIONAL TRANSIT SYSTEM FUND	STORMWATER MANAGEMENT UTILITY FUND	IRONWOOD GOLF COURSE FUND	SOLID WASTE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash Received from Customers	\$ 6,278,255	\$ 5,067,175	\$ 988,654	\$ 6,843,748	\$ 19,177,832
Cash Paid to Suppliers	(5,177,604)	(2,256,630)	(982,540)	(4,879,488)	(13,296,262)
Cash Paid to Employees	(7,809,341)	(2,004,612)	(353,872)	(653,323)	(10,821,148)
Other Operating Receipts	-	-	394,217	-	394,217
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,708,690)	805,933	46,459	1,310,937	(4,545,361)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Local Option Gas Tax	2,215,978	-	-	-	2,215,978
Operating Grants	1,899,348	-	-	-	1,899,348
Interest Paid	(8,970)	-	(40,829)	-	(49,799)
Transfers from Other Funds	892,160	22,000	220,000	-	1,134,160
Transfers to Other Funds	(165,531)	(257,126)	(223,258)	(608,195)	(1,254,110)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACITIVITES	4,832,985	(235,126)	(44,087)	(608,195)	3,945,577
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Principal Repayments on Long-Term Debt	(1,000,000)	-	-	-	(1,000,000)
Proceeds from Sale of Fixed Assets	-	61	-	2,548	2,609
Capital Contributions	2,071,416	596,300	-	-	2,667,716
Acquisition and Construction of Fixed Assets	(275,812)	(1,339,910)	-	(91,053)	(1,706,775)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	795,604	(743,549)	-	(88,505)	(36,450)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest Received	-	166,573	-	17,107	183,680
Purchase of Investments	(208,308)	(3,601,272)	(2,217)	(669,520)	(4,481,317)
Proceeds from Investment Maturities	976,413	3,857,971	-	276,003	5,110,387
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	768,105	423,272	(2,217)	(376,410)	812,750
NET INCREASE (DECREASE) IN CASH	(311,996)	250,530	155	237,827	176,516
CASH - OCTOBER 1	423,212	1,672,183	1,028	119,629	2,216,052
CASH - SEPTEMBER 30	\$ 111,216	\$ 1,922,713	\$ 1,183	\$ 357,456	\$ 2,392,568

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>REGIONAL TRANSIT SYSTEM FUND</u>	<u>STORMWATER MANAGEMENT UTILITY FUND</u>	<u>IRONWOOD GOLF COURSE FUND</u>	<u>SOLID WASTE FUND</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
OPERATING INCOME (LOSS)	\$ (7,128,212)	\$ 960,309	\$ (465,046)	\$ 1,468,110	\$ (5,164,839)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Depreciation and Amortization	1,402,562	167,752	124,829	23,642	1,718,785
(Increase)/Decrease in Receivables	(923,290)	(21,752)	13,767	(2,913)	(934,188)
(Increase)/Decrease in Inventories	(16,220)	-	(1,555)	-	(17,775)
(Increase)/Decrease in Due from Other Funds	-	-	-	(140,712)	(140,712)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(43,530)	(300,376)	(19,753)	(37,190)	(400,849)
Increase/(Decrease) in Due to Other Funds	-	-	394,217	-	394,217
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (6,708,690)	\$ 805,933	\$ 46,459	\$ 1,310,937	\$ (4,545,361)

**RECONCILIATION OF CASH TO
BALANCE SHEET**

Cash	\$ 111,216	\$ 1,922,713	\$ 1,183	\$ 357,456	\$ 2,392,568
Investments	208,308	3,601,272	2,217	669,520	4,481,317
TOTAL CASH, EQUITY IN POOL AND INVESTMENTS PER BALANCE SHEET	\$ 319,524	\$ 5,523,985	\$ 3,400	\$ 1,026,976	\$ 6,873,885

**NONCASH CAPITAL, INVESTING AND
FINANCING ACTIVITIES**

Change in Fair Value of Investments	\$ 1,079	\$ (36,527)	\$ -	\$ 276,003	\$ 240,555
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(concluded)

INTERNAL SERVICE FUNDS

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

The City maintains the following Internal Service Funds:

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

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

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2004

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 603,923	\$ 223,602	\$ -	\$ 85	\$ 827,610
Equity in Pooled Cash and Investments	4,087,747	1,603,640	11,655,592	5,311,437	22,658,416
Receivables	55,224	-	-	9,698	64,922
Due from Other Funds	51,899	-	-	242,311	294,210
Inventories	-	-	-	91,003	91,003
Prepaid Expenses	57,173	-	-	-	57,173
Total Current Assets	<u>4,855,966</u>	<u>1,827,242</u>	<u>11,655,592</u>	<u>5,654,534</u>	<u>23,993,334</u>
Noncurrent Assets:					
Capital Assets (net of accumulated depreciation):					
Buildings	-	-	-	250,220	250,220
Machinery and Equipment	10,004	12,031	-	7,474,075	7,496,110
Total Noncurrent Assets	<u>10,004</u>	<u>12,031</u>	<u>-</u>	<u>7,724,295</u>	<u>7,746,330</u>
TOTAL ASSETS	<u>4,865,970</u>	<u>1,839,273</u>	<u>11,655,592</u>	<u>13,378,829</u>	<u>31,739,664</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	6,738,538	966,252	324,166	237,148	8,266,104
Accounts Payable - Payroll	6,637	1,422	34	14,869	22,962
TOTAL LIABILITIES	<u>6,745,175</u>	<u>967,674</u>	<u>324,200</u>	<u>252,017</u>	<u>8,289,066</u>
NET ASSETS					
Invested in capital assets	10,004	12,031	-	7,724,295	7,746,330
Unrestricted	(1,889,209)	859,568	11,331,392	5,402,517	15,704,268
TOTAL NET ASSETS	<u>\$ (1,879,205)</u>	<u>\$ 871,599</u>	<u>\$ 11,331,392</u>	<u>\$ 13,126,812</u>	<u>\$ 23,450,598</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
OPERATING REVENUES					
Sales and Service Charges	\$ 6,739,354	\$ -	\$ -	\$ 6,049,370	\$ 12,788,724
Employer Contributions	-	3,652,159	3,810,457	-	7,462,616
Employee Contributions	-	6,820,684	-	-	6,820,684
Retiree Contributions	-	-	1,383,860	-	1,383,860
Other Operating Revenues	35,071	78,531	-	4,996	118,598
TOTAL OPERATING REVENUES	6,774,425	10,551,374	5,194,317	6,054,366	28,574,482
OPERATING EXPENSES					
Operations and Maintenance	5,368,975	1,545,831	16,197	3,022,887	9,953,890
Administrative and General	958,260	224,285	632,180	845,953	2,660,678
Depreciation and Amortization	8,078	4,446	-	1,738,006	1,750,530
Benefits Paid and Other Expenses	-	7,990,807	2,404,493	-	10,395,300
TOTAL OPERATING EXPENSES	6,335,313	9,765,369	3,052,870	5,606,846	24,760,398
OPERATING INCOME	439,112	786,005	2,141,447	447,520	3,814,084
NON OPERATING REVENUES (EXPENSES)					
Interest Revenue	65,578	(3,598)	307,258	117,933	487,171
Gain on Disposal of Fixed Assets	-	-	-	152,937	152,937
TOTAL NON OPERATING REVENUES (EXPENSES)	65,578	(3,598)	307,258	270,870	640,108
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	504,690	782,407	2,448,705	718,390	4,454,192
Capital Contributions	-	1,495	-	2,209	3,704
Transfers In	-	110,219	-	-	110,219
Transfers Out	(6,907)	(2,108)	(110,219)	(36,876)	(156,110)
CHANGE IN NET ASSETS	497,783	892,013	2,338,486	683,723	4,412,005
TOTAL NET ASSETS, October 1	(2,376,988)	(20,414)	8,992,906	12,443,089	19,038,593
TOTAL NET ASSETS, September 30	\$ (1,879,205)	\$ 871,599	\$ 11,331,392	\$ 13,126,812	\$ 23,450,598

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	<u>GENERAL INSURANCE FUND</u>	<u>EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u>	<u>RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND</u>	<u>FLEET MANAGEMENT FUND</u>	<u>TOTALS</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash Received from Customers	\$ 6,853,127	\$ 10,475,883	\$ 5,194,317	\$ 5,958,844	\$ 28,482,171
Cash Paid to Suppliers	(5,806,665)	(9,405,453)	(2,965,769)	(2,285,770)	(20,463,657)
Cash Paid to Employees	(542,578)	(153,190)	(3,006)	(1,405,758)	(2,104,532)
Other Operating Receipts/Payments	35,071	74,934	-	-	110,005
NET CASH PROVIDED BY OPERATING ACTIVITIES	538,955	992,174	2,225,542	2,267,316	6,023,987
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers from Other Funds	-	110,219	-	-	110,219
Transfers to Other Funds	(6,907)	(2,108)	(110,219)	(36,876)	(156,110)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(6,907)	108,111	(110,219)	(36,876)	(45,891)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from Sale of Fixed Assets	-	-	-	152,937	152,937
Capital Contributions	-	-	-	2,209	2,209
Acquisition and Construction of Fixed Assets	(5,158)	(8,564)	-	(1,593,388)	(1,607,110)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,158)	(8,564)	-	(1,438,242)	(1,451,964)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest Received	65,578	-	307,258	117,933	490,769
Purchase of Investments	(3,058,658)	(1,191,241)	(7,598,674)	(3,462,761)	(15,311,334)
Proceeds from Investment Maturities	2,859,704	513,117	6,441,175	3,070,518	12,884,514
NET CASH USED BY INVESTING ACTIVITIES	(133,376)	(678,124)	(850,241)	(274,310)	(1,936,051)
NET INCREASE IN CASH	393,514	413,597	1,265,082	517,888	2,590,081
CASH - OCTOBER 1	1,239,498	222,404	2,791,836	1,330,873	5,584,611
CASH - SEPTEMBER 30	\$ 1,633,012	\$ 636,001	\$ 4,056,918	\$ 1,848,761	\$ 8,174,692

(continued)

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GENERAL INSURANCE FUND	EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	RETIRED EMPLOYEES HEALTH AND ACCIDENT BENEFITS FUND	FLEET MANAGEMENT FUND	TOTALS
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
OPERATING INCOME	\$ 439,112	\$ 786,005	\$ 2,141,447	\$ 447,520	\$ 3,814,084
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation and Amortization	8,078	4,446	-	1,746,389	1,758,913
(Increase)/Decrease in Receivables	66,372	3,041	-	(5,828)	63,585
(Increase)/Decrease in Inventories	-	-	-	54,870	54,870
(Increase)/Decrease in Due from Other Funds	47,401	-	-	(89,694)	(42,293)
(Increase)/Decrease in Prepaid Expenses	(21,330)	-	-	-	(21,330)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(678)	208,682	84,095	114,160	406,259
Increase/(Decrease) in Due to Other Funds	-	(10,000)	-	(101)	(10,101)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 538,955	\$ 992,174	\$ 2,225,542	\$ 2,267,316	\$ 6,023,987

