



Fiscal Year 2025 Annual
Comprehensive Financial Report

City of Gainesville, Florida

Photo: Depot Park

CITY OF GAINESVILLE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

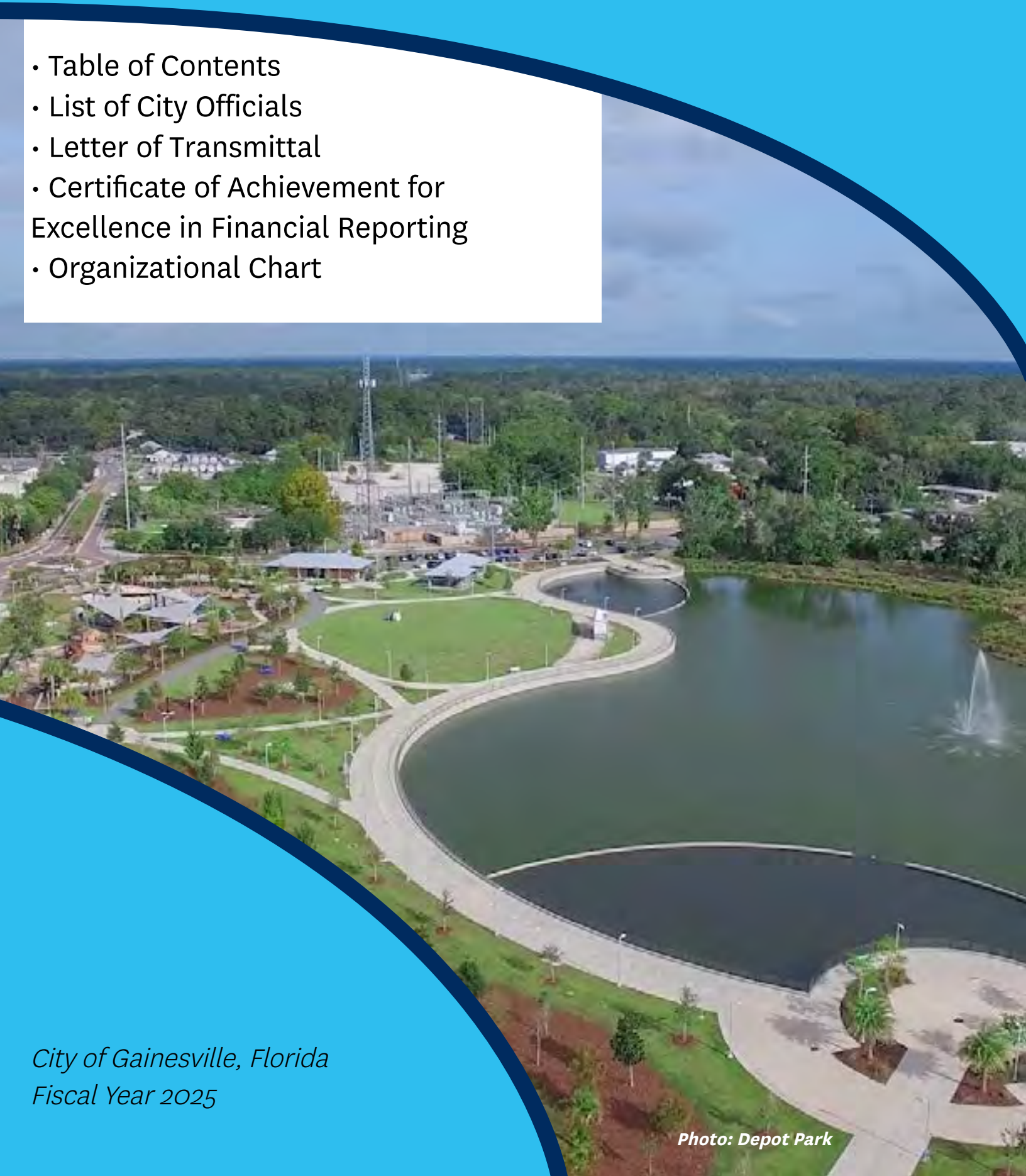
Prepared by
Department of Financial Services

Introductory

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- List of City Officials
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting
- Organizational Chart

*City of Gainesville, Florida
Fiscal Year 2025*

Photo: Depot Park



**CITY OF GAINESVILLE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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LIST OF CITY OFFICIALS

As of 9/30/2025

ELECTED OFFICIALS

<i>Harvey L. Ward, Jr.</i>	<i>Mayor</i>
<i>Bryan Eastman</i>	<i>Mayor Pro-Tempore Commissioner (District IV)</i>
<i>James Ingle</i>	<i>Commissioner (At-Large, Seat A)</i>
<i>Cynthia Moore Chestnut</i>	<i>Commissioner (At-Large, Seat B)</i>
<i>Desmon Duncan-Walker</i>	<i>Commissioner (District I)</i>
<i>Ed Book</i>	<i>Commissioner (District II)</i>
<i>Casey Willits</i>	<i>Commissioner (District III)</i>

APPOINTED OFFICIALS

<i>Cynthia W. Curry</i>	<i>City Manager</i>
<i>Daniel Nee</i>	<i>City Attorney</i>
<i>Kristen J. Bryant, CMC</i>	<i>City Clerk</i>
<i>Stephen Mhere</i>	<i>City Auditor</i>
<i>Zeriah Folston</i>	<i>Equal Opportunity Director</i>

FINANCIAL SERVICES ACCOUNTING DIVISION

<i>Dennis Nguyen, CPA</i>	<i>Financial Services Director</i>
<i>Noemi Celpa Morris, CPA</i>	<i>Controller General Government Finance</i>
<i>Lilian Guzman Letteen</i>	<i>Accounting Manager</i>
<i>Carlos Yanez Muro</i>	<i>Accountant, Senior</i>
<i>Judith Van Smith</i>	<i>Accountant, Senior</i>
<i>Kristy Fowler</i>	<i>Accountant, Senior</i>
<i>Laura Melendez</i>	<i>Accountant II</i>
<i>Christina Holmes</i>	<i>Account Clerk, Sr.</i>



City of Gainesville

Office of the City Manager

March 11, 2026

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

Dear Mayor, Commissioners and Citizens:

Section 218.39, Florida Statutes, requires the City of Gainesville (City) to publish within nine months after the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The City is also required to undergo an annual single audit performed under the provisions of the U.S. Office of Management and Budget Uniform Guidance and Chapter 10.550, Rules of the Auditor General, State of Florida. The City presents financial information that meets the requirements of accounting standards issued by the Governmental Accounting Standards Board (GASB). This report was prepared by the Department of Financial Services and audited by an independent firm of licensed certified public accountants according to the City Code of Ordinances, Chapter 2 Article VI, Section 2-433.

The Annual Comprehensive Financial Report (ACFR) of the City for the fiscal year ended September 30, 2025 is hereby transmitted. This report consists of management's representations concerning the finances of the City. To provide a reasonable basis for making those 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, and misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. 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 affirm that, to the best of our knowledge and belief, this financial report is complete, reliable in all material respects, and that we take full responsibility for all contents of the Annual Comprehensive Financial Report.

Purvis, Gray and Company, LLP, an independent firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2025, are free of material misstatement. The 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the City's basic financial statements as of and for the year ended September 30, 2025. The

independent auditors' report is presented as the first component of the financial section of this report. The results of the single audit, including a schedule of expenditures of federal awards, and the independent auditor's reports on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are also included in this report.

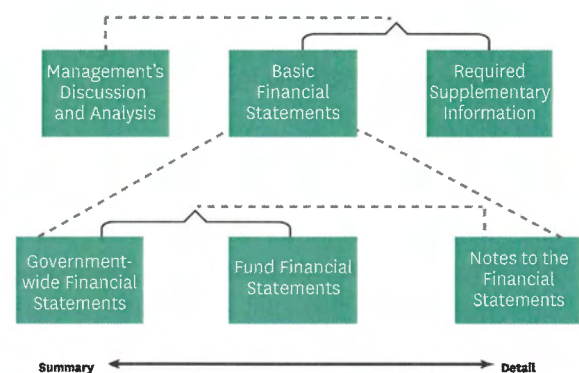
THE REPORT

The ACFR is presented in four sections:

1. The **Introductory section** includes the List of City Officials, this letter of transmittal, a copy of the City's Certificate of Achievement for Excellence in Financial Reporting, and the City's Organizational Chart.
2. The **Financial section** includes the report of the independent auditors, Management's Discussion and Analysis (MD&A), the basic financial statements, including government-wide Statement of Net Position and Statement of Activities as well as Governmental, Proprietary and Fiduciary Fund level financials statements. The Financial section also includes the Notes to the Financial Statements, which is an integral part of the ACFR. The next portion of the Financial section is the Required Supplementary Information which includes budget related information such as the General Fund Adopted budget and an Actual to Final comparison of the budget. This section also includes the required disclosures for the pension and Other Post-Employment Benefits (OPEB) plans. The final portion of the Financial section contains Supplementary Information including the combining financial statements of the non-major governmental funds including Special Revenue, Debt Service and Capital Projects funds; combining financial statements for the non-major Enterprise Funds, Internal Service Funds financial statements and Fiduciary Funds financial statements.
3. The **Statistical section** includes multi-year financial and demographic information such as fund balance trends, assessed value of taxable property for the City, property tax rates, population, debt capacity analysis, and other operating information including full-time equivalent general government community builders.
4. The **Single Audit section** includes the schedule of expenditure of federal awards and state financial assistance, schedule of findings and questioned costs, and the independent auditors' reports on the internal control and compliance with applicable laws and regulations. The independent auditors provide a Management Letter detailing their findings and recommendations. The City then provides a letter as management's response to those findings.

This letter of transmittal is designed to complement the 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.

This ACFR includes all funds of the City. The City provides a full range of services including: police and fire protection; the construction and maintenance of City buildings, streets and other infrastructure; and recreational activities and cultural events.



The ACFR also includes the City's component units, which are legally separate organizations for which the City is financially accountable or whose relationship with the City is of a nature and significance that would cause the City's financial statements to be incomplete were they not included.

The City of Gainesville is required to adopt an annual budget in accordance to Section 166.241, Florida Statutes. In addition, the City maintains budgetary controls designed to ensure compliance with legal provisions incorporated into the annual budget adopted by the City Commission. The Budget is adopted at the fund level and appropriations established by department within each fund. The number of full-time equivalent (FTE) positions, and tax levies are adopted in September prior to the start of the fiscal year. Capital Projects funds and certain Special Revenue funds, such as multi-year grant funds and tax increment funds, are appropriated on a project basis.

PROFILE OF THE CITY

The City of Gainesville is the most populous city in, and serves as the county seat of, Alachua County. The City also serves as the cultural, educational and commercial center of the North Central Florida region. Gainesville is located midway between the Gulf of America and the Atlantic Ocean and halfway between Miami and Pensacola. There are approximately sixty square miles of land included within the corporate boundaries of the City. As of April 1, 2025, the official population estimate was 151,275 (Bureau of Economic and Business Research - University of Florida, 2025).

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. The elected Mayor serves a four-year term and presides over public meetings and ceremonial events. The Commission appoints the City Manager, City Auditor, City Attorney, City Clerk and Equal Opportunity Director. As chief executive officer, the City Manager is responsible for the enforcement of all ordinances and resolutions passed by the Commission and carries these responsibilities through a senior leadership team.

The City also owns and operates Gainesville Regional Utilities (GRU), a municipal utility enterprise. On June 28, 2023, Florida Governor Ron DeSantis signed House Bill 1645 into law as Chapter 2023-348, amending the City's charter to establish the Gainesville Regional Utilities Authority (GRUA) as a unit of City government. Upon the installation of GRUA members on October 4, 2023, the Authority assumed full governance of GRU.

The City of Gainesville provides its residents with a wide range of public services, including but not limited to public safety, recreation and cultural events, mass transit, utility distribution, refuse collections and stormwater management services. In addition to these services, the City exercises oversight responsibility for the Tax Increment Financing (TIF) funds (that remain after the sun-setting of the Community Redevelopment Agency), Cornerstone Condominium and Heartwood Community Homeowners Associations.

The City has two defined-benefit pension plans: 1) the City of Gainesville Employees' Pension Plan (administered by the Mayor and City Commission as the Board of Trustees) and 2) the Police Officers' and Firefighters' Consolidated Pension Plan (administered by a board of trustees composed of members elected by active employees and appointees of the Mayor). The Boards have responsibility for investment of the

pension assets and determination of benefits as employees retire or seek other benefits under the plans. For the fiscal year ended September 30, 2025, the plans' net position was just under \$1.14 billion.