<u>RECONCILIATION OF CASH TO BALANCE SHEET</u>					
Cash	\$ 1,633,012	\$ 636,001	\$ 4,056,918	\$ 1,848,761	\$ 8,174,692
Investments	3,058,658	1,191,241	7,598,674	3,462,761	15,311,334
TOTAL CASH AND EQUITY IN POOL PER BALANCE SHEET	\$ 4,691,670	\$ 1,827,242	\$ 11,655,592	\$ 5,311,522	\$ 23,486,026

<u>NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES</u>					
Change in Fair Value of Investments	\$ (27,144)	\$ (14,317)	\$ (83,652)	\$ (28,900)	\$ (154,013)

(concluded)



FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

The City maintains the following Pension Trust Funds:

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2004

	EMPLOYEES PENSION FUND	POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND	TOTALS
ASSETS			
Cash and Cash Equivalents	\$ 654,684	\$ (218,081)	\$ 436,603
Investments, at fair value:			
U. S. Treasury Obligations	3,005,965	2,957,616	5,963,581
Corporate Bonds	25,855,679	25,354,230	51,209,909
Government Bonds	8,721,406	9,657,158	18,378,564
Mortgage backed Obligations	145,532	147,455	292,987
Common and Preferred Stock	200,967,605	109,291,363	310,258,968
TOTAL ASSETS	239,350,871	147,189,741	386,540,612
LIABILITIES			
Accounts Payable and Accrued Liabilities	3,214	2,453	5,667
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 239,347,657	\$ 147,187,288	\$ 386,534,945

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	EMPLOYEES PENSION FUND	POLICE OFFICERS AND FIREFIGHTERS CONSOLIDATED RETIREMENT FUND	TOTALS
ADDITIONS:			
Contributions:			
Employer Contributions	\$ 2,719,588	\$ 917,400	\$ 3,636,988
Employee Contributions	4,826,419	2,428,883	7,255,302
State Contributions	-	1,020,022	1,020,022
Total Contributions	7,546,007	4,366,305	11,912,312
Investment Income:			
Net Appreciation in Fair Value of Investments	29,577,044	14,464,214	44,041,258
Dividends & Interest	3,205,413	3,763,488	6,968,901
Total Investment Income	32,782,457	18,227,702	51,010,159
Less Investment Expense	1,416,826	990,819	2,407,645
Net Investment Income	31,365,631	17,236,883	48,602,514
TOTAL ADDITIONS	38,911,638	21,603,188	60,514,826
DEDUCTIONS:			
Benefit Payments	11,608,164	7,309,339	18,917,503
Refunds of Contributions	232,889	434,055	666,944
Administrative Expenses	279,800	207,389	487,189
TOTAL DEDUCTIONS	12,120,853	7,950,783	20,071,636
CHANGE IN NET ASSETS	26,790,785	13,652,405	40,443,190
NET ASSETS - beginning	212,556,872	133,534,883	346,091,755
NET ASSETS - ending	\$ 239,347,657	\$ 147,187,288	\$ 386,534,945



STATISTICAL



Revenues and Expenditures



Taxes and Assessments



Debt



Economic and Demographic
Characteristics



Revenue and Expenditure Statistics



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
GOVERNMENT-WIDE REVENUES AND EXPENSES

GOVERNMENT-WIDE EXPENSES BY FUNCTION

	FY 2002	FY 2003	FY 2004
General Government	\$ 17,122,419	\$ 101,424,472	\$ 18,458,043
Public Safety	39,240,517	42,574,106	45,714,000
Physical Environment	4,036,034	2,832,078	2,827,492
Transportation	8,846,755	9,358,165	9,548,804
Economic Environment	3,127,631	5,135,218	3,602,846
Human Services	256,864	1,490,131	1,713,715
Culture & Recreation	4,247,853	5,317,908	3,669,838
Interest on Long-Term Debt	1,668,424	3,626,965	5,136,385
Electric	131,212,687	140,555,094	152,668,644
Gas	14,287,385	20,745,014	22,402,154
Water	13,874,410	14,213,832	15,662,347
Wastewater	17,157,698	17,514,229	17,978,035
Telecommunications	6,549,990	6,296,174	6,626,562
Regional Transit System	11,636,440	12,833,553	13,946,979
Stormwater Management	4,031,510	3,934,824	3,963,762
Ironwood Golf Course	1,542,185	1,531,655	1,438,628
Solid Waste	5,204,119	5,703,055	5,595,169
	<hr/>	<hr/>	<hr/>
Total government-wide expenses by function	<u>\$ 284,042,921</u>	<u>\$ 395,086,473</u>	<u>\$ 330,953,403</u>

GOVERNMENT-WIDE REVENUES

Program Revenues

Charges for Services	\$ 224,493,044	\$ 241,313,115	\$ 256,936,668
Operating Grants & Contributions	10,012,177	9,649,220	11,010,991
Capital Grants & Contributions	12,543,540	10,924,572	8,978,777

General Revenues

Taxes:

Property taxes	13,713,591	16,341,921	17,983,617
Franchise & utility taxes	5,633,281	6,365,208	6,394,688
Communications services tax	5,257,926	5,926,299	6,133,565
Half cent sales tax	5,297,964	5,447,266	6,433,168
State revenue sharing	2,809,984	2,825,141	3,367,156
Net Negative Pension Obligation	-	86,362,659	-
Interest	9,147,714	8,103,072	9,653,311
Other	7,268,346	20,042,856	19,738,584
	<hr/>	<hr/>	<hr/>

Total government-wide revenues	<u>\$ 296,177,567</u>	<u>\$ 413,301,329</u>	<u>\$ 346,630,525</u>
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CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF GENERAL FUND SOURCES AND USES OF FUNDS
(in dollars)

Sources (Revenues & Transfers)

<u>FY</u>	<u>REAL PROPERTY TAX</u>	<u>OTHER TAXES</u>	<u>LICENSES & PERMITS</u> (1)	<u>FEDERAL</u> (2)	<u>STATE</u> (3)	<u>COUNTY</u>	<u>UTILITY CONTRIBUTIONS</u> (4)	<u>FINES</u>	<u>CHARGES FOR SVCS</u>	<u>OTHER REVENUES & TRANSFERS</u>
95	\$ 8,482,949	\$ 9,305,593	\$ 1,409,738	\$ 31,272	\$ 5,879,041	\$ 35,106	\$ 19,248,327	\$ 1,171,824	\$ 4,725,347	\$ 1,912,974
96	9,335,018	10,038,049	880,755	-	6,381,350	97,000	19,243,942	1,296,521	4,231,738	1,280,889
97	9,758,851	9,944,548	665,974	1,047,167	6,482,615	-	20,158,023	1,163,218	4,660,394	1,775,875
98	10,262,973	10,526,737	1,516,597	45,666	6,448,122	-	21,406,886	1,454,335	5,086,950	1,251,998
99	10,674,658	10,293,832	1,470,963	12,567	12,506,491	165,000	27,495,624	1,170,052	5,540,870	1,259,729
00	11,400,748	10,944,137	1,545,920	12,099	7,012,365	165,000	23,351,288	1,281,314	5,580,040	1,584,473
01	12,016,711	11,430,383	1,859,727	-	6,989,825	1,415,000	24,330,224	1,208,980	5,627,373	2,354,948
02	13,042,431	11,601,025	1,787,686	-	7,134,494	-	25,694,788	1,148,623	6,202,562	2,523,468
03	15,532,877	13,103,466	2,018,662	160,638	7,314,150	18,316	25,916,113	1,329,518	6,387,470	1,404,483
04	16,934,019	13,319,945	2,426,963	397,945	8,856,790	10,391	27,950,175	1,251,951	6,205,558	1,501,381

Note:

- (1) Occupational Licenses were recorded in the Economic Development Fund in 96 and 97.
- (2) Federal Aviation Grant received in 97 for Gainesville Airport.
- (3) Contribution from State for Campus Development, University of Florida-\$5,750,000 in 99.
- (4) Transfer from Utility for Leaseback - \$5,138,813 in 99.

Uses (Expenditures & Transfers)

<u>FY</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PHYSICAL ENVIRONMENT</u>	<u>TRANSPOR-TATION</u>	<u>ECONOMIC ENVIRONMENT</u>	<u>HUMAN SERVICES</u>	<u>CULTURE & RECREATION</u>	<u>MISC. & TRANSFERS</u>	<u>TOTAL</u>
95	\$ 12,446,076	\$ 25,916,996	\$ 1,348,855	\$ 5,517,433	\$ 143,328	\$ -	\$ 2,112,094	\$ 4,293,999	\$ 51,778,781
96	11,853,453	27,232,997	1,867,361	2,841,481	45,606	-	3,485,909	4,715,346	52,042,153
97	12,893,927	27,946,409	1,526,149	5,393,646	16,030	2,638	2,487,619	4,465,868	54,732,286
98	13,551,817	28,690,343	1,680,616	5,632,289	163,483	-	2,651,807	4,293,153	56,663,508
99	13,958,661	29,550,295	1,728,876	5,704,676	199,893	-	3,160,576	9,968,639	64,271,616
00	14,877,772	31,747,993	1,804,708	6,114,608	235,498	-	3,262,815	4,634,621	62,678,015
01	15,641,299	31,829,470	1,902,396	6,156,720	201,106	-	3,464,763	5,771,487	64,967,241
02	17,014,680	35,079,142	1,922,139	6,460,423	66,928	-	3,654,723	4,624,353	68,822,388
03	15,231,408	41,144,614	2,224,299	7,543,340	180,738	-	4,017,568	6,162,498	76,504,465
04	15,999,322	41,402,195	2,125,688	8,057,872	205,044	-	4,291,022	8,088,508	80,169,651

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
PER CAPITA GENERAL FUND REVENUES AND EXPENDITURES
HISTORICAL AND CONSTANT DOLLAR AMOUNTS