The City also administers a single-employer defined benefit postemployment health care plan that covers eligible retired employees. The Retiree Health Care Plan allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical coverage as a participant in the City's plan. Administrative costs are financed through investment earnings. For the fiscal year ended September 30, 2025, the plan had a net position of just under \$75.04 million.

FACTORS AFFECTING ECONOMIC CONDITION

Property Values. The City's property taxable value for fiscal year 2025 was \$10.997 billion, representing an increase of 8.8% from prior year, which contributed to an increase property tax revenues. The City's operating tax millage rate for fiscal year 2025 remained unchanged from fiscal year 2024 at 6.4297 mills.

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 four 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. According to the U.S. Bureau of Labor Statistics September 2025 report, the City's unemployment rate was 4.6%, which was higher than the State's rate of approximately 3.9% and the national average of approximately 4.4%.

The General Fund's main revenue sources include Property Tax, Utility Tax, State Revenue Sharing & Half-Cent Sales Tax, Fire Assessment and a transfer from Gainesville Regional Utilities (GRU). With the exception of the transfer from GRU, these revenue sources have begun to experience moderate growth after the recession which is expected to continue.

Long-term financial planning. Both General Government and the City-owned Utility develop multi-year financial forecasts for both the operating budget and capital improvement plans. The City is proud to maintain investment grade ratings: Aa3 from Moody's Investor Service and AA from Fitch Ratings, both with a stable outlook. This is a testament to the City's healthy financial position, and prudent fiscal planning with reserve policies. The City's goal is to obtain the highest investment grade ratings as these ratings indicate to investors that the City is a low-risk investment which translates into lower interest rates and corresponding lower interest payments on debt.

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan (ARPA), delivered \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The City received \$32,408,804 to administer by December 31, 2026. As our City continues to recover from the pandemic, we anticipate the City will continue to be one of the best places in the country to raise a family, start or expand a business, invest in real estate, seek high quality, cutting-edge health care and enjoy the natural environment. The City is firmly committed to its ongoing reinvestment in our neighborhoods, our public infrastructure and facilities, community builders and our City as a whole.

Financial policies. One of the most important measures of the City’s financial health is its fund balance. The City’s Fund Balance Policy was last updated in September 2021, is reviewed annually, and complies with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” In addition to providing compliance with GASB Statement No. 54, the City’s Fund Balance Policy will assist in stabilizing the long-term financial position of the City by setting standards for the use and replenishment of fund balance reserves. This policy also provides structural balance to the City’s budget by limiting the use of reserves to cover recurring expenditures. The General Fund Balance Policy requires a minimum emergency reserve maintained at 0.015% of the taxable value of all property in the City on January 1st of that fiscal year. As recommended by the Government Finance Officers’ Association, the City’s fund balance policy provides for the maintenance of an unassigned fund balance for the General Fund of a minimum of two (2) months or 16.7% of and a maximum of three (3) months or 25% of the following year’s budgeted expenditures and transfers. The City ended fiscal year 2025 with a General Fund balance of \$196.5 million; of that amount \$49.9 million is Unassigned.

Other relevant policies that bolster the City’s strong financial position include the General Insurance Fund Reserve, Budget Administration, Debt Management and Capital Improvement Planning policies. Together with the Fund Balance, these policies promote sound financial management and enhance the City’s credit rating by taking a fully rounded approach when balancing financial decisions.

MAJOR INITIATIVES

The City’s Strategic Plan. The City of Gainesville is committed to delivering high-quality and responsive services to all of our neighbors. To do the important work of building community, we have focused our actions around a strategic plan adopted by the City Commission on August 6, 2020. This strategic plan brings commonality and focus to our work with a unified vision, mission and a shared set of values. Additionally, our strategic plan identifies five specific goals and each of these goals has a series of prioritized action items. The Plan also identifies four areas of critical focus for concentrated effort to improve operations: General Government financial services; employee vacancies; technology and facility upgrades, and organizational culture. This action plan serves as the foundation for all of our budgetary and policy considerations. It also establishes the benchmarks and performance indicators that we will measure ourselves against. In measuring progress, celebrating successes, learning from failure and identifying the barriers to implementation, we are well on our way to operationalizing continual organizational improvement.

Our Goals:



This strategic plan will also help us reach our long term vision for the City where Gainesville balances an equitable community for all and a sustainable community for the future. In this vision, Gainesville is a world-class, life-long learning community, is a great place for neighbors to live and thrive and provides meaningful experiences for everyone that has a vibrant downtown, a strong, resilient economy and mobility for all neighbors.

Administering the ARPA Program. The City has worked to develop a spending plan for the American Rescue Plan Act of 2022 SLFRF allocation, with the latest spend plan including investments in an East Gainesville including an urgent care center as part of a large economic development initiative, affordable housing initiatives, home energy rehabilitation, public safety community violence interventions, aid to local nonprofit organizations, and homeless outreach. As of the fiscal year ended September 30, 2025, \$26.9 million has been distributed for various programs.

AWARDS AND ACKNOWLEDGMENTS

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 annual comprehensive financial report for the fiscal year ended September 30, 2024. The City of Gainesville has received a Certificate of Achievement every year since 1951. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards, and must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Additionally, the City received the Government Finance Officers Association's Award for Distinguished Budget Presentation for its annual budget for the period started October 1, 2025. The first award for the City of Gainesville was granted on May 31, 1989 for the City's budget starting October 1, 1988. Since then, the City of Gainesville has received 38 GFOA Distinguished Budget Presentation Awards, the second most awards in the State of Florida. 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 preparation of the ACFR was made possible by the dedicated service of the entire staff of the Department of Financial Services as well as various City departments and external partners. Additionally, credit should be given to the Mayor and City Commissioners for their policy initiatives, interest, and continued support.

Respectfully submitted,



Andrew Persons
Interim City Manager



Dennis Nguyen
Financial Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

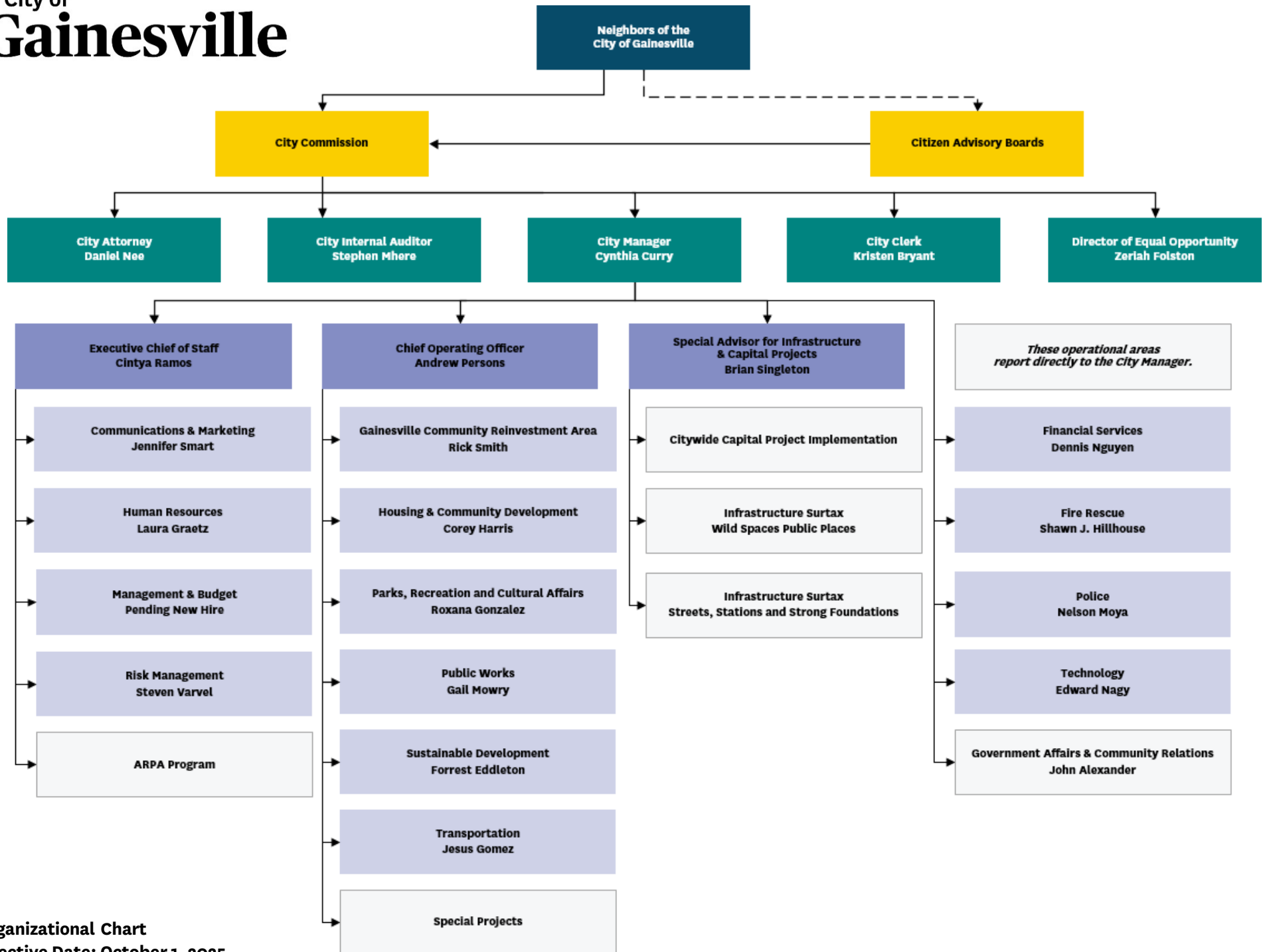
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**City of Gainesville
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

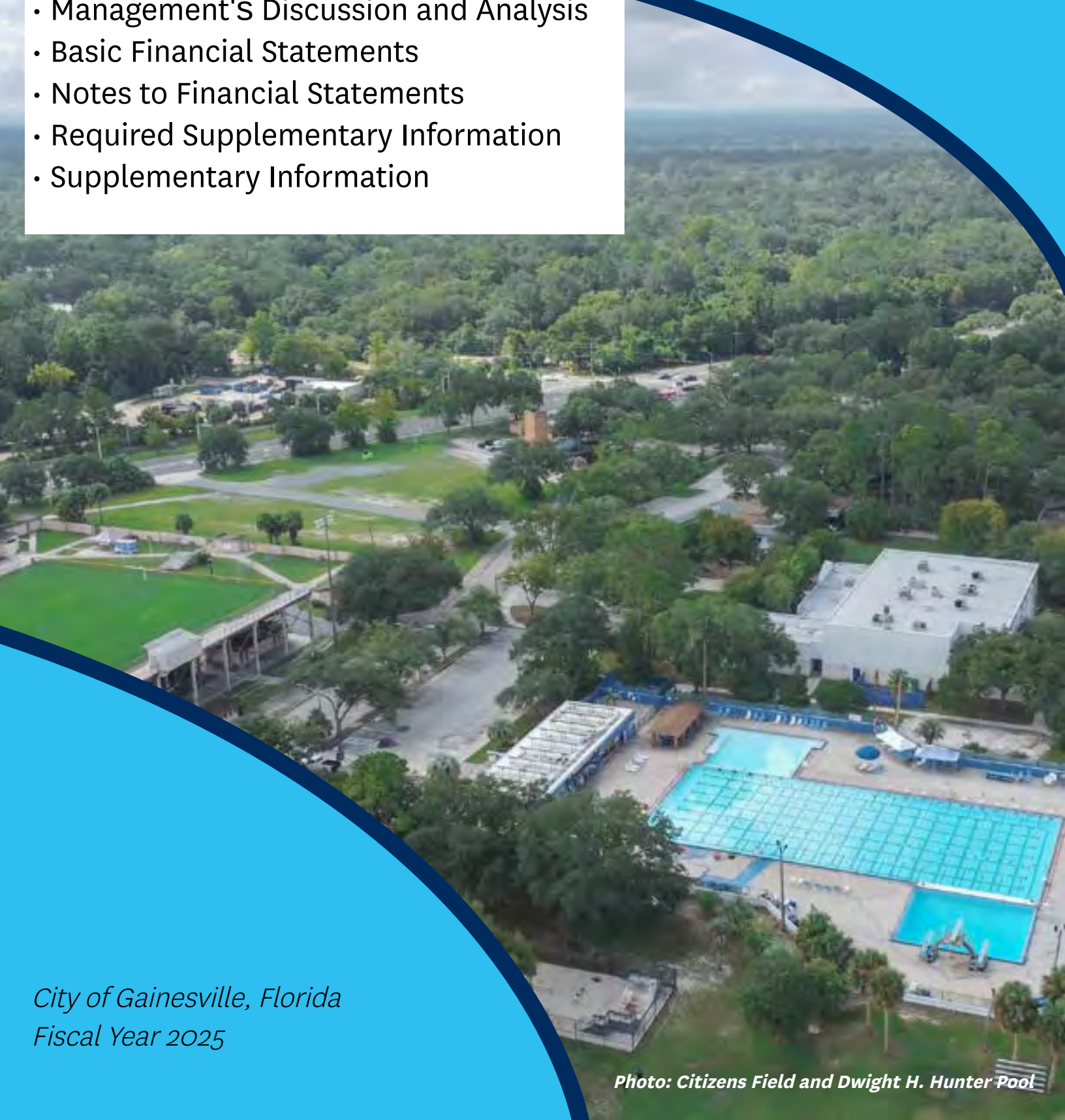
September 30, 2024

Executive Director/CEO



Financial

- Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Financial Statements
- Required Supplementary Information
- Supplementary Information



*City of Gainesville, Florida
Fiscal Year 2025*

Photo: Citizens Field and Dwight H. Hunter Pool

Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Gainesville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gainesville, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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 remaining fund information of the City as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Utility Fund, which represents 95 percent, 77 percent, and 90 percent, respectively, of the assets, net position, and revenues of the Business-Type Activities as of September 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Utility Fund, are based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

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Members of American and Florida Institutes of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-15 and general fund budgetary comparison schedule and pension and other postemployment benefits related schedules and notes on pages 124-126, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 combining and individual nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds financial statements, individual nonmajor governmental funds budget to actual schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds financial statements, nonmajor governmental funds budget to actual schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Honorable Mayor and City Commissioners
City of Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026, 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

March 17, 2026
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, 2025. 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-xi of this report, and the City's financial statements which begin on page 16.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the fiscal year ended September 30, 2025, by \$886,911,958 (net position). This is an increase of \$45,828,270, or 5.4% from fiscal year 2024.
- The City's total net position increased by \$45,828,270 as a result of fiscal year 2025 operations.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$342,567,669, an increase of \$10,584,651 over the prior year. Of the total ending fund balances, \$84,596,567 is available for spending at the City's discretion (committed, assigned and unassigned fund balances).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$49,949,644.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, human services and culture, and recreation. The business-type activities include electric generation, transmission and distribution, natural gas, water and wastewater, telecommunications, refuse collection, stormwater management, building code enforcement, and mass transit. The government-wide financial statements can be found on pages 16-18 of this report.

Management's Discussion and Analysis

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: 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 fifty-six 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 fifty-five 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 19-22 of this report.

Proprietary funds: 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. The City maintains two different types of proprietary funds, Enterprise and Internal Service.

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: utilities (including electric power generation, transmission and distribution, natural gas distribution, water and wastewater treatment, and telecommunications), refuse collection, stormwater management, building code enforcement, and mass transit.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains three internal service funds to account for fleet management operations, general insurance, and employee health insurance programs. Since these services benefit governmental more than business-type functions, they have been included within *governmental activities* in the government-wide financial statements; however, in the government-wide financial statements, a certain portion of the net income of the internal service funds each year is reported in the business-type activities. This amount is allocated based on percentage of service charges.

Data from the other four proprietary funds are combined into a single, aggregated presentation. The three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds as well as for the internal

Management's Discussion and Analysis

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 23-29 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 30-31 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 32-111 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with its General Fund budget and the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 112-126 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 127-154 and 184-193 of this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The City's net position at fiscal year-end is \$886,911,958. The following table provides a detailed overview of the City's net position.

Net Position for Fiscal Year 2025 (ended September 30, 2025)						
	Governmental Activities		Business-Type Activities		Total	
	FY25	FY24	FY25	FY24	FY25	FY24
Current and Other Assets	\$ 400,860,676	\$ 394,949,608	\$ 647,363,812	\$ 704,758,693	\$ 1,048,224,488	\$ 1,099,708,301
Capital Assets	285,021,858	279,490,457	1,973,370,832	1,957,346,107	2,258,392,690	2,236,836,564
Total Assets	685,882,534	674,440,065	2,620,734,644	2,662,104,800	3,306,617,178	3,336,544,865
Deferred Outflows	20,842,289	15,139,979	18,315,359	17,892,543	39,157,648	33,032,522
Long-Term Liabilities	286,341,669	302,208,864	1,810,955,595	1,874,197,619	2,097,297,264	2,176,406,483
Other Liabilities	37,123,753	43,841,592	88,697,726	88,346,566	125,821,479	132,188,158
Total Liabilities	323,465,422	346,050,456	1,899,653,321	1,962,544,185	2,223,118,743	2,308,594,641
Deferred Inflows	46,804,258	45,475,567	188,939,867	174,423,491	235,744,125	219,899,058
Net Position:						
Net Investment in						
Capital Assets	251,385,930	242,055,307	274,104,634	248,288,162	525,490,564	490,343,469
Restricted	124,727,953	107,668,789	105,738,510	99,026,922	230,466,463	206,695,711
Unrestricted (Deficit)	(39,658,740)	(51,670,075)	170,613,671	195,714,583	130,954,931	144,044,508
Total Net Position	\$ 336,455,143	\$ 298,054,021	\$ 550,456,815	\$ 543,029,667	\$ 886,911,958	\$ 841,083,688

Approximately 59.3% of the City's net position reflects its investment in capital assets (e.g., land, utility plant and equipment, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

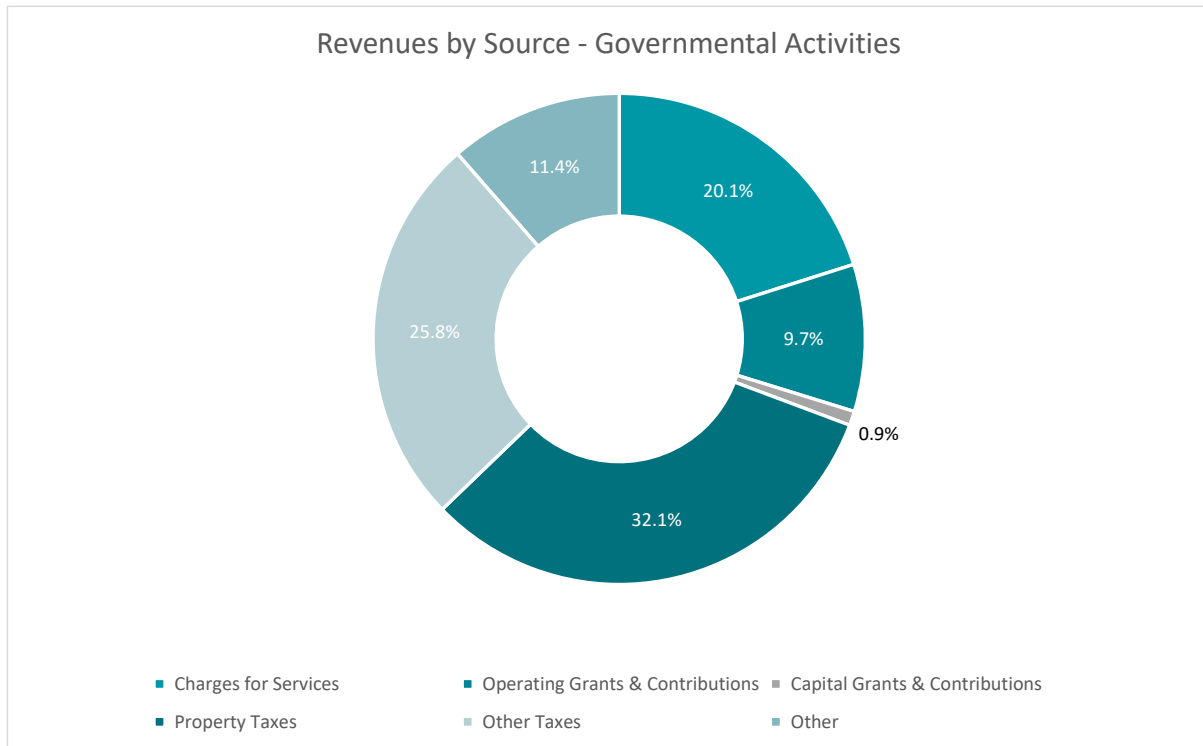
An additional portion of the City's net position, \$230,466,463 or 25.1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$130,954,931, may be used to meet the government's ongoing obligations to neighbors and creditors. The following table provides a detailed overview of the City's change in net position fiscal year over fiscal year.

Changes in Net Position for the Fiscal Year Ended September 30, 2025							
	Governmental Activities		Business-Type Activities		Total		
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	
Revenues:							
Program Revenues:							
Charges for Services	\$ 42,859,569	\$ 40,468,932	\$ 490,842,791	\$ 480,155,188	\$ 533,702,360	\$ 520,624,120	
Operating Grants and Contributions	20,660,549	17,263,179	8,319,414	16,550,531	28,979,963	33,813,710	
Capital Grants and Contributions	1,999,133	6,437,937	10,460,850	14,079,119	12,459,983	20,517,056	
General revenues:							
Property Taxes	68,392,748	62,832,569	-	-	68,392,748	62,832,569	
Other Taxes	55,071,547	55,239,999	2,284,119	2,304,060	57,355,666	57,544,059	
State Revenue Sharing	7,489,174	7,379,198	-	-	7,489,174	7,379,198	
Investment Gain (Loss)	12,370,336	15,042,061	8,511,477	16,355,154	20,881,813	31,397,215	
Other Revenues	4,462,537	4,320,225	16,819,230	3,547,038	21,281,767	7,867,263	
Total Revenues	213,305,593	208,984,100	537,237,881	532,991,090	750,543,474	741,975,190	
Expenses:							
General Government	38,608,741	36,668,451	-	-	38,608,741	36,668,451	
Public Safety	84,280,328	80,905,687	-	-	84,280,328	80,905,687	
Physical Environment	679,693	439,756	-	-	679,693	439,756	
Transportation	27,491,756	24,862,889	-	-	27,491,756	24,862,889	
Economic Environment	11,249,862	7,774,756	-	-	11,249,862	7,774,756	
Human Services	12,099	99,714	-	-	12,099	99,714	
Culture & Recreation	14,190,877	15,082,234	-	-	14,190,877	15,082,234	
Interest on Long-Term Debt	9,302,382	9,766,402	-	-	9,302,382	9,766,402	
Utility	-	-	451,010,550	427,954,183	451,010,550	427,954,183	
Regional Transit System	-	-	31,683,062	35,435,128	31,683,062	35,435,128	
Stormwater Management	-	-	10,095,565	9,662,731	10,095,565	9,662,731	
Florida Building Code Enforcement	-	-	3,381,177	3,736,898	3,381,177	3,736,898	
Solid Waste	-	-	11,729,112	11,059,377	11,729,112	11,059,377	
Total Expenses	185,815,738	175,599,889	507,899,466	487,848,317	693,715,204	663,448,206	
Changes in Net position Before Transfers	27,489,855	33,384,211	29,338,415	45,142,773	56,828,270	78,526,984	
Transfers	10,911,267	13,631,985	(10,911,267)	(13,631,985)	-	-	
Extraordinary Item - Litigation Settlement	-	-	(11,000,000)	-	(11,000,000)	-	
Change in Net Position	38,401,122	47,016,196	7,427,148	31,510,788	45,828,270	78,526,984	
Net Position - Beginning, as Previously Reported	298,054,021	239,606,526	543,029,667	511,518,879	841,083,688	751,125,405	
Restatement	-	11,431,299	-	-	-	11,431,299	
Net Position - Beginning, Restated	298,054,021	251,037,825	543,029,667	511,518,879	841,083,688	762,556,704	
Net Position - Ending	\$ 336,455,143	\$ 298,054,021	\$ 550,456,815	\$ 543,029,667	\$ 886,911,958	\$ 841,083,688	

Governmental Activities.