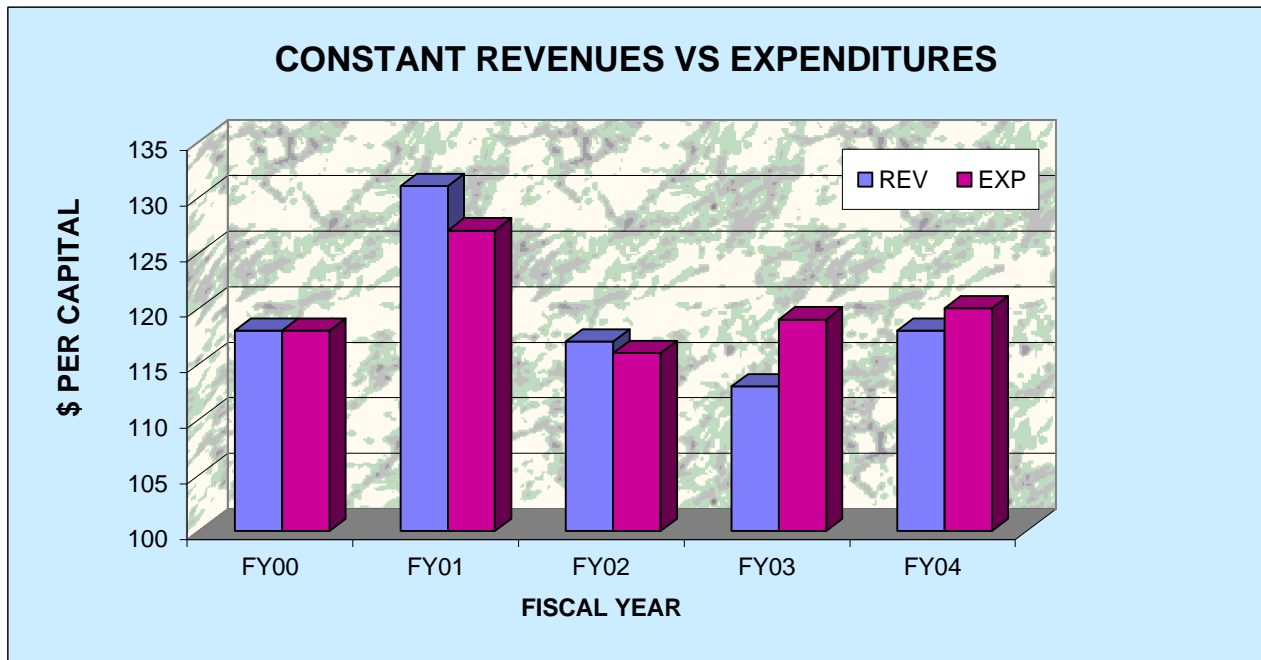
PER CAPITA REVENUES

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Historical Dollars	\$ 615.40	\$ 697.11	\$ 621.58	\$ 624.55	\$ 669.66
% Change Over Previous Year	-13.12%	11.72%	-12.15%	0.48%	6.74%
Constant Dollars*	\$ 118.03	\$ 131.20	\$ 116.98	\$ 113.36	\$ 118.33
% Change Over Previous Year	-17.01%	10.04%	-12.16%	-3.19%	4.20%

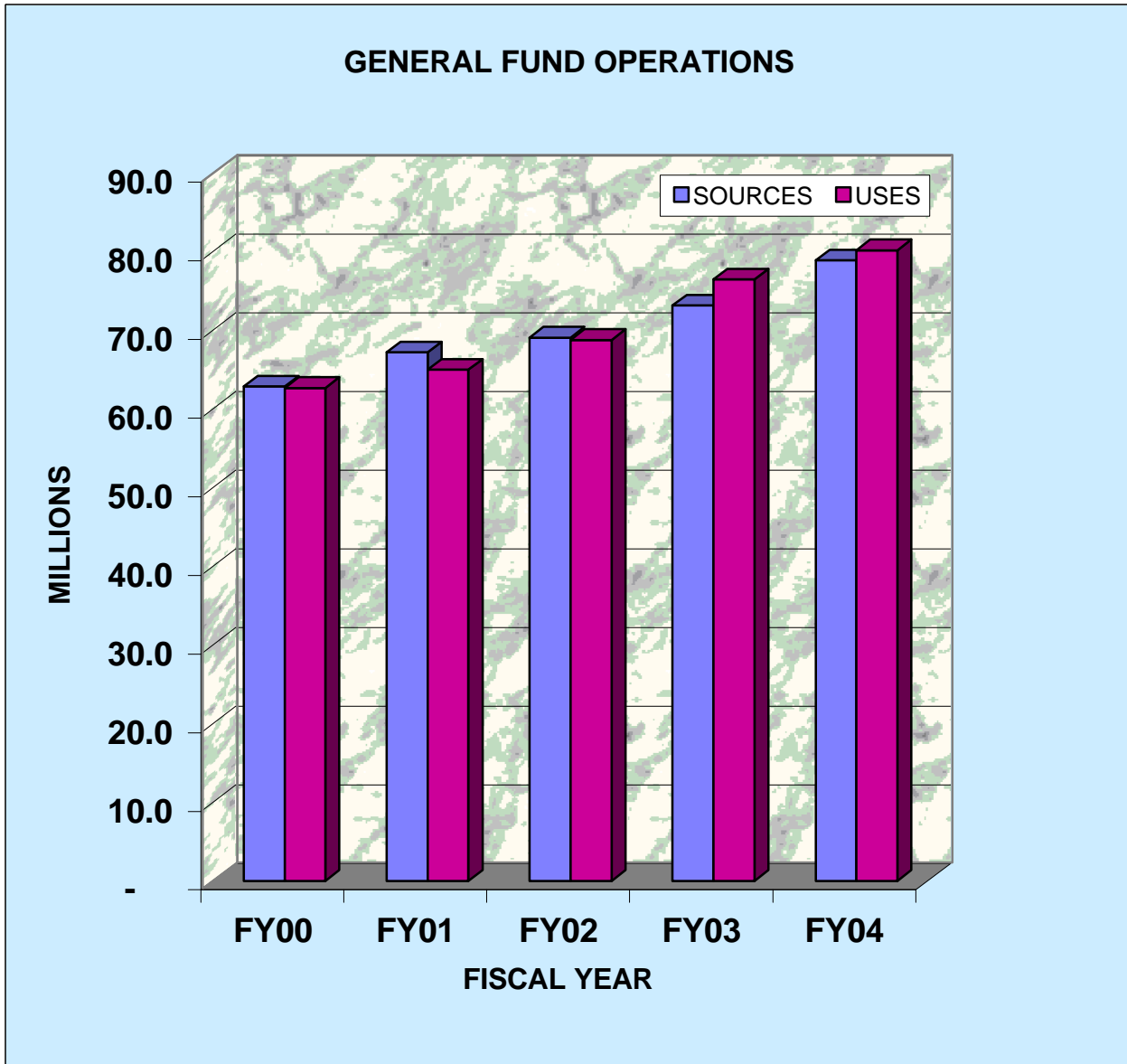
PER CAPITA EXPENDITURES

	\$ 613.44	\$ 673.61	\$ 618.77	\$ 652.87	\$ 680.82
% Change Over Previous Year	-3.32%	8.93%	-8.86%	5.22%	4.11%
	\$ 117.66	\$ 126.77	\$ 116.45	\$ 118.50	\$ 120.30
% Change Over Previous Year	-6.88%	7.19%	-8.86%	1.73%	1.50%

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



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
RATIO OF GENERAL FUND SURPLUS (DEFICIT) TO TOTAL REVENUES



Ratio of Revenues Less Expenditures to Total Revenues

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
0.003	0.033	0.004	-0.045	-0.016

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



Tax and Assessment Statistics



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF LOCAL AD VALOREM TAX RATES AND TAX LEVIES

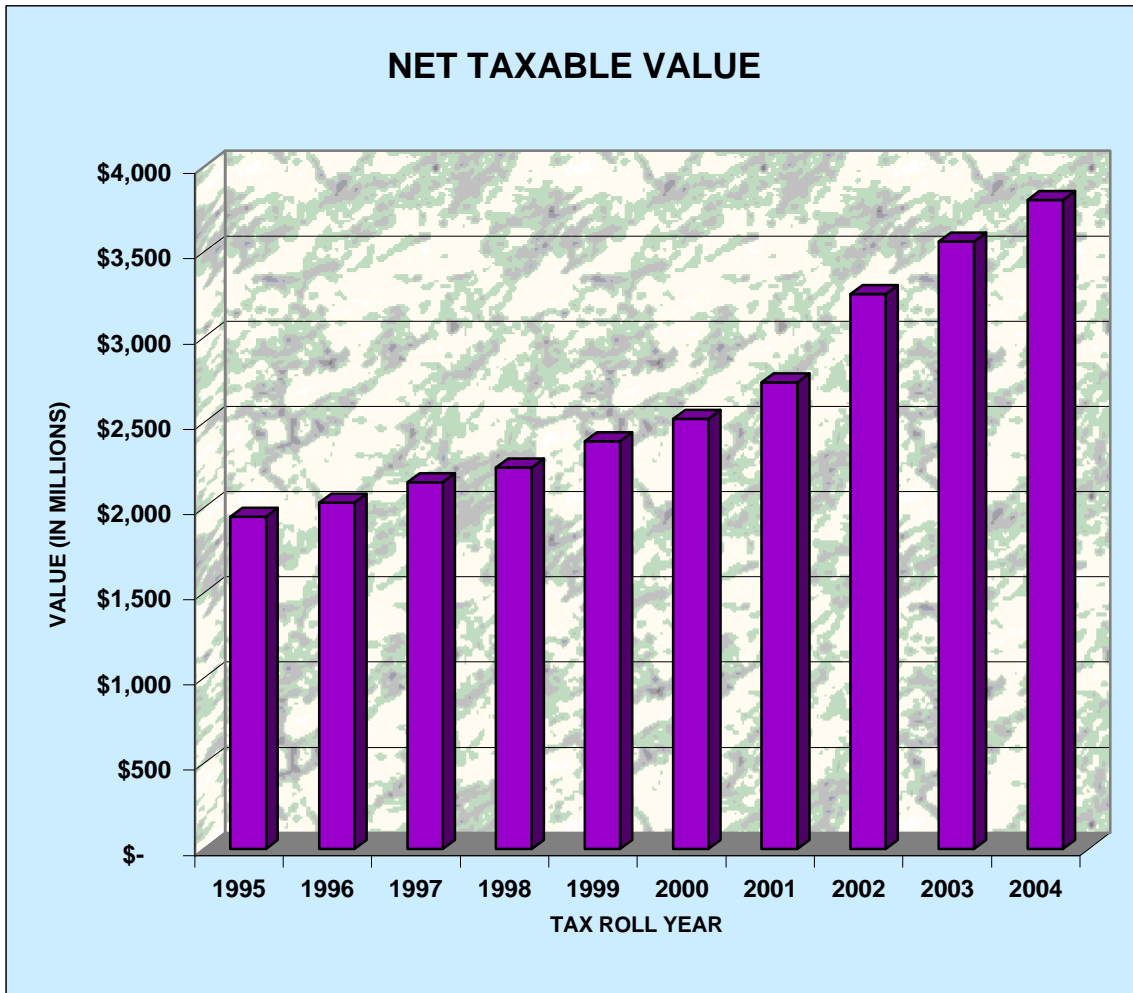
TAX ROLL YEAR	CITY FISCAL YEAR	NET TAXABLE VALUE FOR LOCAL LEVIES	TAX RATES (MILLS)		LOCAL PROPERTY TAX LEVIES		
			BONDS AND INTEREST	GENERAL GOVERNMENT	BONDS AND INTEREST	GENERAL GOVERNMENT	TOTAL TAXES LEVIED
(1)	(2)	(3)	(4 & 6)	(4)			(5)
1995	1995-96	\$ 1,947,684,276	-	4.9659	-	\$ 9,672,006	\$ 9,672,006
1996	1996-97	2,031,119,313	-	4.9416	-	10,036,976	10,036,976
1997	1997-98	2,150,234,789	-	4.9416	-	10,625,320	10,625,320
1998	1998-99	2,235,759,820	-	4.9416	-	11,047,935	11,047,935
1999	1999-00	2,390,448,252	-	4.9416	-	11,821,291	11,821,291
2000	2000-01	2,521,712,589	-	4.9416	-	12,460,972	12,460,972
2001	2001-02	2,735,232,295	-	4.9416	-	13,516,120	13,516,120
2002	2002-03	3,252,819,147	-	4.9416	-	16,073,799	16,073,799
2003	2003-04	3,561,664,336	-	4.9416	-	17,599,965	17,599,965
2004	2004-05	3,805,211,168	-	4.9416	-	18,803,470	18,803,470

Notes:

- (1) Tax roll year as of January 1st.
- (2) Fiscal year October 1st through September 30th.
- (3) Sum of real and personal property value.
- (4) (a) Tax rates are set by the City Commission effective October 1st.
(b) Chapter 200.181, Florida Statutes, allows unrestricted ad valorem tax rate levies for debt service for general obligation bonds approved by citizen referendum and imposes a 10 mill limitation on ad valorem tax rates levied for general government operations.
- (5) See page 121 for history of collections.
- (6) The City's General Obligation Bonds Series 1974 were paid in full in Fiscal Year 1995.

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY VALUES AND PROPERTY ASSESSMENTS

TAX ROLL YEAR	JUST VALUE OF ALL PROPERTY	TOTAL EXEMPT PROPERTY	NET TAXABLE VALUE
1995	\$ 4,987,069,832	\$ 3,039,385,556	\$ 1,947,684,276
1996	5,407,243,370	3,376,124,057	2,031,119,313
1997	5,813,160,554	3,662,925,765	2,150,234,789
1998	5,906,564,485	3,670,804,665	2,235,759,820
1999	6,117,881,236	3,727,432,984	2,390,448,252
2000	6,221,260,827	3,699,548,238	2,521,712,589
2001	6,633,284,013	3,898,051,718	2,735,232,295
2002	7,047,490,127	3,794,670,980	3,252,819,147
2003	7,469,339,911	3,907,675,575	3,561,664,336
2004	8,739,206,865	4,933,995,697	3,805,211,168



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF LOCAL AD VALOREM TAX COLLECTIONS

CITY FISCAL YEAR	TOTAL PROPERTY TAXES LEVIED (1)	ADJUSTMENTS & PENALTIES AFTER LEVY (2)	TAXES CERTIFIED FOR COLLECTION (3)	CURRENT TAXES COLLECTED (4)	COLLECTIONS AS A PERCENT OF CERTIFIED	DELINQUENT TAXES COLLECTED	TOTAL PROPERTY TAXES COLLECTED (5)
1994-95	\$ 8,912,382	\$ (17,427)	\$ 8,894,955	\$ 8,774,325	98.6%	\$ 54,725	\$ 8,829,050
1995-96	9,672,006	(932)	9,671,074	9,558,085	98.8%	79,630	9,637,715
1996-97	10,036,976	11,022	10,047,998	9,930,982	98.8%	118,289	10,049,271
1997-98	10,625,320	17,255	10,642,575	10,201,814	95.9%	61,160	10,262,974
1998-99	11,047,935	24,053	11,071,988	10,626,794	96.0%	47,864	10,674,658
1999-00	11,821,291	17,021	11,838,312	11,271,501	95.2%	129,246	11,400,747
2000-01	12,460,972	19,814	12,480,786	12,000,434	96.2%	16,277	12,016,711
2001-02	13,516,120	22,071	13,538,191	12,925,315	95.5%	117,116	13,042,431
2002-03	16,073,799	21,833	16,095,632	15,428,716	95.9%	104,161	15,532,877
2003-04	17,599,965	33,761	17,633,726	16,795,752	95.2%	138,267	16,934,019
2004-05	18,803,470	24,541	18,828,011	for information only; collections begin November 1, 2004			

Notes:

- (1) See page 119 for basis of Taxes levied for Operations and Debt retirement.
- (2) Additions, deletions and adjustments to the net taxable value (page 120) may be made by the Board of County Commissioners and by the Board of Review after the City Commission sets the tax levy. Penalties may be imposed by the County Property Appraiser for late filing of information by owners of personal property, and the County Commission may cancel taxes under certain conditions. This column is the net of such actions.
- (3) The County Tax Collector certifies the amount for collection after all adjustments. Tax bills paid in November receive a 4% discount; bills paid in December through March receive 3%, 2%, 1%, or 0%, respectively, and those paid after March 31st are subject to a 3% penalty. The County Tax Collector distributes tax collections at least twice each month in November and December and at least monthly thereafter.
- (4) Collected taxes include the legally credited discounts referred to in Note (3) above. Real property taxes and penalties not paid become subject to sale (by June 1st) as interest-bearing tax sale certificates at public auction. Tax sale certificates not sold at auction are retained in the name of the County; those not redeemed within two years are "foreclosed" and the property is sold at public auction, with any sales proceeds distributed on a pro-rata basis to interested taxing authorities.
- (5) Unpaid personal property taxes become a lien on the personal property assessed, and through Court action the property can be attached and sold at public auction.

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY TAX LEVIES COMPARED WITH COLLECTIONS

<u>TAX ROLL YEAR</u>	<u>TOTAL TAX LEVIED</u>	<u>CURRENT TAX COLLECTION</u>	<u>OUTSTANDING PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>TOTAL COLLECTED AS A % OF CURRENT LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>DELINQUENT TAXES AS A % OF CURRENT LEVY</u>	
1995	\$ 9,672,006	\$ 9,558,085	98.8%	\$ 79,630	\$ 9,012,889	93.2%	\$ 83,776	0.87%	
1996	10,036,976	9,930,982	98.9%	118,289	10,049,271	100.1%	96,391	0.96%	
1997	10,625,320	10,201,814	96.0%	61,160	10,262,974	96.6%	66,726	0.63%	
1998	11,047,935	10,626,794	96.2%	47,864	10,674,658	96.6%	71,624	0.65%	
1999	11,821,291	11,271,501	95.3%	129,246	11,400,747	96.4%	77,502	0.66%	
2000	12,460,972	12,000,434	96.3%	16,277	12,016,711	96.4%	106,067	0.85%	
2001	13,516,120	12,925,315	95.6%	117,116	13,042,431	96.5%	118,120	0.87%	
2002	16,073,799	15,428,716	96.0%	104,161	15,532,877	96.6%	90,291	0.56%	
2003	17,599,965	16,795,752	95.4%	138,267	16,934,019	96.2%	77,612	0.44%	
2004	18,803,470	for information only; collections begin November 1, 2004							

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
HISTORY OF PROPERTY TAX RATES AND TAX LEVIES
ALL DIRECT OVERLAPPING GOVERNMENTS APPLICABLE TO THE CITY OF GAINESVILLE

<u>TAX ROLL YEAR</u>	<u>CITY OF GAINESVILLE</u>	<u>COUNTY OF ALACHUA</u>	<u>ALACHUA COUNTY SCHOOL DISTRICT</u>	<u>ST. JOHNS WATER MGMT DISTRICT</u>	<u>ALACHUA COUNTY LIBRARY DISTRICT</u>	<u>TOTAL ALL DIRECT & OVERLAPPING GOVERNMENTS</u>
-----------------------------	-----------------------------------	---------------------------------	--	---	---	--

(1)

Tax Rate (mills) (Including Debt Service)

1995	4.9659	9.2810	12.1770	0.4820	1.8408	28.7467
1996	4.9416	9.2810	12.1770	0.4820	1.8408	28.7224
1997	4.9416	9.0290	12.1770	0.4820	1.8107	28.7467
1998	4.9416	8.7700	11.8240	0.4820	1.8107	28.7224
1999	4.9416	8.7700	10.9560	0.4820	1.9000	27.0496
2000	4.9416	8.7650	10.8030	0.4720	1.9000	26.8816
2001	4.9416	9.0009	10.4360	0.4620	1.6789	26.5194
2002	4.9416	8.9887	10.4660	0.4620	1.6632	26.8816
2003	4.9416	9.2387	9.8390	0.4620	1.6566	26.1379
2004	4.9416	9.2387	9.2240	0.4620	1.6566	25.5229

Tax Levies (Including Debt Service)

1995	\$ 9,672,006	\$ 18,076,558	\$ 23,717,037	\$ 733,166	\$ 3,585,304	\$ 55,784,071
1996	10,036,976	18,853,632	24,736,549	759,916	3,739,260	58,126,333
1997	10,625,320	19,351,516	26,182,628	794,857	3,893,321	55,784,071
1998	11,047,935	20,186,675	27,224,847	1,077,636	4,048,290	58,126,333
1999	11,821,291	20,964,231	28,264,660	1,152,196	4,328,385	66,530,763
2000	12,460,972	22,102,810	27,242,061	1,190,248	4,791,253	67,787,344
2001	13,516,120	24,619,002	28,544,246	1,263,649	4,592,079	72,535,096
2002	16,073,799	29,238,019	34,043,311	1,502,772	5,409,978	86,267,879
2003	17,647,319	72,823,648	77,706,173	2,719,253	13,083,558	183,979,951
2004	18,838,752	78,937,706	79,077,885	2,932,044	14,202,255	193,988,642

Note:

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

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SPECIAL ASSESSMENTS FUND
(Street, Sidewalk, and Ditch Improvement Fund)

<u>FISCAL YEAR</u>	<u>OUTSTANDING ASSESSMENTS AT BEGINNING OF YEAR</u>	<u>CURRENT ASSESSMENTS LEVIED</u>	<u>TOTAL ASSESSMENTS</u>	<u>ASSESSMENTS COLLECTED (1)</u>	<u>PERCENTAGE OF COLLECTIONS TO TOTAL DUE</u>
1994-95	\$ 36,460	\$ -	\$ 36,460	\$ 3,135	8.6%
1995-96	33,325	-	33,325	7,249	21.8%
1996-97	26,076	-	26,076	2,692	10.3%
1997-98	23,384	-	23,384	2,500	10.7%
1998-99	20,884	-	20,884	1,159	5.5%
1999-00	19,725	-	19,725	3,919	19.9%
2000-01	15,806	27,286	43,092	29,915	69.4%
2001-02	13,177	25,943	39,120	7,466	19.1%
2002-03	31,654	-	31,654	8,741	27.6%
2003-04	22,913	-	22,913	3,453	15.1%

Notes:

- (1) Assessments collected include \$2,329 which was remitted to the Utilities Funds in FY1994-95; Assessments collected include \$7,184 which was remitted to the Utilities Funds in FY1995-96; Assessments collected include \$2,628 which was remitted to the Utilities Funds in FY1996-97; Assessments collected include \$860 which was remitted to the Utilities Funds in FY1997-98; Assessments collected include \$0 which was remitted to the Utilities Funds in FY1998-99; Assessments collected include \$0 which was remitted to the Utilities Funds in FY1999-00; Assessments collected include \$6,440 which was remitted to the Utilities Funds in FY2000-01; Assessments collected include \$2,744 which was remitted to the Utilities Funds in FY2001-02; Assessments collected include \$4,002 which was remitted to the Utilities Funds in FY2002-03. Assessments collected include \$906 which was remitted to the Utilities Funds in FY2003-04.