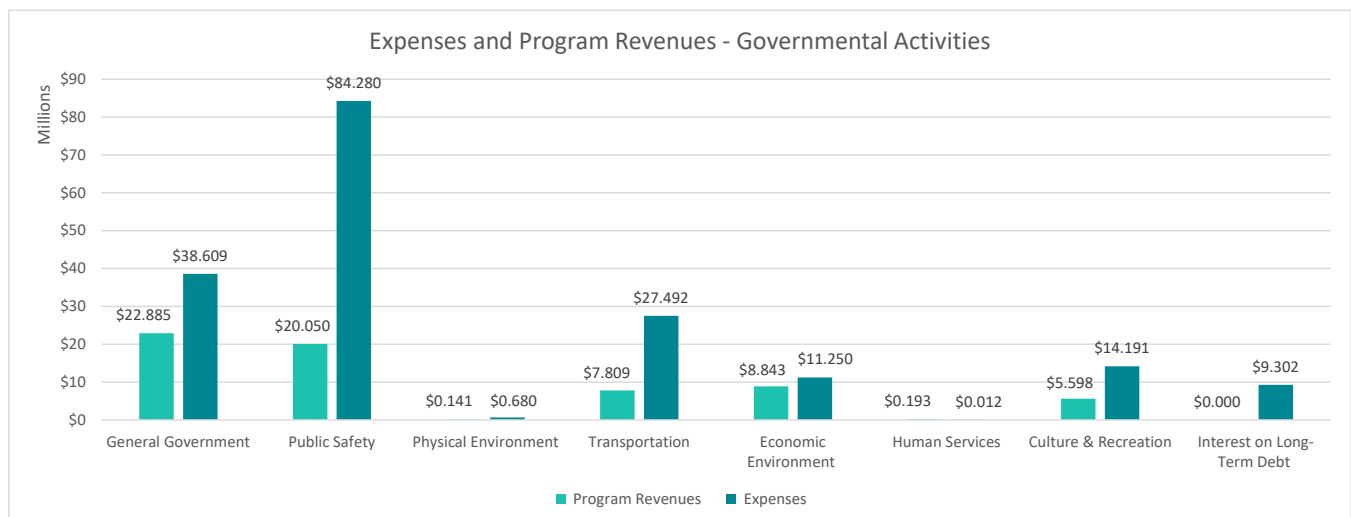
- Property tax revenue increased by \$5,560,179, or 8.9% which equates to the expected FY 2025 value provided by the Alachua County Property Appraisers office. As shown in the following chart, for fiscal year 2025, Property Tax Revenue made up 32.1% of Governmental Activity Revenue. Other taxes, such as Utility and Discretionary Sales Taxes, made up 25.8% of revenues followed by Charges for Services at 20.1%.

Management's Discussion and Analysis



- Operating grants and contribution revenue increased by \$3,397,370, a 19.9% increase over the prior year. This was attributable to various operating grants expended in the year such as the *American Rescue Plan Act* funds. Capital grants and contribution revenue decreased by \$4,438,804, a 68.9% decrease over the prior year. This was due to grants related to roadway related projects completed in the prior year.
- Revenues from investment gains saw a decrease of \$2,671,725 due to lower interest rates in the current year.
- Expenses in fiscal year 2025 saw modest increases, primarily due to increases in personnel and operating expenditures from the prior year. The most notable increases were in Economic Environment (\$3,475,106 or 44.7%), Public Safety (\$3,374,641 or 4.2%), and Culture and Recreation (\$2,628,867 or 10.6%).

As shown in the following table, and consistent with prior years' expenditure trends, fiscal year 2025 expenses were primarily driven by public safety expenses; comprising 45.4% of Governmental Activity expenses:



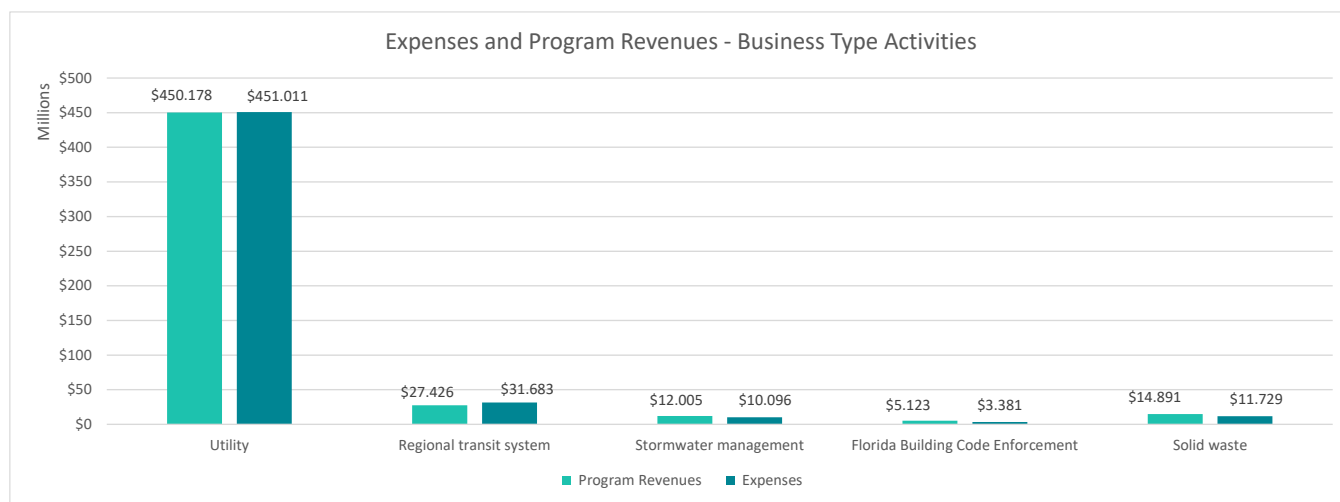
Management's Discussion and Analysis

Business-Type Activities.

Business-type activities for the City include the Gainesville Regional Utility (the Utility or GRU), the Regional Transit System, Stormwater Management, Florida Building Code Enforcement, and Solid Waste Management. The Utility drives the majority of the City's business-type activities.

- The Utility's operating revenues increased \$9.9 million or 2.3% in fiscal year 2025. The increase is primarily the result of increases in sales and services charges of \$34.1 million or 8%, including a residential sales increase of \$5.6 million or 3.6%, a non-residential sales increase of \$5.1 million or 3.8%, and a fuel adjustment and purchased gas adjustment increase of \$19.6 million or 21.5%, due to increased fuel expenses. Transfers to rate stabilization increased \$29.2 million, while amounts recoverable to future revenue decreased \$3.6 million or 26.4% in fiscal year 2025, when compared to fiscal year 2024.
- The Utility's long-term debt decreased \$70.6 million in fiscal year 2025 due primarily to scheduled principal payments and early defeasance of utility system revenue bonds as part of our debt reduction plan along with a reduction of unamortized bond premium associated with the early defeasance. Utility system revenue bonds decreased \$66.1 million, unamortized bond premium decreased \$8.4 million, while fair value of derivative instruments increased \$4.4 million in fiscal year 2025.
- The Utility's Operating expenses increased \$26 million or 7.2% in fiscal year 2025. The increase is largely due to higher natural gas, purchased power and biomass fuel expenses compared to fiscal year 2024. Operation and maintenance expenses increased \$26.9 million or 12.6% in fiscal year 2025. Contributing to this increase is an increase in natural gas and prepay expenses of \$20.3 million or 36.3%, an increase in biomass fuel of \$3.4 million or 24.8%, and an increase in purchased power of \$4.5 million or 40%. Depreciation and amortization expenses increased \$3.5 million while administrative and general expenses decreased \$4.4 million or 12% in fiscal year 2025.
- The Utility's transfers to rate stabilization of \$29.7 million and a transfer from rate stabilization of \$11 million for the litigation settlement in fiscal year 2025.
- For fiscal year 2026, GRU implemented increases in the revenue requirement of 1.75% for the water system and 1% for the wastewater system. For fiscal year 2025, GRU did not implement increases in the revenue requirement for the electric, water, wastewater, and gas systems.

As shown in the following table, Utility related revenues and expenses dominate business-type activity expenditures and revenues, making up 88.3% and 88.8% of these categories, respectively, in fiscal year 2025:



Management's Discussion and Analysis

Financial Analysis of the Government's Funds.

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.

For fiscal year 2025, the City's governmental funds reported combined ending fund balances of \$342,567,669, an increase of \$10,584,651 in comparison with the prior year combined ending fund balance. Majority of the increase was due to the increased fund balances in the Capital Projects funds for the infrastructure surtaxes. Approximately 38.5% or \$131,936,631 of this total amount constitutes nonspendable fund balance, which are amounts that are not in spendable form, primarily comprised of long-term receivables. An additional 36.8% or \$126,034,471 is restricted, indicating that funds can only be spent for specific purposes stipulated by external entities. Approximately 10.6% (\$4,575,177 and \$31,817,147, respectively) is committed and assigned for spending at the government's discretion. The remaining 14.1% or \$48,204,243 of fund balance is unassigned to indicate that it has no internal or external restrictions or commitments.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2025, the unassigned fund balance was \$49,949,644, a decrease of \$8,553,562 million, or 14.6%, from fiscal year 2024. The total fund balance of \$196,455,039 includes \$130,719,182, the majority of which is for the long-term receivable due from the Utility Fund and Nonmajor Enterprise Funds for future pension obligation bonds payments.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance, excluding nonspendable fund balance, to total fund expenditures. Unassigned fund balance is 29.5% of total expenditures and transfers out, while total fund balance excluding nonspendable fund balance represents 38.8% of that same amount. The fund balance of the City's general fund decreased \$9,939,930 during the current fiscal year. This is primarily due to the use of fund balance throughout the year to provide the essential general fund services, including the increased technology cost in 2025.

At the end of fiscal year 2025, the Nonmajor Governmental Funds have a total fund balance of \$146,112,630, which represents an increase of \$20,524,581 from last year's balance. The increase in the Nonmajor Governmental Funds is primarily driven by development activities in the City and planned expenditures not incurred. This is mainly due to the timing of Wild Spaces Public Places and Street, Stations, and Strong Foundations projects that led to increased fund balance during current year.

General Fund Budget Highlights. The fiscal year 2025 actual revenue was \$147,862,666, an increase of \$2,145,196 over the adopted budget. The fiscal year 2025 actual expenditure of \$137,010,817 is \$7,260,973 below the final budget of \$144,271,790. This is primarily due to conservative spending and the ongoing hiring freeze implemented by the City in anticipation of reduced services provided to the Utility Fund.

The overall revenue variance between the final budget and actual results for the general fund was 1.5%. Miscellaneous revenue had the largest positive variance of \$1,048,044 or 27.3%, primarily due to the favorable earnings from investment interest. Charges for Services had the largest negative variance to budget of \$272,745 or 1.7%. This is due to slightly lower collections from Right of Way Permit Fees and golf course Concessions revenues.

Management's Discussion and Analysis

Due to regular budget monitoring, most departments ended the fiscal year with expenditures below budgeted amounts for the year except for the City Clerk, Public Works, and Risk Management department due to Governmental Accounting Standards Board Statement No. 96 related items, unexpected Utility costs and miscellaneous expenditure adjustments. Positive variances are primarily attributable to vacancy savings from the City's hiring freeze implemented from the fiscal year 2023.

Capital Asset and Debt Administration. The City's investment in capital assets for its governmental and business type activities as of September 30, 2025, totals \$2,258,392,690 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, utility plant and equipment, infrastructure, roads, bike paths, and sidewalks.

Capital Assets for Fiscal Year 2025 (period ended September 30, 2025)							
	Governmental Activities		Business-Type Activities		Total		
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	
Land	\$ 37,318,016	\$ 37,434,316	\$ 9,149,458	\$ 9,147,958	\$ 46,467,474	\$ 46,582,274	
Utility Plant & Equipment	-	-	1,719,085,366	1,726,858,224	1,719,085,366	1,726,858,224	
Buildings	45,326,176	47,852,466	29,816,742	31,021,894	75,142,918	78,874,360	
Improvements	16,621,670	15,759,462	1,269,546	1,503,976	17,891,216	17,263,438	
Machinery & Equipment	16,786,276	14,333,493	28,252,205	31,061,164	45,038,481	45,394,657	
Infrastructure	133,679,992	136,719,040	24,207,119	25,665,777	157,887,111	162,384,817	
Capitalized Software	5,579,273	6,078,461	-	-	5,579,273	6,078,461	
Construction in Progress	22,165,525	13,595,032	153,080,764	122,954,655	175,246,289	136,549,687	
Leases	32,244	100,682	247,818	397,612	280,062	498,294	
SBITAs	7,512,686	7,617,505	8,261,814	8,734,847	15,774,500	16,352,352	
Total Assets, Net	\$ 285,021,858	\$ 279,490,457	\$ 1,973,370,832	\$ 1,957,346,107	\$ 2,258,392,690	\$ 2,236,836,564	

Major capital asset events during the fiscal year include:

- Fleet purchased at least 69 new vehicles totaling over \$4.3 million in fiscal year 2025.
- The GCRA continues progress developing the Eastside Food Mobility Hub and has added over \$1 million in improvements in fiscal year 2025.
- Resurfacing 8th avenue for over \$1.5 million.
- Infrastructure Surtax capital expenditures exceeded \$10.1 million, including \$5.0 million from the Street, Stations, and Strong Foundations funds and \$5.1 million from the Wild Spaces Public Places funds. Projects included the GPD Property and Evidence Building, resurfacing of North Main Street, Fire Station #9, the Public Works Hurricane-Hardened Building, Tom Petty Park improvements, and several other park improvements.
- RTS expended \$2.4 million bus stop improvements.
- Utility electric transmission and distribution additions were \$29.3 million in fiscal year 2025. These additions included the Parker substation transformer replacement project, substation and relay sub-bank LTC transformer replacements, various distribution substation improvements, and various transmission and distribution upgrades to apartments, condominiums, multi-family housing, and commercial and industrial sites.
- Utility Electric generation additions were \$23.1 million for fiscal year 2025. These additions included the Kelly CT4 gas turbine work, Deerhaven Renewable steam turbine and boiler work, and Deerhaven 2 boiler work.
- Utility water additions were \$23.4 million in fiscal year 2025. These additions included the Murphree water treatment well field and water treatment equipment projects. These additions also included water distribution services replacements, water mains replacements, and new water main development projects.
- Utility wastewater additions were \$22.9 million in fiscal year 2025. These additions included the Main Street water reclamation facility treatment and disposal equipment upgrades, waste water collections force main system improvements, waste water collections gravity system improvements, lift station pumping and equipment improvements, and waste water collections gravity system pipe replacements.
- Utility gas distribution additions were \$4.6 million in fiscal year 2025. These additions included new residential service transmission and distribution installation, residential development transmission and distribution projects, residential metering and regulator replacements, transmission and distribution construction installation and replacement services, and transmission and distribution small main extensions of one to three inches.

Management's Discussion and Analysis

Additional information on the City's capital assets can be found in Note 8 on pages 64-65 of this report.

Bonded Debt. At the end of fiscal year 2025, the City had total bonded debt outstanding of \$1,978,667,608. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds and notes) and excludes issuance premiums and discounts.

	Outstanding Bonded Debt		
	Governmental Activities	Business-Type Activities	Total
Pension Obligation Bonds	\$ 237,351,022	\$ -	\$ 237,351,022
Revenue Bonds and Notes	27,496,398	1,713,820,188	1,741,316,586
Total Debt, Net	\$ 264,847,420	\$ 1,713,820,188	\$ 1,978,667,608

The City's total bonded debt decreased by approximately \$80.0 million or 4.0% during fiscal year 2025 due to the bond defeasance.

The City is proud to maintain investment grade ratings: Aa3 from Moody's Investor Service and AA from Fitch Ratings, both with a stable outlook. The GRU has ratings of Aa3, A, and A+ with Moody's Investor Service, Standard & Poor's, and Fitch Ratings, respectively, for utility system revenue bonds.

Additional information on the City's long-term debt can be found in Note 13 on pages 87-100 of this report.

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

General Government:

- City officials are monitoring discussions within the Florida Legislature regarding potential changes to the property tax structure in the State of Florida, including proposals that could significantly reduce or eliminate property taxes as a primary source of local government revenue. Property taxes currently represent a major funding source for the City's General Fund and support essential municipal services. While no legislation has been enacted as of the date of this report, the scope and timing of any potential changes remain uncertain. If adopted, such measures could have a significant impact on the City's future revenues, financial planning, and ability to fund municipal services.

GRU:

- As of September 30, 2025, GRU has deployed all AMI electric meters, along with the water and gas modules that operate under the Advanced Metering Infrastructure (AMI) mesh network. Approximately 13,000 remaining water and gas meters that fall outside the mesh footprint will utilize cellular module technology and are currently undergoing testing before field deployment. For devices already in service, GRU is actively leveraging AMI data to obtain daily meter reads, perform remote turn-ons and disconnects, and proactively identify system-side or customer-side issues, thereby reducing reliance on customer calls. This modernization improves billing efficiency, enhances staff safety, reduces vehicle wear, and provides customers with greater transparency into their usage without the inconvenience of manual meter readings.
- GRU and its operations are subject to federal, state, and local statutory and regulatory requirements with respect to the siting and licensing of facilities, safety and security, air and water quality, land use, and other environmental factors.

Management's Discussion and Analysis

- GRU's long-term energy supply strategy is to provide safe, reliable, cost effective power, while meeting regulatory requirements. GRU has a diverse portfolio of generation including natural gas, coal, and renewable energy supplemented with purchased power. Based on the most recent forecasts, GRU has adequate reserves of generating capacity to meet forecasted loads plus maintaining the regulatory required reserve margin through 2031. This forecast incorporates new population forecasts and changed economic circumstances.

Economic Factors and Next Year's Budgets and Rates. Some of the significant factors considered in preparing the General Government's fiscal year 2026 budget were:

- For FY 2026, the City's taxable property value totaled \$12.0 billion. With the adopted millage rate of 6.7297, ad valorem tax revenue is projected at \$77.5 million, an increase of \$9.4 million (13.8%) over FY 2025. The increase includes \$6.0 million from growth in the tax roll and \$3.5 million from a 0.3000 millage rate increase.
- Public safety services—including Gainesville Fire Rescue, the Gainesville Police Department, the Combined Communications Center, and the Trunked Radio System—account for 51.0% of the FY 2026 General Fund expenditure budget. Public safety expenditures increased \$5.2 million compared to the FY 2025 adopted budget.
- To manage expenditure growth, the City implemented cost containment measures including eliminating 11 positions in FY 2026, freezing and unbudgeting 30.75 positions, and reducing fleet replacement funding by 25% (\$1.5 million).
- Transit funding from the University of Florida (the University) declined due to reduced service hours and the University assuming responsibility for campus shuttle services, decreasing funding to \$9.8 million in FY 2026.
- The FY 2026 adopted All Funds budget totals \$466.9 million, an increase of \$8.0 million (1.7%) compared to FY 2025. The FY 2026 adopted General Fund budget totals \$162.0 million, an increase of \$6.7 million (4.3%), with the majority of the increase related to public safety expenditures.
- Authorized staffing for FY 2026 totals 1,465.75 full-time equivalent (FTE) positions, a decrease of 4.0 FTEs compared to the FY 2025 amended budget.

GRU highlights for the fiscal year 2026 budget are as follows:

Continue Fiscal Discipline

- After rapid growth in non-fuel operations and maintenance expenses between FY22 to FY24 (\$19.8 million), GRU has taken a more business-minded approach between FY24 to FY26 (\$6.9 million).
- GRU projects an \$8.3 million reduction in fuel costs compared to the FY25 projected year-end. This includes a projected \$4.3 million in savings resulting from gas prepayment deals executed in FY25.

Responsibly Modernize Generating Fleet

- Is it the right asset, at the right time, for the right price? GRU adopted this philosophy for replacing generating assets. As these units continue to age or near retirement, we seek the most efficient and cost-effective alternatives for replacement.
- In FY25, GRU reduced the capital budget from \$142.5 million to \$124.1 million. The FY26 budget increases to \$132.1 million, but \$40.2 million will come from grants. The FY26 budget also reduces contributions to the Utility Plant Improvement Fund from \$45.4 million in FY25 to \$40.0 million in FY26.

Continue Debt Reduction

- GRU's aggressive debt reduction continues in FY26 by making \$27.6 million in accelerated payments. One outcome of the accelerated payments GRU made since FY24 is that our scheduled interest expense decreased from \$68.9 million in FY24 to \$63.4 million in FY26. Lower interest ensures GRU's financial health.

Management's Discussion and Analysis

Competitive Electric Rates

- o GRU will not increase rates in FY26. By keeping rates steady, GRU has become increasingly competitive across the state and has seen a 1,000 kWh monthly residential electric bill decrease by \$20 since October 2024.
- o By controlling operations and maintenance expenses while maintaining a reduced \$8.5 million transfer to the City, GRU has increased rate stabilization transfers from \$492,000 in FY24 to a projected \$28.2 million in FY25 and a budgeted \$31.2 million in FY26. Rate stabilization is important for financial viability and stability and for bond ratings.

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 POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental	Business-	
	Activities	Type	Total
		Activities	
Assets			
Cash and Cash Equivalents	\$ 953,377	\$ 39,243,413	\$ 40,196,790
Investments	1,784,964	-	1,784,964
Equity in Pooled Cash and Investments	255,996,624	35,693,582	291,690,206
Receivables	8,283,175	60,802,264	69,085,439
Internal Balances	114,731,683	(114,731,683)	-
Inventories	397,317	47,118,798	47,516,115
Prepays	1,573,613	375	1,573,988
Other Assets and Regulatory Assets	-	11,785,569	11,785,569
Assets Held for Evidence	364,911	-	364,911
Leases Receivable	540,126	18,137,579	18,677,705
Restricted Assets:			
Cash and Investments	-	312,753,168	312,753,168
Net Pension Asset	9,609,805	31,746,399	41,356,204
Net OPEB Asset	6,625,081	8,105,902	14,730,983
Other Noncurrent Assets	-	196,708,446	196,708,446
Capital Assets (Net of Accumulated Depreciation):			
Utility Plant and Equipment	-	1,719,085,366	1,719,085,366
Buildings	45,326,176	29,816,742	75,142,918
Improvements Other than Buildings	16,621,670	1,269,546	17,891,216
Machinery and Equipment	16,786,276	28,252,205	45,038,481
Infrastructure	133,679,992	24,207,119	157,887,111
Capitalized Software	5,579,273	-	5,579,273
Leases	32,244	247,818	280,062
SBITAs	7,512,686	8,261,814	15,774,500
Capital Assets (not Depreciated):			
Land	37,318,016	9,149,458	46,467,474
Construction in Progress	22,165,525	153,080,764	175,246,289
Total Assets	685,882,534	2,620,734,644	3,306,617,178
Deferred Outflows of Resources			
Unamortized Loss on Refunding of Bonds	346,778	3,174,396	3,521,174
Deferred Amounts Related to Pensions	19,478,703	13,896,881	33,375,584
Deferred Amounts Related to OPEB	1,016,808	1,244,082	2,260,890
Total Deferred Outflows of Resources	20,842,289	18,315,359	39,157,648

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025
(Concluded)

	Primary Government		
	Governmental	Business-	
	Activities	Type	
		Activities	Total
Liabilities			
Accounts Payable	\$ 21,623,331	\$ 23,450,561	\$ 45,073,892
Unearned Revenue	5,607,234	936,748	6,543,982
Due to Fiduciary Funds	9,893,188	-	9,893,188
Other Liabilities	-	4,387,283	4,387,283
Liabilities Payable from Restricted Assets:			
Utility Deposits	-	9,980,859	9,980,859
Accrued Interest Payable	-	29,113,066	29,113,066
Other Liabilities Payable from Restricted Assets	-	20,829,209	20,829,209
Long-Term Liabilities due Within One Year	24,306,349	45,493,665	69,800,014
Long-Term Liabilities due in More than One Year:			
Long-Term Liabilities due in More than One Year	255,791,488	1,752,714,274	2,008,505,762
Net Pension Liability - Consolidated Plan/FRS	6,243,832	-	6,243,832
Other Noncurrent Liabilities	-	6,028,541	6,028,541
Fair Value of Derivative Instruments	-	6,719,115	6,719,115
Total Liabilities	323,465,422	1,899,653,321	2,223,118,743
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	-	21,194,798	21,194,798
Rate Stabilization	-	86,709,038	86,709,038
Business Taxes not Yet Earned	551,419	-	551,419
Deferred Amounts Related to Pensions	38,709,520	53,810,142	92,519,662
Deferred Amounts Related to OPEB	7,079,210	8,661,539	15,740,749
Leases	464,109	18,564,350	19,028,459
Total Deferred Inflows of Resources	46,804,258	188,939,867	235,744,125
Net Position			
Net Investment in Capital Assets	251,385,930	274,104,634	525,490,564
Restricted for:			
Debt Service	-	40,986,513	40,986,513
Capital Projects	25,571,148	-	25,571,148
Utility Plant Improvement	-	29,511,240	29,511,240
Community Redevelopment	31,598,050	-	31,598,050
Recreation and Land Conservation	40,408,722	-	40,408,722
Federal and State Grants	3,293,264	-	3,293,264
Public Safety	800,647	-	800,647
Cemetery Care	1,828,958	-	1,828,958
Transportation	5,955,200	-	5,955,200
Tree Mitigation	15,205,314	-	15,205,314
Building Code Enforcement	-	8,325,768	8,325,768
Other	66,650	26,914,989	26,981,639
Unrestricted	(39,658,740)	170,613,671	130,954,931
Total Net Position	\$ 336,455,143	\$ 550,456,815	\$ 886,911,958