Debt Statistics



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
LEGAL DEBT MARGIN AND
RATIO OF CITY'S GROSS BONDED DEBT TO TAXABLE VALUE
AND BONDED DEBT PER CAPITA

Legal Debt Margin

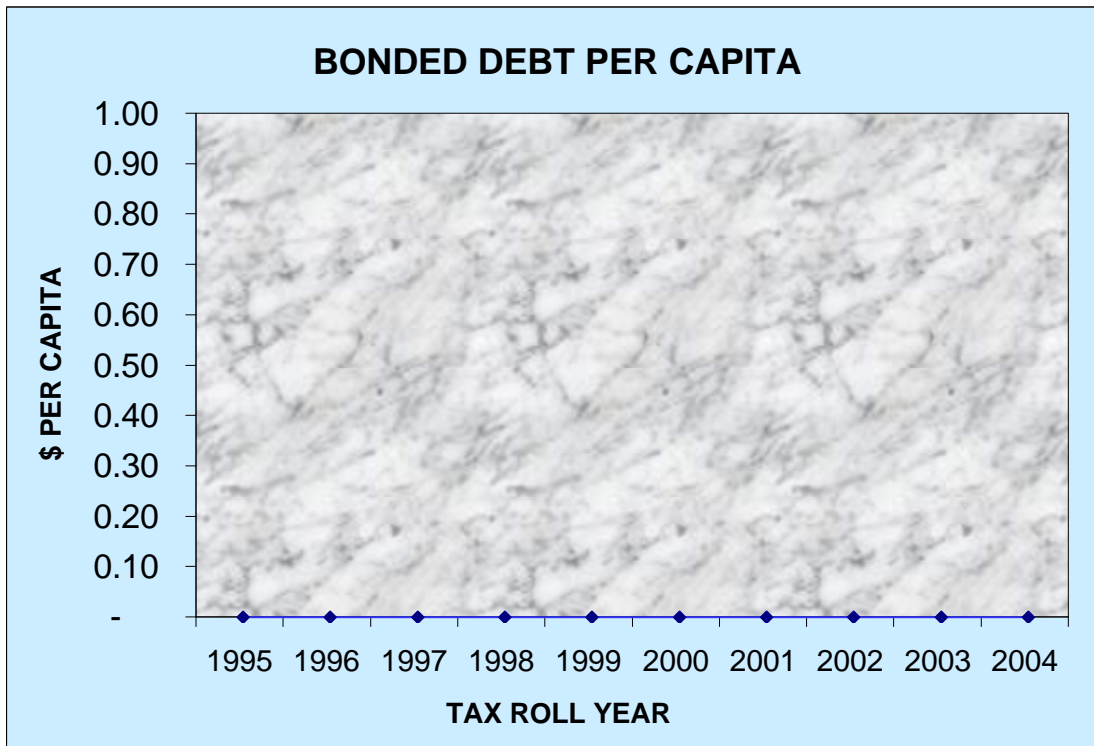
Taxable Value = \$3,805,211,168

Legal Debt Limit = None (1)

<u>TAX ROLL YEAR</u>	<u>TAXABLE VALUE (JANUARY 1)</u>	<u>BONDED DEBT (SEPTEMBER 30)</u>	<u>BONDED DEBT RATIO</u>	<u>CITY POPULATION (APRIL 1)</u>	<u>BONDED DEBT PER CAPITA</u>
1995	\$ 1,947,684,276	\$ -	(2) 0.000%	96,051	-
1996	2,031,119,313	-	0.000%	97,693	-
1997	2,150,234,789	-	-	99,870	-
1998	2,235,759,820	-	-	100,315	-
1999	2,390,448,252	-	-	101,405	-
2000	2,521,712,589	-	-	95,447	-
2001	2,735,232,295	-	-	96,446	-
2002	3,252,819,147	-	-	111,224	-
2003	3,561,664,336	-	-	117,182	-
2004	3,805,211,168	-	-	117,754	-

Notes:

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



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT

<u>TAXING AUTHORITY</u>	<u>TAXABLE PROPERTY VALUE (2)</u>	<u>GENERAL OBLIGATION BONDED DEBT (3)</u>	<u>PERCENT OF DEBT APPLICABLE TO CITY</u>	<u>CITY'S SHARE OF DEBT (4)</u>
City of Gainesville	\$ 3,805,211,168	\$ -	100.00%	\$ -
Alachua County	8,530,910,912	12,785,000	44.60%	5,702,110
Alachua County Schools	8,559,759,742	<u>53,890,000</u>	<u>44.45%</u>	<u>23,954,105</u>
		<u>\$ 66,675,000</u>	44.53%	<u>\$ 29,656,215</u>

Notes:

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

<u>TAXING AUTHORITY</u>	<u>SELF SUPPORTING</u>	<u>NON-SELF SUPPORTING</u>	<u>TOTALS</u>
Alachua County	\$ -	\$ 46,405,000	\$ 46,405,000
Alachua County Schools	-	-	-
City of Gainesville:			
Utilities	438,617,383	-	438,617,383
Other than Utilities	<u>-</u>	<u>35,138,433</u>	<u>35,138,433</u>
	<u>\$ 438,617,383</u>	<u>\$ 81,543,433</u>	<u>\$ 520,160,816</u>

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
RATIO OF ANNUAL GENERAL OBLIGATION BONDS DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND SOURCES AND USES (1)

<u>FISCAL YEAR</u>	<u>GENERAL OBLIGATION DEBT SERVICE EXPENDITURES</u>			<u>RATIO OF DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>SOURCES</u>	<u>USES</u>
1994-95	\$ 60,000	\$ 3,900	\$ 63,900	0.12	0.12
1995-96	-	-	-	-	-
1996-97	-	-	-	-	-
1997-98	-	-	-	-	-
1998-99	-	-	-	-	-
1999-00	-	-	-	-	-
2000-01	-	-	-	-	-
2001-02	-	-	-	-	-
2002-03	-	-	-	-	-
2003-04	-	-	-	-	-

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

Note:

(1) The historical total sources and uses of General Funds are summarized on page 116. Debt service expenditures are included within those total uses under "General Government".

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SCHEDULE OF STATE GUARANTEED ENTITLEMENT REVENUE
DEBT SERVICE BOND COVERAGE RATIO

<u>FISCAL YEAR</u>	<u>DEBT SERVICE EXPENDITURES</u> <u>(Excluding Reserve Requirements)</u>			<u>STATE "GUARANTEED ENTITLEMENT" REVENUE</u>	<u>DEBT SERVICE COVERAGE RATIO</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>		
1994-95	\$ 350,000	\$ 745,973	\$ 1,095,973	\$ 1,100,340	1.00
1995-96	365,000	733,721	1,098,721	1,100,340	1.00
1996-97	380,000	719,121	1,099,121	1,100,340	1.00
1997-98	395,000	702,973	1,097,973	1,100,340	1.00
1998-99	415,000	685,198	1,100,198	1,100,340	1.00
1999-00	430,000	666,004	1,096,004	1,100,340	1.00
2000-01	450,000	645,579	1,095,579	1,100,340	1.00
2001-02	475,000	623,641	1,098,641	1,100,340	1.00
2002-03	495,000	599,891	1,094,891	1,100,340	1.00
2003-04	525,000	412,574	937,574	1,100,340	1.17

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
RATIO OF ANNUAL TOTAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND SOURCES AND USES (1)

<u>FISCAL YEAR</u>	<u>TOTAL DEBT SERVICE EXPENDITURES (Excluding Utilities)</u>			<u>RATIO OF DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>SOURCES</u>	<u>USES</u>
1994-95	\$ 1,827,968	\$ 1,790,801	\$ 3,618,769	6.93	6.99
1995-96	1,799,792	1,730,744	3,530,536	6.69	6.78
1996-97	2,122,484	1,933,682	4,056,166	7.25	7.41
1997-98 (2)	2,042,770	1,789,423	3,832,193	6.61	6.76
1998-99	2,601,200	1,742,472	4,343,672	6.15	6.76
1999-00	1,833,297	1,501,676	3,334,973	5.30	5.32
2000-01	1,663,689	1,477,860	3,141,549	4.67	4.84
2001-02	2,190,000	1,575,315	3,765,315	5.45	5.47
2002-03	2,625,000	3,609,336	6,234,336	8.52	8.15
2003-04	3,590,000	4,951,200	8,541,200	10.83	10.65

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

The increase in Gainesville's ratios over the past two fiscal years 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 on the City's defined benefit pension plans. The projected savings in reduced amortization payments on this unfunded liability over the debt service on the bonds over the life of the issue is approximately \$78million on a gross basis and \$34million on a present value basis. Net of the Pension Obligation Bonds, the ratio of debt service expenditures to General Fund sources and uses is 5.36 and 5.27, respectively.

Notes:

- (1) The historical total sources and uses of General Funds used in the computation of these ratios are summarized on page 116. Debt service expenditures are included within those total uses under "General Government".
- (2) Figures for FY97-98 exclude \$8,910,000 paid to deacease the FFGFC Series 1992 Bonds.

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
SCHEDULE OF UTILITY REVENUE DEBT SERVICE COVERAGE RATIO

<u>FISCAL YEAR</u>	<u>DEBT REQUIREMENTS (1)</u>	<u>NET UTILITY REVENUES (2)</u>	<u>DEBT SERVICE COVERAGE RATIO</u>
1994-95	\$ 47,234,795	\$ 67,188,372	1.42
1995-96	51,396,381	72,107,935	1.40
1996-97	44,196,126	77,547,009	1.75
1997-98	39,470,246	80,273,040	2.03
1998-99	33,891,908	331,155,218 (3)	9.77
1999-00	34,904,989	84,465,494	2.42
2000-01	37,677,047	90,284,791	2.40
2001-02	34,097,931	90,462,263	2.65
2002-03	33,704,853	85,190,476	2.53
2003-04	33,554,604	82,998,679	2.47

Notes:

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



Economic and Demographic Characteristics



CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

CITY GOVERNMENT

Establishment of Town	1854
Date of Incorporation	1869
Adoption of Present Charter	1927
Form of Government	Commission-Manager
Fiscal Year Begins	October 1st
Terms of Office	Mayor: Three Years (two term limit) Commissioners: Three Years (two term limit)
Number of Registered Voters	68,777
Number of Voter Turnout in Last City General Election (Includes split City/County Precincts)	52,100 76%

LOCATION (1)

Area	54.05 square miles	
Latitude	82.16' West	
Longitude	29.41' North	
Elevation	175 feet	
	Highway	Average Air
<u>Distance & Direction to Major Cities:</u>	<u>Miles</u>	<u>Minutes</u>
Jacksonville	75 NE	20
Orlando	100 SE	30
Tampa	120 South	30

CLIMATE (1)

Average Annual Temperature Range	Summer 71 to 90 Winter 43 to 66
Average Annual Precipitation	35.25"

COST OF LIVING INDEX (1)

Composite	99.4
Grocery	99.8
Health Care	103.5
Housing	105.7

PUBLIC SAFETY

Gainesville Police Department	278 Sworn Personnel 80 Civilian Personnel
Gainesville Fire-Rescue	141 Sworn Personnel 10 Civilian Personnel

Source: (1) Gainesville Area Chamber of Commerce and Gainesville Council for Economic Outreach.