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, 2025

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 38,315,458	\$ 13,618,490	\$ 9,266,847	\$ -	\$ (15,430,121)	\$ -	\$ (15,430,121)
Public Safety	84,275,398	18,765,950	1,283,565	-	(64,225,883)	-	(64,225,883)
Physical Environment	566,110	140,886	-	-	(425,224)	-	(425,224)
Transportation	27,491,497	3,814,217	1,995,394	1,999,133	(19,682,753)	-	(19,682,753)
Economic Environment	12,185,430	922,046	7,921,359	-	(3,342,025)	-	(3,342,025)
Human Services	12,446	-	193,384	-	180,938	-	180,938
Culture and Recreation	13,667,017	5,597,980	-	-	(8,069,037)	-	(8,069,037)
Interest on Long-Term Debt	9,302,382	-	-	-	(9,302,382)	-	(9,302,382)
Total Governmental Activities	185,815,738	42,859,569	20,660,549	1,999,133	(120,296,487)	-	(120,296,487)
Business-Type Activities:							
Utility	451,010,550	443,479,476	-	6,698,537	-	(832,537)	(832,537)
Regional Transit System	31,683,062	16,219,859	7,443,733	3,762,313	-	(4,257,157)	(4,257,157)
Stormwater Management	10,095,565	11,333,627	671,224	-	-	1,909,286	1,909,286
Florida Building Code Enforcement	3,381,177	5,123,086	-	-	-	1,741,909	1,741,909
Solid Waste	11,729,112	14,686,743	204,457	-	-	3,162,088	3,162,088
Total Business-Type Activities	507,899,466	490,842,791	8,319,414	10,460,850	-	1,723,589	1,723,589
Total Primary Government	\$ 693,715,204	\$ 533,702,360	\$ 28,979,963	\$ 12,459,983	(120,296,487)	1,723,589	(118,572,898)
General Revenues							
Property Taxes					68,392,748	-	68,392,748
Utility Taxes					16,975,420	-	16,975,420
Communications Services Tax					3,721,039	-	3,721,039
Local Option Gas Tax					3,310,874	2,284,119	5,594,993
Half-Cent Sales Tax					9,552,350	-	9,552,350
Discretionary Sales Tax					21,511,864	-	21,511,864
State Revenue Sharing					7,489,174	-	7,489,174
Occupational Licenses					837,959	-	837,959
Gain on Sale of Capital Assets					177,528	-	177,528
Miscellaneous					3,447,050	16,819,230	20,266,280
Investment Gain					12,370,336	8,511,477	20,881,813
Transfers					10,911,267	(10,911,267)	-
Total General Revenues and Transfers					158,697,609	16,703,559	175,401,168
Extraordinary Item - Litigation Settlement					-	(11,000,000)	(11,000,000)
Change in Net Position					38,401,122	7,427,148	45,828,270
Net Position - Beginning of Year					298,054,021	543,029,667	841,083,688
Net Position - End of Year					\$ 336,455,143	\$ 550,456,815	\$ 886,911,958

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

CITY OF GAINESVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 9,330	\$ 147	\$ 9,477
Equity in Pooled Cash and Investments	69,675,496	152,290,320	221,965,816
Investments	-	1,784,964	1,784,964
Receivables	4,176,939	4,082,600	8,259,539
Lease Receivables	540,126	-	540,126
Due from Other Funds	141,190,469	810	141,191,279
Assets Held for Evidence	121,963	242,948	364,911
Inventories	30,747	-	30,747
Prepays	55,487	1,000	56,487
Total Assets	<u>215,800,557</u>	<u>158,402,789</u>	<u>374,203,346</u>
Liabilities			
Accounts Payable and Accrued Liabilities	8,253,774	4,072,383	12,326,157
Due to Fiduciary Funds	9,893,188	-	9,893,188
Due to Other Funds	-	2,564,612	2,564,612
Unearned Revenues	108,160	5,499,074	5,607,234
Total Liabilities	<u>18,255,122</u>	<u>12,136,069</u>	<u>30,391,191</u>
Deferred Inflows of Resources			
Lease Related	464,109	-	464,109
Business Taxes not Yet Earned	551,419	-	551,419
Unavailable Revenue	74,868	154,090	228,958
Total Deferred Inflows of Resources	<u>1,090,396</u>	<u>154,090</u>	<u>1,244,486</u>
Fund Balances			
Nonspendable	130,719,182	1,217,449	131,936,631
Restricted	-	126,034,471	126,034,471
Committed	-	4,575,177	4,575,177
Assigned	15,786,213	16,030,934	31,817,147
Unassigned	49,949,644	(1,745,401)	48,204,243
Total Fund Balances	<u>196,455,039</u>	<u>146,112,630</u>	<u>342,567,669</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 215,800,557</u>	<u>\$ 158,402,789</u>	<u>\$ 374,203,346</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 POSITION
SEPTEMBER 30, 2025

Total Fund Balances: Governmental Funds Balance Sheet \$ 342,567,669

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$549,056,441 and the accumulated depreciation is \$280,923,674. This excludes internal service fund capital assets which are included in the internal service fund adjustment below. 268,132,767

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the fund financial statements, except when resources have been accumulated in the debt service funds during the current year for payment of principal and interest due one day after the end of the fiscal year. Long-term liabilities of internal service funds are included in the internal service fund adjustment below. Other governmental long-term liabilities at year-end consist of:

Bonds and Promissory Notes Payable	\$ (264,847,420)	
Leases	(39,142)	
Financed Purchase	(1,049,909)	
SBITAs	(7,374,983)	
Compensated Absences	(6,101,374)	
Net Pension Liability	(6,243,832)	
Net Pension Asset	8,663,276	
Net OPEB Asset	<u>6,338,581</u>	(270,654,803)

Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:

Deferred Outflow Amount on Debt Refunding	346,778	
Deferred Outflow Amount on Pension Liabilities	19,064,363	
Deferred Inflow Amount on Pension Liabilities	(37,105,153)	
Deferred Outflow Amount on OPEB Liabilities	972,836	
Deferred Inflow Amount on OPEB Liabilities	<u>(6,773,070)</u>	(23,494,246)

In fund financial statements, governmental fund types recognize discounts and premiums during the current period as other financing sources and uses. In the government-wide statements, discounts and premiums are applied against bonds payable.

Premiums	<u>(438,115)</u>	(438,115)
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Unavailable revenue is deferred in governmental funds but not in the government-wide financial statements. 228,958

Internal service funds are used by management to charge the costs of fleet management, general insurance, employees health insurance, and retirees health insurance. The assets and liabilities of the internal service funds, including net capital assets of \$16,889,091, compensated absences liabilities \$153,758, deferred outflows related to pension of \$414,340, deferred inflows related to pensions of \$1,604,367, net pension asset of \$946,529, deferred outflows related to OPEB of \$43,972, deferred inflows related to OPEB of \$306,140, and net OPEB asset of \$286,500 are included in governmental activities in the statement of net position. 20,112,913

Net Position of Governmental Activities \$ 336,455,143

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, 2025

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 90,901,670	\$ 23,848,233	\$ 114,749,903
Permits, Fees and Special Assessments	12,137,284	3,843,690	15,980,974
Intergovernmental	23,680,743	18,364,730	42,045,473
Charges for Services	15,856,352	9,360,965	25,217,317
Fines and Forfeitures	1,148,953	311,720	1,460,673
Miscellaneous	4,881,707	7,291,432	12,173,139
Total Revenues	<u>148,606,709</u>	<u>63,020,770</u>	<u>211,627,479</u>
Expenditures			
Current:			
General Government	29,056,249	7,289,147	36,345,396
Public Safety	77,966,250	4,235,828	82,202,078
Physical Environment	570,233	50,598	620,831
Transportation	16,289,450	4,774,635	21,064,085
Economic Environment	951,053	11,395,575	12,346,628
Human Services	13,019	-	13,019
Culture and Recreation	10,992,342	1,284,436	12,276,778
Debt Service:			
Principal	1,933,508	15,976,477	17,909,985
Interest and Fiscal Charges	256,949	11,125,164	11,382,113
Capital Outlay	2,623,549	18,879,062	21,502,611
Total Expenditures	<u>140,652,602</u>	<u>75,010,922</u>	<u>215,663,524</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>7,954,107</u>	<u>(11,990,152)</u>	<u>(4,036,045)</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	-	39,000	39,000
SBITAs	2,043,785	5,522	2,049,307
Proceeds from Financed Purchase	-	1,335,748	1,335,748
Transfers in	8,675,289	35,435,578	44,110,867
Transfers (out)	(28,613,111)	(4,301,115)	(32,914,226)
Total Other Financing Sources (Uses)	<u>(17,894,037)</u>	<u>32,514,733</u>	<u>14,620,696</u>
Net Change in Fund Balances	<u>(9,939,930)</u>	<u>20,524,581</u>	<u>10,584,651</u>
Fund Balances, Beginning of Year	<u>206,394,969</u>	<u>125,588,049</u>	<u>331,983,018</u>
Fund Balances - End of Year	<u>\$ 196,455,039</u>	<u>\$ 146,112,630</u>	<u>\$ 342,567,669</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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 10,584,651

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases exceed depreciation in the current year.

Capital Outlay	\$ 21,502,606	
Net Book Value of Disposals	(1,282,552)	
Depreciation Expense	<u>(15,534,448)</u>	
		4,685,606

Certain revenues reported in the statement of activities are not considered current financial resources until measurable and available, and, therefore, are reported as revenues in governmental funds in a different period.		16,464
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The change in the deferred refunding loss has no effect on the current financial resources and, therefore, is not reported in the governmental funds.		(109,500)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are capitalized and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

SBITAs	(2,049,307)	
Financed Purchase	(1,335,748)	
Repayment of Principal	<u>17,909,985</u>	14,524,930

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable	2,141,867	
Amortization of Bond Discounts and Premiums	47,364	
Change in Compensated Absences Payable	(558,413)	
Change in Pension Expense	4,408,963	
Change in OPEB Expense	<u>3,461,411</u>	9,501,192

Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. A portion of the net revenue of certain activities of internal service funds is reported in governmental activities.		<u>(802,221)</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 38,401,122</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility	Other Enterprise Funds	Totals	Internal Service Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 39,240,913	\$ 2,500	\$ 39,243,413	\$ 943,900
Equity in Pooled Cash and Investments	-	35,693,582	35,693,582	34,030,808
Accounts Receivable	54,681,058	6,121,206	60,802,264	23,636
Due from Other Funds	-	1,543,180	1,543,180	711,711
Inventories	45,747,121	1,371,677	47,118,798	366,570
Prepays	-	375	375	1,517,126
Other Assets and Regulatory Assets	11,785,569	-	11,785,569	-
Restricted Assets - Cash and Investments	80,114,331	-	80,114,331	-
Total Current Assets	231,568,992	44,732,520	276,301,512	37,593,751
Noncurrent Assets:				
Restricted Assets - Cash and Investments	232,638,837	-	232,638,837	-
Other Noncurrent Assets	196,708,446	-	196,708,446	-
Leases Receivable	18,137,579	-	18,137,579	-
Capital Assets (Net of Accumulated Depreciation):				
Utility Plant and Equipment	1,719,085,366	-	1,719,085,366	-
Buildings	-	29,816,742	29,816,742	2,342,905
Improvements Other than Buildings	-	1,269,546	1,269,546	545,281
Machinery and Equipment	-	28,252,205	28,252,205	12,597,719
Infrastructure	-	24,207,119	24,207,119	636,014
Leases	247,818	-	247,818	-
SBITAs	7,026,390	1,235,424	8,261,814	115,586
Capital Assets (not Depreciated):				
Land	-	9,149,458	9,149,458	631,563
Construction in Progress	147,320,008	5,760,756	153,080,764	20,023
Total Capital Assets	1,873,679,582	99,691,250	1,973,370,832	16,889,091
Net Pension Asset	26,881,533	4,864,866	31,746,399	946,529
Net OPEB Asset	5,871,770	2,234,132	8,105,902	286,500
Total Noncurrent Assets	2,353,917,747	106,790,248	2,460,707,995	18,122,120
Total Assets	2,585,486,739	151,522,768	2,737,009,507	55,715,871
Deferred Outflow of Resources				
Unamortized Loss on Refundings of Bonds	3,174,396	-	3,174,396	-
Deferred Amounts Related to Pensions	11,767,302	2,129,579	13,896,881	414,340
Deferred Amounts Related to OPEB	901,191	342,891	1,244,082	43,972
Total Deferred Outflows of Resources	15,842,889	2,472,470	18,315,359	458,312

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025
(Concluded)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility	Other Enterprise Funds	Totals	Internal Service Funds
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 20,558,035	\$ 2,892,526	\$ 23,450,561	\$ 9,297,174
Due to Other Funds	7,355,289	1,065,446	8,420,735	-
Unearned Revenue	-	936,748	936,748	-
Current Portion of Long-Term Liabilities	44,377,920	1,115,745	45,493,665	222,781
Fuel and Purchased Gas Adjustment	4,387,283	-	4,387,283	-
Current Liabilities Payable from Restricted Assets:				
Utility Deposits	9,980,859	-	9,980,859	-
Accrued Interest Payable	29,113,066	-	29,113,066	-
Other Liabilities Payable from Restricted Assets	20,829,209	-	20,829,209	-
Total Current Liabilities	136,601,661	6,010,465	142,612,126	9,519,955
Noncurrent Liabilities:				
Fair Value of Derivative Instruments	6,719,115	-	6,719,115	-
Due to Other Funds	101,479,484	30,981,339	132,460,823	-
Long-Term Liabilities	1,750,303,100	2,411,174	1,752,714,274	24,113
Other Noncurrent Liabilities	6,028,541	-	6,028,541	-
Total Noncurrent Liabilities	1,864,530,240	33,392,513	1,897,922,753	24,113
Total Liabilities	2,001,131,901	39,402,978	2,040,534,879	9,544,068
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	21,194,798	-	21,194,798	-
Rate Stabilization	86,709,038	-	86,709,038	-
Deferred Amounts Related to Pensions	45,564,195	8,245,947	53,810,142	1,604,367
Deferred Amounts Related to OPEB	6,274,263	2,387,276	8,661,539	306,140
Leases	18,564,350	-	18,564,350	-
Total Deferred Inflows of Resources	178,306,644	10,633,223	188,939,867	1,910,507
Net Position				
Net Investment in Capital Assets	177,185,500	96,919,134	274,104,634	16,795,955
Restricted for:				
Debt Service	40,986,513	-	40,986,513	-
Utility Plant Improvement	29,511,240	-	29,511,240	-
Building Code Enforcement	-	8,325,768	8,325,768	-
Other	26,914,989	-	26,914,989	-
Unrestricted	147,292,841	(1,285,865)	146,006,976	27,923,653
Total Net Position	\$ 421,891,083	\$ 103,959,037	\$ 525,850,120	\$ 44,719,608

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

CITY OF GAINESVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF FUND NET POSITION OF
PROPRIETARY FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Net Position of Enterprise Funds on the Statement of Net Position of Property Funds	\$ 525,850,120
Internal service funds are used by management to charge the costs of fleet management, general insurance, and employee health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.	<u>24,606,695</u>
Net Position of Business-Type Activities	<u><u>\$ 550,456,815</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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility	Other Enterprise Funds	Totals	Internal Service Funds
Operating Revenues				
Permits, Fees and Special Assessments	\$ -	\$ 5,120,522	\$ 5,120,522	\$ -
Sales and Service Charges	410,979,207	41,489,438	452,468,645	19,506,679
Employer Contributions	-	-	-	18,870,504
Employee Contributions	-	-	-	7,905,759
Other Operating Revenues	32,500,269	753,355	33,253,624	5,572,343
Total Operating Revenues	443,479,476	47,363,315	490,842,791	51,855,285
Operating Expenses				
Operations and Maintenance	239,845,363	41,570,773	281,416,136	12,498,687
Administrative and General	32,777,159	6,729,222	39,506,381	6,043,982
Depreciation and Amortization	113,118,472	7,682,685	120,801,157	3,848,734
Benefits Paid and Other Expenses	-	-	-	32,551,557
Total Operating Expenses	385,740,994	55,982,680	441,723,674	54,942,960
Operating Income (Loss)	57,738,482	(8,619,365)	49,119,117	(3,087,675)
Nonoperating Revenues (Expenses)				
Investment Income	6,877,982	1,633,495	8,511,477	1,486,856
Interest Expense	(65,142,126)	(80,479)	(65,222,605)	(7,740)
Local Option Gas Tax	-	2,284,119	2,284,119	-
Operating Grants	-	8,319,414	8,319,414	-
Gain on Disposal of Capital Assets	-	107,806	107,806	138,528
Other Income (Expense)	16,711,421	-	16,711,421	-
Total Nonoperating Revenue (Expenses)	(41,552,723)	12,264,355	(29,288,368)	1,617,644
Income Before Capital Contributions and Transfers	16,185,759	3,644,990	19,830,749	(1,470,031)
Capital Contributions and Transfers				
Capital Grants and Contributions	6,698,537	3,762,313	10,460,850	-
Transfers in	-	882,409	882,409	214,907
Transfers (out)	(8,505,224)	(3,288,452)	(11,793,676)	(500,281)
Total Capital Contributions and Transfers	(1,806,687)	1,356,270	(450,417)	(285,374)
Extraordinary Item - Litigation Settlement	(11,000,000)	-	(11,000,000)	-
Change in Net Position	3,379,072	5,001,260	8,380,332	(1,755,405)
Net Position - Beginning of Year	418,512,011	98,957,777	517,469,788	46,475,013
Net Position - End of Year	\$ 421,891,083	\$ 103,959,037	\$ 525,850,120	\$ 44,719,608

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 POSITION OF PROPRIETY FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Change in Net Position - Enterprise Funds	\$ 8,380,332
Internal service funds are used by management to charge the costs of fleet management, general insurance, and employee health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Look-back adjustment for the consolidation of internal service fund activity involving enterprise fund participants.	(953,184)
Change in Net Position of Business-Type Activities	<u><u>\$ 7,427,148</u></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, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 441,713,490	\$ 48,105,825	\$ 489,819,315	\$ 5,572,337
Cash Received for Interfund Services	-	-	-	46,341,937
Cash Received from Other Governments	-	10,325,195	10,325,195	-
Cash Payments for Legal Settlement	(11,000,000)	-	(11,000,000)	-
Other Operating Cash Receipts	20,510,713	-	20,510,713	-
Cash Paid to Suppliers	(183,736,946)	(18,694,782)	(202,431,728)	(40,200,799)
Cash Paid to Employees	(75,215,486)	(26,413,988)	(101,629,474)	(4,526,692)
Cash Paid for Interfund Services	-	(6,729,222)	(6,729,222)	(6,043,982)
Net Cash Provided by Operating Activities	192,271,771	6,593,028	198,864,799	1,142,801
Cash Flows from Noncapital Financing Activities				
Interfund Borrowing	-	682,779	682,779	(187,253)
Transfers from Other Funds	-	882,374	882,374	214,907
Transfers to Other Funds	(8,505,224)	(3,288,452)	(11,793,676)	(500,281)
Net Cash Provided (Used) by Noncapital Financing Activities	(8,505,224)	(1,723,299)	(10,228,523)	(472,627)
Cash Flows from Capital and Related Financing Activities				
Capital Grants	-	3,966,770	3,966,770	-
Proceeds from Interest				
Rebate-Build America Bonds	4,759,497	-	4,759,497	-
Principal Repayments on Long-Term Debt	(61,760,000)	(770,148)	(62,530,148)	(122,122)
Interest Paid on Long-Term Debt	(69,885,100)	(80,479)	(69,965,579)	(7,740)
Acquisition and Construction of Capital Assets	(122,170,511)	(4,735,385)	(126,905,896)	(4,648,965)
Proceeds from Sale of Capital Assets	-	125,237	125,237	138,528
Other Income (Expense)	4,436,961	-	4,436,961	-
Net Cash Used by Capital and Related Financing Activities	(244,619,153)	(1,494,005)	(246,113,158)	(4,640,299)
Cash Flows from Investing Activities				
Interest Received	6,829,072	1,633,496	8,462,568	1,486,856
Sale (Purchase) of Investments	(485,947,798)	-	(485,947,798)	-
Investment in The Energy Authority	(11,716,718)	-	(11,716,718)	-
Distributions from The Energy Authority	23,017,422	-	23,017,422	-
Proceeds from Investment Maturities	521,859,877	-	521,859,877	-
Net Cash Provided (Used) by Investing Activities	54,041,855	1,633,496	55,675,351	1,486,856
Net Increase in Cash	(6,810,751)	5,009,220	(1,801,531)	(2,483,269)
Cash - Beginning	114,119,819	30,686,862	144,806,681	37,457,977
Cash - Ending	\$ 107,309,068	\$ 35,696,082	\$ 143,005,150	\$ 34,974,708

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, 2025
(Concluded)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash and Cash Equivalents Classified as:				
Cash and Cash Equivalents	\$ 39,240,913	\$ 2,500	\$ 39,243,413	\$ 943,900
Equity in Pooled Cash and Investments	-	35,693,582	35,693,582	34,030,808
Restricted Assets - Cash and Investments - Current	80,114,331	-	80,114,331	-
Restricted Assets - Cash and Investments - Noncurrent	232,638,837	-	232,638,837	-
Less: Investments	(244,685,013)	-	(244,685,013)	-
Total	\$ 107,309,068	\$ 35,696,082	\$ 143,005,150	\$ 34,974,708
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 57,738,482	\$ (8,619,365)	\$ 49,119,117	\$ (3,087,675)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Intergovernmental Revenues	-	10,325,196	10,325,196	-
Depreciation and Amortization	113,118,472	7,682,685	120,801,157	3,848,734
Net Costs to be Recovered in Future Years	9,918,905	-	9,918,905	-
Amounts recoverable from (to) fuel levelization	11,772,762	-	11,772,762	-
Fuel hedge margin requirements	(3,253,707)	-	(3,253,707)	-
(Increase)/Decrease in Receivables	(1,057,443)	742,507	(314,936)	58,995
(Increase)/Decrease in Prepaids	-	-	-	(522,868)
(Increase)/Decrease in Inventories	2,325,837	(132,006)	2,193,831	-
(Increase)/Decrease in Utility Meter Deposits	450,642	-	450,642	-
(Increase)/Decrease in Noncurrent Assets	1,255,357	-	1,255,357	-
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(5,260,405)	(4,465)	(5,264,870)	1,308,760
Increase/(Decrease) in Due to Other Funds	(2,458,998)	-	(2,458,998)	-
Increase/(Decrease) in Fuel Adjustment	(21,279,395)	-	(21,279,395)	-
Increase/(Decrease) in Other Payables from Restricted Assets	10,327,808	-	10,327,808	-
(Increase)/Decrease in Rate Stabilization	18,673,454	-	18,673,454	-
Increase/(Decrease) in Compensated Absences	-	(67,837)	(67,837)	(10,758)
Pension Expense Adjustment	-	(2,049,166)	(2,049,166)	(299,982)
OPEB Expense Adjustment	-	(1,284,521)	(1,284,521)	(152,405)
Net Cash Provided by Operating Activities	\$ 192,271,771	\$ 6,593,028	\$ 198,864,799	\$ 1,142,801
Noncash Capital, Investing and Financing Activities				
Contribution of Capital Assets	\$ 5,264,610	\$ -	\$ 5,264,610	\$ -
Change in Long-Term Lease/SBITA Liability	(2,957,230)	779,373	(2,177,857)	-
Change in Utility Plant in Service	(24,615,849)	-	(24,615,849)	-
Change in Ineffective Portion of Hedging Derivatives	912,990	-	912,990	-
Change in Accumulated (Increase) Decrease in Fair Value of Hedging Derivatives - Interest Rate Swaps	1,518,293	-	1,518,293	-
Change in Accumulated (Increase) Decrease in Fair Value of Hedging Derivatives - Fuel Options and Futures	1,685,695	-	1,685,695	-
Change in Fair Value of Investments	(2,133,763)	-	(2,133,763)	-
Change in Fair Value of Hedging Derivatives	(4,116,978)	-	(4,116,978)	-
Change in Bond Premium/Discount	(8,430,198)	-	(8,430,198)	-
Other Noncash Capital, Investing and Financing Activities	2,599,045	-	2,599,045	-
Net Noncash Capital, Investing and Financing Activities	\$ (30,273,385)	\$ 779,373	\$ (29,494,012)	\$ -

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	Pension and OPEB Trust Funds
Assets	
Cash and Cash Equivalents	\$ 23,078,506
Dividends and Interest Receivable	1,195,636
Due From City of Gainesville	9,893,187
Investments, at Fair Value:	
Equities	1,046,837,181
Limited Partnership Units	38,406,407
Real Estate	68,818,644
Fixed Income:	
Government Bonds	7,464,706
Corporate Bonds	6,988,210
Mortgage and Asset Backed Securities	8,781,066
Total Investments, at Fair Value	<u>1,177,296,214</u>
Total Assets	<u>1,211,463,543</u>
Liabilities	
Accounts Payable and Accrued Liabilities	<u>296,911</u>
Total Liabilities	<u>296,911</u>
Net Position	
Restricted for:	
Pension Benefits	1,136,122,791
OPEB	75,043,841
Total Net Position	<u><u>\$ 1,211,166,632</u></u>

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

CITY OF GAINESVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Pension and OPEB Trust Funds</u>
Additions	
Contributions:	
Employer Contributions	\$ 17,503,130
Employee Contributions	<u>11,850,882</u>
Total Contributions	<u>29,354,012</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	99,098,747
Dividends and Interest	<u>18,563,573</u>
Total Investment Income	117,662,320
(Less Investment Expense)	<u>(4,505,578)</u>
Net Investment Income	<u>113,156,742</u>
Total Additions	<u>142,510,754</u>
Deductions	
Benefit Payments	78,574,218
Refunds of Contributions	1,045,550
Administrative Expenses	<u>1,511,200</u>
Total Deductions	<u>81,130,968</u>
Change in Net Position	61,379,786
Net Position - Beginning of Year	<u>1,149,786,846</u>
Net Position - End of Year	<u><u>\$ 1,211,166,632</u></u>

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

Notes to Financial Statements



CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 (the 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).