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EDUCATION

<u>Public Schools: (1)</u>			
Elementary Schools	24 schools, enrollment	12,224	
Middle Schools	8 schools, enrollment	6,873	
High Schools	7 schools, enrollment	9,009	
Special Schools	8 schools, enrollment	1,028	
Charter Schools	14 schools, enrollment	1,306	
Teacher Certification	Required by Department of Education		
Public School Teachers	2,096		
Student Membership	30,440		
 <u>University of Florida:</u>			
Enrollment	1995	38,730	
	1996	39,137	
	1997	41,040	
	1998	42,336	
	1999	43,943	
	2000	45,573	
	2001	46,798	
	2002	47,373	
	2003	47,858	
	2004	47,993	
Instructional Faculty	2,865 full-time, 96 part-time		
Degrees Offered	106 Undergraduate		
	257 Graduate		
	5 Professional (Law, Veterinary Medicine, Medicine, Pharmacy, Dentistry)		
	12 Specialist		
	15 Engineer		
 <u>Santa Fe Community College:</u>			
Enrollment	1995	12,525	
	1996	12,600	
	1997	12,086	
	1998	12,519	
	1999	12,795	
	2000	12,726	
	2001	13,516	
	2002	14,047	
	2003	16,108	
	2004	15,741	
Faculty	293 full-time, 425 part-time		
Degrees Offered	47 Associate of Arts		
	36 Associate of Science and Applied Science		
	24 Certificate of Training		
	14 Technical Certificate		

(1) Source: School Board of Alachua County

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

TRANSPORTATION
FY 2003-04 AIR TRAFFIC VOLUME
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT (1)

	<u>Enplanements</u>	<u>Deplanements</u>
October	11,360	11,485
November	10,951	11,342
December	10,992	11,249
January	8,293	8,750
February	10,161	10,119
March	12,803	13,108
April	11,805	12,026
May	11,261	11,524
June	12,056	11,081
July	10,837	11,089
August	9,421	10,135
September	9,134	8,282
TOTAL	<u>129,074</u>	<u>130,190</u>

MAIN BUS RIDERSHIP (2)
REGIONAL TRANSIT SYSTEM
FY2002 - FY2004

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
October	893,404	1,016,000	1,043,048
November	708,084	704,814	721,829
December	338,750	494,763	535,633
January	722,371	847,290	854,442
February	741,828	814,778	850,284
March	585,063	667,153	754,277
April	697,940	748,232	706,566
May	350,068	381,070	371,087
June	290,095	370,806	390,553
July	401,104	480,890	455,201
August	510,628	520,762	567,779
September	954,657	1,058,197	895,797
TOTAL	<u>7,193,992</u>	<u>8,104,755</u>	<u>8,146,496</u>

MOTOR FREIGHT SERVICE (3/4) 31 common carriers, 5 with Local Terminals
HIGHWAY ROUTES (4) Interstate 75 and 10. U.S. Highways 441, 301, 41, and 27.
RAIL SERVICE (4) Freight Service by CSX Transportation
BUS SERVICE (4) Intercity by Greyhound. Intracity by Regional Transit System,
including minibus service for the handicapped.

Sources: (1) Gainesville-Alachua County Regional Airport
(2) Regional Transit System
(3) UF Bureau of Economic and Business Research
(4) Gainesville Council for Economic Outreach

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

GENERAL DEMOGRAPHICS

<u>YEAR</u>	<u>POPULATION</u>	<u>BUILDING PERMITS</u>	<u>VALUE OF CONSTRUCTION</u>	<u>BANK DEPOSITS</u>	<u>TELEPHONE SERVICES</u>
	(1)	(2)	(2)	(3)	(4)
1995	96,051	1,296	\$ 44,415,674	\$ 1,380,800,000	123,336
1996	97,693	2,352	61,360,847	1,457,800,000	-
1997	99,870	2,141	73,271,432	1,480,144,000	-
1998	100,315	6,732	71,237,896	1,523,035,000	-
1999	101,405	5,928	80,419,905	1,536,350,000	-
2000	95,447	2,557	80,405,644	1,689,808,000	-
2001	96,446	2,346	88,964,534	1,792,141,000	-
2002	111,224	2,809	141,585,566	1,969,000,000	-
2003	117,182	2,925	129,966,415	2,121,000,000	-
2004	117,754	1,384	88,960,331	2,326,000,000	-

MEDICAL FACILITIES (5)

Hospitals - Acute Care	7: Total Beds 1,239
Doctors	2,211 Physicians & Surgeons
Dentists	241

COMMUNICATIONS (1 and 6)

Broadcasting and Telecommunications	41
Major Television Stations	WUFT-TV 5 (PBS) WCJB-TV 20 (ABC) WOGX-TV 51 (FOX) WGFL-TV 53 (CBS)
Newspaper, Book, and Directory Publishing	31
Major Newspaper	The Gainesville Sun

CITY OWNED PARKING FACILITIES (7)

Parking Garage	850
On street metered spaces	281
Off street metered spaces	71
Permit parking spaces	28
Non-metered spaces, central City district	341
Handicapped, off street not metered	16
Handicapped, central City district	16
Reserved, central City district	349
Loading, central City district	12

- Sources:
- (1) University of Florida Bureau of Economic and Business Research.
 - (2) City of Gainesville Building Inspection Department.
 - (3) 1994-96 Florida Bankers Association, Branch Deposit Report; 1997-02 Sun Trust Banks of Florida Marketing Department; 2003-Present Federal Deposit Insurance Corporation.
 - (4) Southern Bell. Information is no longer available from local exchange.
 - (5) Gainesville Council for Economic Outreach.
 - (6) Gainesville Area Chamber of Commerce
 - (7) City of Gainesville Traffic Engineering Division.

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EMPLOYMENT (2)

<u>Year</u>	<u>Unemployment Rate</u>
1995	3.60%
1996	2.90%
1997	2.80%
1998	2.40%
1999	2.70%
2000	1.90%
2001	2.40%
2002	2.62%
2003	2.48%
2004	2.40%

Labor Force (1 and 3)

Median Age of the Population	29
Labor Force	108,766
Education Level Attained:	
High School Degree	88.10%
Associate's Degree	48.32%
Bachelor's Degree	38.70%
Graduate's Degree	18.98%

Gainesville MSA Total Non-agricultural Employment (2)

Construction & Mining	4.32%
Manufacturing	3.37%
Trade, Transportation, and Services	14.01%
Information	1.50%
Financial Activities	5.05%
Professional & Business Services	8.62%
Educational & Health Services	16.77%
Leisure & Hospitality	9.24%
Other Services	3.69%
Government	33.43%

Ten Largest Employers (1)

<u>Firm</u>	<u>Product/Business</u>	<u>Employees</u>
University of Florida	Education	12,212
Shands Hospital	Health Care	7,508
School Board of Alachua County	Education	4,195
Veterans Affairs Medical Center	Health Care	2,700
City of Gainesville	Municipal Government	2,357
Florida Department of Children and Families	State Family Services	2,119
Publix Supermarkets	Grocer	1,865
North Florida Regional Medical Center	Health Care	1,646
Nationwide Insurance Company	Insurance	1,099
Santa Fe Community College	Education	831

Sources: (1) Gainesville Council for Economic Outreach
(2) United States Department of Labor
(3) UF Bureau of Economic and Business Research

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

EMPLOYMENT

(continued)

Other Significant Area Employers:

<u>Firm</u>	<u>Product/Business</u>	<u>Employees</u>
Alachua County	Government	757
The Crom Corporation	Manufacturer	588
Dollar General Distribution Center	Retail Sales	588
U.S. Postal Service	Government	583
Gator Dining Services	Food Service	500
Winn Dixie Supermarkets	Grocer	470
Meridian Health Care	Health Care	400
Hunter Marine Corporation	Manufacturer	375
Tower Hill Insurance Group	Insurance	330
Medical Manager	Computer Software	310
Regeneration Technologies, Inc.	Biotechnical R&D & Manufacturing	285
UF Athletic Association	Inter-Collegiate Athletics	270
CH2M Hill Southeast, Inc	Engineering Consultants	261
The Gainesville Sun	Newspaper	247
AvMed Health Plan	Health Care	240
Driltech Mission	Manufacturer	240
Cox Communications	Communication	230
Clariant LMS	Manufacturer	216
Florida Farm Bureau	Insurance	200
J.C. Penney Company	Retail Sales	200

Source: Gainesville Council for Economic Outreach

PRINCIPAL TAXPAYERS

(Real Estate & Tangible Taxpayers)

<u>Owner/Taxpayer</u>	<u>Business Category</u>	<u>Taxable Value</u>	<u>% of Total</u>
Oaks Mall Gainesville Ltd Partnership	Retail Sales	\$ 83,309,000	2.34%
Bellsouth Telecommunications, Inc.	Communications	67,597,590	1.90%
Florida Power Corporation	Utility	39,534,720	1.11%
HCA Health Services of Florida	Health Care	30,350,900	0.85%
Metal Container Corporation	Manufacturing	23,161,860	0.65%
Colonial Realty Ltd Partnership	Real Estate	22,826,800	0.64%
Gainesville Place LLC	Property Management	22,365,700	0.63%
Campus Lodge of Gainesville, LTD	Property Management	18,819,200	0.53%
Clariant Life Science, Molecules	Manufacturing	17,881,420	0.50%
Cox Cable University City, Inc.	Telecommunications	17,455,030	0.49%
All Others	-	3,217,924,129	90.36%
TOTAL ALL TAXPAYERS		\$ 3,561,226,349	100.00%

Source: Alachua County Property Appraiser

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

TREND IN SALES OF UTILITY SERVICES (1)

Sales by Type of Service	2004		2003		2002	
	NUMBER OF SERVICES	TOTAL REVENUE	NUMBER OF SERVICES	TOTAL REVENUE	NUMBER OF SERVICES	TOTAL REVENUE
<u>Electricity:</u>						
Residential	76,262	\$ 47,256,059	73,739	\$ 47,080,019	73,522	\$ 45,762,959
General Service	9,239	31,303,170	9,049	30,827,766	8,736	32,864,868
Large Power	18	5,350,314	20	5,294,427	18	5,201,815
Traffic & Street Lights	8	1,778,909	9	1,762,569	9	1,777,099
Rental Lights	3,056	1,593,530	2,970	1,524,005	2,854	1,448,262
Bulk & Economy Sales	3	2,959,480	3	6,229,173	3	12,135,854
Fuel Adjustment (Revenue)	-	60,251,088	-	52,577,362	-	38,816,221
	<u>88,586</u>	<u>\$ 150,492,550</u>	<u>85,790</u>	<u>\$ 145,295,321</u>	<u>85,142</u>	<u>\$ 138,007,078</u>
<u>Gas:</u>						
Residential	29,258	\$ 12,879,972	28,701	\$ 12,118,337	27,880	\$ 8,429,717
Interruptible/Commercial	1,591	11,399,803	1,593	10,594,100	1,596	6,818,280
Liquid Propane	119	38,854	107	59,838	118	48,560
	<u>30,968</u>	<u>\$ 24,318,629</u>	<u>30,401</u>	<u>\$ 22,772,275</u>	<u>29,594</u>	<u>\$ 15,296,557</u>
<u>Water:</u>						
General Customers	63,016	\$ 11,079,601	61,141	\$ 9,722,777	60,345	\$ 10,408,448
University of Florida	68	617,004	71	652,307	52	616,061
Fire Hydrants (2)	7	1,077,233	7	1,039,769	7	1,060,038
Electric Plants	6	42,422	4	39,940	4	34,669
	<u>63,097</u>	<u>\$ 12,816,260</u>	<u>61,223</u>	<u>\$ 11,454,793</u>	<u>60,408</u>	<u>\$ 12,119,216</u>
<u>Wastewater Service Fees:</u>						
Customer Billings	<u>56,097</u>	<u>\$ 15,567,106</u>	<u>54,495</u>	<u>\$ 14,622,531</u>	<u>53,419</u>	<u>\$ 14,576,585</u>
<u>GRUCom:</u>						
Internet Sales (GRUnet)	5,810	\$ 2,128,998	5,692	\$ 1,519,255	5,921	\$ 1,032,806
Tower Leasing	36	1,138,366	34	941,350	37	1,033,609
	<u>5,846</u>	<u>\$ 3,267,364</u>	<u>5,726</u>	<u>\$ 2,460,605</u>	<u>5,958</u>	<u>\$ 2,066,415</u>

Notes:

- (1) Sales figures do not include year end adjustments for unbilled receivables.
(2) There are 5,268 hydrants in the system as of September 30, 2004.

CITY OF GAINESVILLE, FLORIDA
FY04 COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION
ECONOMIC DEMOGRAPHIC CHARACTERISTICS

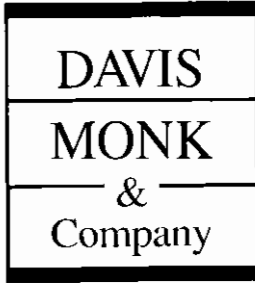
CULTURAL AND RECREATION

Art Galleries:	Focus Gallery, Gainesville Artisans' Guild Gallery, Grinter Gallery, Reitz Union Gallery, Samuel P. Harn Museum of Art, Santa Fe Gallery, The Thomas Center Galleries, University Gallery
Dance:	Dance Alive!, Dance Gainesville, Dance Theatre of Santa Fe, Danscompany of Gainesville, DuncanWorks Children's Dance Theatre, Floridance, Gainesville Ballet Theatre, Grand Squares Square Dance Club, Greenwood Morris Dancers and the Maypole, Lavern Porter Dance Company, Society for the Preservation of Oriental Folkloric Dance & Culture, Sahnobar Dance Ensemble, SoundStage American Dance Company
Music:	Academy of Music & Art, Alachua County Youth Orchestra, BarberGators, Gainesville Chamber Orchestra, Gainesville Civic Chorus, Gainesville Community Band, Gainesville Friends of Jazz & Blues, Gainesville Harmony Show chorus, Gainesville Youth Chorus, North Central Florida Blues Society, Santa Fe Brass Ensemble, Thirsty Ear Concerts, UF University Choir, UF Chamber Singers, UF Men's Glee Club, UF Women's Chorale, UF Gospel Choir, University Symphonic Band & Wind Ensemble, Willis Bodine Chorale, World Harmony Project
Museums:	The Children's Museum of the South, Florida Museum of Natural History, Matheson Historical Center, Micanopy Historical Society Museum, Theatre of Memory
Theatre:	Acrosstown Repertory Theatre, All Children's Theatre, Center for the Performing Arts, Constans Theatre, The Fable Factory, Gainesville Community Playhouse, High Springs Community Theatre, Hippodrome State Theatre, Performing Arts Center at P.K. Yonge, Theatre Santa Fe
Libraries:	Alachua County Library District Public Library, University of Florida Library, Santa Fe Community College Library
Art Shows/Festivals:	Art in Thornebrook Village, Downtown Festival & Art Show, Downtown Jazz & Blues Festival, Blizzard Bash, UF Fanfare & Fireworks, Hoggetowne Medieval Festival, Kanapaha Spring Garden Festival, SFCC Spring Arts Festival, Fifth Avenue Arts Festival
Parks:	25 Parks and playgrounds
Other Area Attractions:	Bivens Arm Nature Park, Morningside Nature Center, Devil's Millhopper State Geological Site, Kanapaha Botanical Gardens, Paynes Prairie State Preserve, Santa Fe Community College Teaching Zoo, The Hawthorne Trail
Sources:	Gainesville Council for Economic Outreach, City of Gainesville Department of Cultural Affairs, City of Gainesville Recreation and Parks Department

SINGLE AUDIT



MANAGEMENT LETTER



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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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, 2004, and have issued our report thereon dated February 4, 2005. Our report on the basic financial statements included a reference to the report of other auditors who issued a separate management letter. 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, 2004, was filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit report. It should be noted that the annual financial report includes the accounts of the Gainesville Housing Authority, which the State of Florida has characterized as a dependent special district. Pursuant to the provisions of GASB Statement No. 14, the City's basic financial statements do not include the Gainesville Housing Authority in the financial reporting entity.
- The scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, *Determination of Financial Emergency*. 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.

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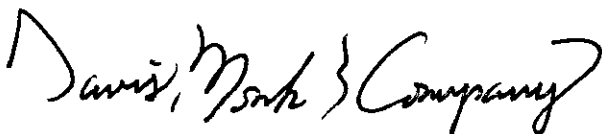
(continued)

- As required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.
- As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.
- The Rules of the Auditor General stipulate that auditors should review the status of prior-audit findings. There was one financial statement finding and one federal program finding reported in the City's Schedule of Findings and Questioned Costs for the year ended September 30, 2003. The financial statement finding, No. 03-1, addressed internal controls related to the City's procurement card program. That finding is repeated in the accompanying Schedule of Findings and Questioned Costs as item 04-1. The federal program finding addressed internal controls related to the Community Development Block Grant program. That finding, No. 03-2, was resolved.

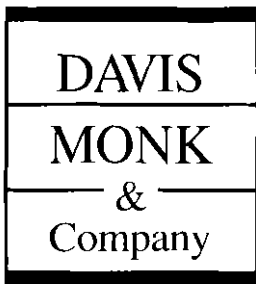
Following this letter are our reports on internal control and compliance relative to financial reporting and financial assistance programs. Also, other auditors have issued a separate management letter relative to Gainesville Regional Utilities. The comments in those documents should be considered in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

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

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



February 4, 2005
Gainesville, Florida



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**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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 4, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 04-1.

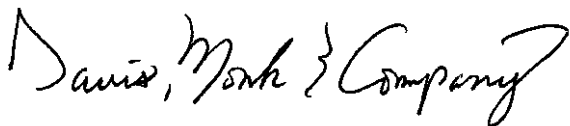
A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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*.

Other auditors, who audited the financial statements of Gainesville Regional Utilities, noted other matters involving the internal control over financial reporting, which they reported to management in a separate letter.

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



February 4, 2005
Gainesville, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004
CITY OF GAINESVILLE, FLORIDA**

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures	Program Total
<u>DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Community Development Block Grant - Entitlement Program	14.218	\$ 1,570,567	
Supportive Housing Program	14.235	84,205	
Supportive Housing - VETSPACE	14.235	95,253	179,458
HOME Investment Partnership Grant	14.239	437,282	
Economic Development Initiative - Cone Park	14.246	249,107	
Economic Development Initiative - Depot Avenue Project	14.246	162,099	
Economic Development Initiative - Depot Avenue Economic Development	14.246	100,000	511,206
Cedar Grove Housing Project	14.XXX	124,843	
<u>DEPARTMENT OF TRANSPORTATION</u>			
Operating and Capital Assistance			
Federal Transit Administration - Formula Grants	20.507	1,906,256	
State and Community Highway Safety Traffic Records Enhancement	20.600	18,843	
<u>DEPARTMENT OF AGRICULTURE</u>			
Passed through Florida Department of Education:			
Summer Food Service Program for Children	10.559	63,660	
<u>DEPARTMENT OF JUSTICE</u>			
Domestic Violence Grant	16.590	89,416	
Byrne Formula Grant Youth Alcohol/Party Patrol Program	16.579	81,254	
Byrne Formula Grant/Victim Advocate	16.579	3,718	84,972
Mising Children's Assistance Internet Crimes Against Children	16.543	187,847	
Local Law Enforcement Block Grant (7)	16.592	2,158	
Local Law Enforcement Block Grant (8)	16.592	174,177	176,335
COPS Homeland Security Overtime	16.710	16,586	
COPS MORE 2003	16.710	39,949	
COPS Universal Hiring	16.710	7,328	63,863
Federal Equitable Sharing Proceeds	16.XXX	1,817,266	
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Wetlands Program Development	66.461	100,272	
Water Quality Program Special Project	66.606	138,601	
<u>FEMA/DEPARTMENT OF HOMELAND SECURITY</u>			
Assistance to Firefighters	83.554/97.044	6,528	
Public Assistance Grants	83.544/97.036	2,505,287	
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Temporary Assistance for Needy Families	93.558	<u>538,222</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 10,520,724</u>	

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004
CITY OF GAINESVILLE, FLORIDA**

<u>State Grantor/ Program Title</u>	<u>State CSFA Number</u>	<u>Expenditures</u>	<u>Project Total</u>
<u>EXECUTIVE OFFICE OF THE GOVERNOR</u>			
Brownfield Redevelopment Grants	31.011	\$ 21,396	
<u>DEPARTMENT OF STATE</u>			
Local Arts Agency Grant - 2003	45.005	9,364	
Local Arts Agency Grant - 2004	45.005	2,901	12,265
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>			
State, Local and Private Projects Trust - Front Porch/Duval Stormwater Park	52.002	17,110	
State, Local and Private Projects Trust - Cofrin Nature Park	52.002	142,930	160,040
Hurricane Mitigation Program	52.XXX	50,000	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>			
SHIP 2001/2002	52.901	153,767	
SHIP 2002/2003	52.901	688,573	
SHIP 2003/2004	52.901	103,654	945,994
<u>DEPARTMENT OF TRANSPORTATION</u>			
Regional Transit System Improvement Program:			
Commuter Assistance - Funding FY 03/04	55.007	70,000	
Public Transit Block Grant Operating Assistance FY 03/04	55.010	1,058,054	
Public Transit Service Development Agreement	55.012	50,851	
Transit Corridor Development Assistance - Tower Road	55.013	9,099	
Transit Corridor Development Assistance - 34th Street Corridor	55.013	61,315	70,414
Urban Capital	55.017	202,538	
<u>DEPARTMENT OF HEALTH</u>			
Passed Through Alachua County:			
EMS '03	64.005	11,648	
EMS '04	64.005	19,928	31,576
Health Walking Trail	XX.XXX	4,636	
Afterschool Snack	64.XXX	<u>6,670</u>	
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 2,684,434</u>	

(Concluded)

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2004
CITY OF GAINESVILLE, FLORIDA**

Note 1. Basis of Presentation

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

Note 2. Subrecipients

The City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$406,871
HOME Investment Partnership Grant	14.239	\$124,571

The City did not provide state awards to subrecipients.



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

Honorable Mayor and City Commissioners
City of Gainesville, Florida:

Compliance

We have audited the compliance of the City of Gainesville, Florida (the "City"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2004. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2004.

Members:

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Internal Control Over Compliance

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

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program or state project in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 04-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the 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, 2004, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 4, 2005. Our report on the basic financial statements included a reference to the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Davis, Mark } Company

February 4, 2005
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004
CITY OF GAINESVILLE, FLORIDA**

Part I - Summary of Auditors' Results

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

<u>Federal Programs</u>	<u>CFDA No.</u>
Community Development Block Grant-Entitlement	14.218
HOME Investment Partnership Grant	14.239
Economic Development Initiative	14.246
Federal Equitable Sharing Proceeds	16.XXX
Temporary Assistance for Ncedy Families	93.558
Public Assistance Grants	83.544/97.036

<u>State Projects</u>	<u>CSFA No.</u>
State Housing Initiatives Partnership Program	52.901
Public Transit Block Grant Program	55.010

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs for federal programs, and \$300,000 was used for state projects.
9. The City did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004
CITY OF GAINESVILLE, FLORIDA**

Part II - Financial Statement Findings

04-1 *Condition and Criteria:* Our review of the City's procurement card ("ProCard") program revealed several instances where a receipt was not available to adequately document the public purpose of a purchase. We also observed some receipts that were signed by someone other than the cardholder, indicating that the credit card had been shared.

Effect: There was noncompliance with the City's prescribed policies and procedures regarding ProCard purchases.

Recommendation: Supervisory reviews of ProCard purchases should be improved to help ensure compliance with the City's system of internal control.

Part III – Findings and Questioned Costs – Federal Programs

Questioned
Costs

04-2 *Condition and Criteria:* In the Home Investment Partnership ("HOME") program (CFDA No. 14.239), internal controls were not sufficient to ensure that reimbursement requests were accurate and made in a timely manner.

Effect: When reimbursement requests were made, program income was not properly applied against reimbursable costs, the amounts requested for reimbursement were not reconciled to the general ledger, and the reimbursable costs were not always reported to the grantor in a timely manner.

\$ --

Recommendation: Internal controls over the HOME program should be strengthened. Internal control activities should included reconciliation of amounts requested for reimbursement to amounts recorded in the general ledger for both expenditures and program income.

Part IV – Findings and Questioned Costs – State Programs

No matters are reportable.



CITY OF GAINESVILLE

Finance Department

The following is a summary of the September 30, 2003 audit findings and the current status of each finding. The City feels that each item has been addressed appropriately during the past fiscal year and actions have been taken to correct these problems.

PRIOR AUDIT FINDING NO. 1:

Condition and Criteria: Our review of the City's procurement card ("ProCard") program revealed several instances where a receipt was not available to adequately document the public purpose of a purchase. We also observed some receipts that were signed by someone other than the cardholder, indicating that the credit card had been shared.

Effect: There was noncompliance with the City's prescribed policies and procedures regarding ProCard purchases.

Recommendation: Supervisory reviews of ProCard purchases should be improved to help ensure compliance with the City's system of internal control.

CURRENT STATUS:

Training programs for card users and supervisors are held to improve compliance with the City's policies and procedures for ProCard purchases. Attendance is mandatory. Communications have been sent to each cardholder and supervisor reinforcing the appropriate procedures for card usage and purchase approval. These procedures will continue to be included in ongoing training programs for all cardholders and supervisors. A Web based software program was acquired which will assist the procurement card administrator, as well as department heads, to monitor procurement card activity on an on-line real time basis.

PRIOR AUDIT FINDING NO. 2:

Condition and Criteria: Internal controls were not sufficient to ensure that financial reports to the grantor were accurately prepared for the Community Development Block Grant ("CDGB") program (CFDA No. 14.218).

Effect: There were instances where transactions of the CDBG program were not accurately reported to the Department of Housing and Urban Development.

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

CURRENT STATUS:

A staff team identified and handled variances between amounts reported and amounts recorded in the general ledger. Internal control procedures related to the preparation, review and submission of CDBG reimbursement requests were strengthened. These included:

- Preparation of monthly reimbursement requests
- Verification of requested reimbursement amounts to the City's general ledger

PRIOR AUDIT FINDING NO. 3:

Condition and Criteria: In the State Housing Initiatives Partnership ("SHIP") program, we identified an applicant who received benefits although the applicant's income was above the level allowable for eligibility. The applicant had not disclosed monthly benefit payments from the Veterans Administration.

Effect: The applicant received \$15,030 of unallowable benefits.

Recommendation: Procedures used to verify income should be strengthened to reduce the risk of providing SHIP benefits to individuals who are not eligible to receive benefits.

CURRENT STATUS:

Internal control procedures related to the income verification process were reviewed and strengthened, including review and approval by a separate responsible party, to verify that all possible income is included in the income calculation.



CITY OF GAINESVILLE

Finance Department

In connection with our September 30, 2004 financial statement audit and single audit, our external auditors listed findings as set forth below. We have developed a plan for corrective action on these findings as follows. This plan will be implemented by the applicable departments within the City and overseen by the Interim City Manager, Barbara Lipscom. She can be contacted at (352) 334-5010.

Financial Statement Findings

CURRENT AUDIT FINDING NO. 04-1:

Condition and Criteria: Our review of the City's procurement card ("ProCard") program revealed several instances where a receipt was not available to adequately document the public purpose of a purchase. We also observed some receipts that were signed by someone other than the cardholder, indicating that the credit card had been shared.

Effect: There was noncompliance with the City's prescribed policies and procedures regarding ProCard purchases.

Recommendation: Supervisory reviews of ProCard purchases should be improved to help ensure compliance with the City's system of internal control.

CORRECTIVE ACTION PLAN:

On-line Administrative review procedures have been added using the Web based software program acquired which will assist the procurement card administrator, as well as department heads, to monitor procurement card activity on an on-line real time basis. We will strengthen ongoing training programs for supervisors and cardholders. A more aggressive program of revoking cards held by those who violate procedures will be instituted.

Findings and Questioned Costs – Federal Programs

CURRENT AUDIT FINDING NO. 04-2:

Condition and Criteria: In the Home Investment Partnership ("HOME") program (CFDA No. 14.239), internal controls were not sufficient to ensure that reimbursement requests were accurate and made in a timely manner.

Accounting Division

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Effect: When reimbursement requests were made, program income was not properly applied against reimbursable costs, the amounts requested for reimbursement were not reconciled to the general ledger, and the reimbursable costs were not always reported to the grantor in a timely manner.

Recommendation: Internal controls over the HOME program should be strengthened. Internal control activities should include reconciliation of amounts requested for reimbursement to amounts recorded in the general ledger for both expenditures and program income.

CORRECTIVE ACTION PLAN:

Staff has established a protocol whereby Community Development and Finance Department staff meet on a monthly basis to review monthly expenditures and program income for preparation of monthly draws in amounts reconciled to the general ledger.

Findings and Questioned Costs – State Projects

No matters were reported.

Management Letter on Internal Control

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) for the year ended September 30, 2004, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. The following suggestions, which resulted from our consideration of internal control, are submitted to assist in improving procedures and controls.

Status of Prior Year Findings and Recommendations

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

Current Year Findings and Recommendations – Financial Reporting and Accounting

Accounts Receivable Records and Procedures

As part of our testing of the Accounts Receivable balances, we reviewed the reconciliations between the Utility's billing system and the general ledger. During this review we noted a significant reconciling item described as "Corrections to Deposits-Non Cash," which recognizes adjustments between the Accounts Receivable and Utility Meter Deposit accounts. We inquired further of both the accounting and billing department personnel and were able to determine that a portion of the reconciling amount was attributable to timing differences in the transfer of data between the two departments. The Utility was unable to determine the cause of the remaining portion of the reconciling item. Although the amount is not material to the financial statements, we recommend that the accounting and billing departments work together to establish the most effective and efficient way to identify the source of all reconciling items, and to ensure all transactions are properly recorded in both the customer billing and general ledger systems. This includes making sure both sides of all entries are recorded, and that all timing differences are recognized on a timely basis, thereby assuring the effectiveness of the account reconciliation.

Management's Response:

Management agrees with the recommendation and will work to establish a procedure to identify the source of all outstanding items as part of the Accounts Receivable reconciliation process.

Allowance for Doubtful Accounts

When reviewing the allowance for doubtful accounts, we compared the estimated write-off percentage for the active and inactive accounts for reasonableness. We noted that the write-off percentage for active accounts greater than 90 days was higher than the write-off percentage for accounts that have been classified as inactive of the same age. Upon further discussion with management, it was determined that the percentages were based on a study of historical data, completed approximately 10 years ago. We recommend that a new study be completed, using current data, to ensure that the percentages being used to estimate the allowance are appropriate for all classifications.

Management's Response:

Management agrees with the recommendation and will initiate an evaluation of write-off percentages. This evaluation will require us to track collection activity over an extended period of time which may not be completed by the end of the next fiscal year; however, it will be our plan to complete the process as expeditiously as possible.

Journal Entry Review

During our testing of the Restricted Cash and Investments accounts, we noted that certain journal entries prepared by management were not reviewed, of record, before they were posted. As a result, restricted funds were erroneously classified as unrestricted, for financial reporting purposes. While we recognize that no actual transfer of cash from the restricted funds to unrestricted accounts was made, the entry did result in a misclassification of restricted and unrestricted funds on the preliminary financial statements. Accordingly, we recommend that entries made as part of the year-end closing process to restricted accounts such as Rate Stabilization and the Construction Funds have documented reviews completed by the Chief Financial Officer. As entries prepared by management usually relate to the more complicated issues, it is vital to have them reviewed by someone with the appropriate level of knowledge and experience to make the review effective. Review of the journal entries will help ensure that errors do not go undetected, entries do not inappropriately misclassify funds from restricted accounts, are compliant with all regulatory standards, and serve proper business purposes.

Management's Response:

Management agrees with the recommendation and will ensure that restricted fund journal transactions created as part of the annual year-end closing process will be reviewed for appropriateness by the Chief Financial Officer or that position's designee.

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

Ernst & Young LLP

November 10, 2004

Attachment

Appendix A

**Status of Prior Year's Recommendations
and Management's Responses**

<u>Prior Year Recommendations</u>	<u>Comment Continues To Be Relevant</u>	<u>Comment Has Been Addressed Or Is No Longer Relevant</u>
Inventory Valuation		X
Plant Asset Depreciation Rates		X