A. Reporting Entity

The City is a Florida municipality established by the Laws of Florida, Section 12760, pursuant to the authority provided in Chapter 165, Florida Statutes, and is governed by an elected seven-member Commission. It provides most of the traditional municipal services to its neighbors, including police and fire protection, community development, streets, recreation, parks, golf course, cultural affairs, and other general government activities. It also operates transit, stormwater, building code enforcement, solid waste, water, wastewater, natural gas distribution, telecommunications, and electric utility enterprises.

On June 28, 2023, Florida Governor Ron DeSantis signed HB 1645 into law as Chapter 2023-348, Laws of Florida (Chapter 2023-348). Chapter 2023-348 amended the City's charter to create the Gainesville Regional Utilities Authority (GRUA) as a "unit of City government", which replaced existing governance of the Gainesville Regional Utility (GRU or the Utility), the Utility Fund of the City, upon installation of the GRUA's members on October 4, 2023. The board members of the GRUA are appointed by the Governor of the State of Florida without any input from the elected Gainesville City Commission and the GRUA operates free from direction and control of the City Commission. Because GRUA was created as a unit of City government rather than as a separate body corporate and politic, the activities of the Utility will continue to be reported in the Utility Fund of the City. The Utility issues separate financial statements, and they can be found at www.gru.com/aboutGRU/Investor-Relations.

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

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Blended Component Units

The City created the Heartwood Community Homeowners' Association, Inc. (Heartwood Association) in January 2018 for the purpose of administering the Heartwood Community property and common areas. The Heartwood Association is a legally separate, not-for-profit corporation organized and existing under the applicable provisions of the Florida Statutes. The City has the sole right to appoint and remove any members of the Board of Directors and a financial burden relationship exists until the Heartwood Association has sold 90% of the lots.

The Cornerstone Condominium Association, Inc. (Cornerstone Association) is a not-for-profit corporation established in the State of Florida as it exists for the operation of Cornerstone Condominium located in Alachua County, Florida. As developer of the Cornerstone Condominium, the City appoints the members of the first Board of Directors and their replacements. The City also retains control of the Cornerstone Association under specific circumstances as described in the Cornerstone Association's bylaws. A financial burden relationship exists until such time as the Cornerstone Association has sold 90% of the lots.

Neither Heartwood Association nor Cornerstone Association had any significant financial activity during the fiscal year ended September 30, 2025; therefore, no financial information has been presented. The associations do not issue separate financial statements.

The City is also financially accountable for the legally separate trust funds of the Employees' Pension Plan, Consolidated Police Officers' and Firefighters' Retirement Plan, and Retiree Health Insurance Program, reported as fiduciary component units. The City has a financial burden relative to the defined benefit plans as it is legally obligated or has otherwise assumed the obligation to make contributions to the plans. The Board of Directors of the Employees' Pension Plan and Retiree Health Insurance Program are appointed by the City Commission. The Consolidated Police Officers' and Firefighters' Retirement Plan is considered to be fiscally dependent on the City.

Related Organizations

The City is responsible for appointing a voting majority of the board members of other organizations for which it is not financially accountable. The following organizations are considered related organizations and are not included in the accompanying financial statements:

- *Gainesville Housing Authority*—a public housing authority (dependent special district) created under Section 421.04, Florida Statutes.
- *Gainesville-Alachua County Regional Airport Authority*—an independent special district created for the purpose of providing airport services for Gainesville and Alachua County and surrounding areas.

Joint Ventures

The City's Utility (the Utility) is a participant in The Energy Authority (TEA), a power marketing corporation comprised of seven municipal utilities. The Utility has an ongoing financial interest in this joint venture, which is described in Note 6.

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

B. Basis of Presentation – Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position 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. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the 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.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

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

The City reports one major proprietary fund:

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

Additionally, the City reports the following fund types:

- *Internal Service Funds* account for fleet management (acquisition and maintenance), risk management services (general liability), and employee health insurance provided to other departments of the City.

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- The *Pension and Other Postemployment Benefits (OPEB) Trust Funds* account for the activities of the General Employee Pension Trust Fund, Police Officers' and Fire Fighters' Consolidated Pension Trust Fund, and the City's OPEB Trust Fund, which accumulate resources held in trust for pension and OPEB payments to qualified beneficiaries.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription-based information technology arrangement (SBITA) liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases and SBITAs are reported as other financing sources.

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Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenue as soon as all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, bank demand accounts, and overnight repurchase agreements. For purposes of the statement of cash flows, proprietary funds consider cash and cash equivalents to be cash on hand and demand deposits.

Investments

Investments in the U.S. Treasury and government agencies are reported at fair value, as determined by quoted market prices or independent pricing sources. Investments in commercial paper are recorded at amortized cost, which approximates fair value. Investments in the City's pension and OPEB trust funds are reported at fair value, except for money market investments and participating interest-earning investment contracts with a maturity at the time of purchase of one year or less, which are reported at cost or amortized cost. Fair value is the price that would be received to sell an investment in an orderly transaction at year-end.

Inventories and Prepaid Items

The City accounts for its General Fund supply inventory at cost using the first-in/first-out method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Materials and supplies inventories in the proprietary funds are stated at cost using the weighted average unit cost method. Inventories held for resale are reported at the lower of cost or market. Obsolete and unusable materials and supplies are expensed.

Fuel stocks in the electric system, which are stated using the weighted average unit cost method, are recorded as inventory when purchased. The cost of fuel used for electric generation is charged to expense as consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, utility plant, general plant, equipment, and infrastructure assets (e.g., roads, sidewalks, 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

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of more than \$5,000 and an estimated useful life in excess of one year. Utility Fund general plant capital assets are defined as assets with an initial, individual cost of more than \$2,500 and a useful life of more than one year. The Utility Fund has no capital threshold for utility plant assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of capital assets include material, labor, vehicle and equipment usage, related overhead items, capitalized interest, and certain administrative and general expenses. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Utility Plant	2 to 83 Years
Buildings	20 to 50 Years
Improvement Other than Buildings	20 to 30 Years
Infrastructure – Roads, Curb, and Gutter	50 Years
Infrastructure – Roads, Noncurb, and Gutter	25 Years
Infrastructure – Sidewalks	50 Years
Infrastructure – Bike Paths	25 Years
Equipment	5 to 20 Years
Stormwater System	50 Years
Streetscape	25 Years

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

When units of depreciable property are retired, other than those recorded in the Utility Fund, the net book value less salvage value is recorded as a gain or loss. Removal cost of the old asset is added to the cost of constructing the new asset and amortized over the life of that asset. Cost of removal of an asset not replaced with a new asset is recorded as an expense in the income statement. When the Utility retires units of depreciable property, the original cost less salvage value is charged to accumulated depreciation if there is outstanding debt that originally constructed or purchased that asset. If there is no longer outstanding debt, the net book value less salvage value is recorded as a gain or loss in the income statement.

Hedging Derivative Instruments

The City records fuel and financial-related derivative instruments in accordance with GASB Statement No. 53, *Accounting and Reporting for Financial and Derivative Instruments*. Hedging derivative instruments are associated with specific hedging transactions wherein the intent is to significantly reduce risks. For accounting purposes, in order to qualify as a hedge, the relationship between the derivative and the underlying item must result in a hedge that is “effective” in mitigating risk. If the hedge transaction is considered “ineffective”, the valuation of the instrument is considered investment income or loss in the flows of resources statements. All effective derivative instruments are recorded as either an asset or liability measured at fair market value. All ineffective derivative instruments are recorded as a regulatory asset in the Utility Fund.

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Changes in the fair value of the hedging derivative instruments during the year are recorded as either deferred outflows or deferred inflows and are recognized in the period in which the derivative is settled. The settlement of fuel and financial-related hedging derivative instruments is included in fuel costs and interest expenses, respectively, in the statement of revenues, expenses, and changes in fund net position, and the government-wide statement of activities.

Regulatory Assets and Liabilities

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

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Losses resulting from the refunding of bonds are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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 except as noted above.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Compensated absences are recognized as a liability to the extent the leave is attributable to services already rendered, accumulated, and is more likely than not to be paid or settled through time off or other means. In the government-wide and proprietary fund financial statements, a liability is recorded for compensated absences as these benefits are earned. In governmental fund financial statements, liabilities for compensated absences are recognized to the extent the amounts are due and payable at fiscal year-end, such as upon employee resignations, retirements, or other events that require payment of accumulated leave. The City uses a last-in, first-out (LIFO) flow assumption reflecting that employees use recently earned leave first.

Leases

Lessee: The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease

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term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Lessor: The City is a lessor for several noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and enterprise fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow or resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the stated interest rate in the lease agreement if available and, if not, utilizes a high-quality municipal bond rate based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest to the date of lease commencement.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, receivable, liability, and/or deferred inflows of resources if certain changes occur that are expected to significantly affect the lease amounts.

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SBITAs

The City recognizes a SBITA liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines: (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged in the agreement as the discount rate. When the interest rate charged in the agreement is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that future time. A deferred inflow of resources represents an acquisition of net assets that applies to a future period and, therefore, will not be recognized as an inflow of resources until that future time. The City has the following items that qualify for reporting as deferred outflows or inflows of resources:

- *Unamortized loss on refunding of bonds*—losses on refunding of bonds have been deferred. These amounts are being amortized over the life of the old debt or the life of the new debt, whichever is shorter.
- *Accumulated decrease or increase in fair value of hedging derivatives*—the City has two types of hedging instruments: interest rate swap agreements and natural gas hedges. Each is associated with an item that is eligible to be hedged. For effective hedging transactions, hedge accounting is applied, and fair market value changes are recorded on the statement of net position as either a deferred inflow of resources or a deferred outflow of resources until such time that the transaction ends.
- *Pension and OPEB related*—increases and decreases in the net pension and OPEB liability resulting from changes of assumptions, differences between projected and actual earnings on plan investments, and differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred outflows or deferred inflows of resources, to be recognized as an increase or decrease in expense as disclosed in Note 10 – Retirement Plans and Note 11 – OPEB Plan. Contributions paid subsequent to the measurement date and prior to the City’s fiscal year-end are reported as deferred outflows and will be recognized as a reduction of the net pension or OPEB liability in the subsequent reporting period.

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A deferred inflow of resources represents an acquisition of net assets that applies to a future period and, therefore, will not be recognized as an inflow of resources until that future time. The City has six items that qualify for reporting in this category:

- *Rate stabilization*—the Utility designs its rates to recover costs of providing services. In order to stabilize future rate increases or decreases, GRU determines a rate stabilization amount to be charged or credited to revenues on an annual basis based on excess of revenue or expenses. These amounts are reflected as increases or decreases in deferred inflows of resources – rate stabilization in the statement of net position.
- *Business taxes not yet earned*—business taxes are due to the City on October 1 for the fiscal year beginning that day. Payments received prior to that date are recorded as a deferred inflow of resources.
- *Leases*—the City is a lessor for several leases and, therefore, has recorded a receivable and deferred inflow of resources in the government-wide and fund financial statements. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
- *Unavailable Revenues*—the City records unavailable revenues in the governmental funds for revenues that are not received within the City’s availability period for a specific revenue source (within 60 days of year-end).

Net Pension and OPEB Liabilities

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Employees’ Pension Plan, the Consolidated Police Officers’ and Firefighters’ Retirement Plan, and the OPEB Plan, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the related separately issued plan statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components:

- *Net investment in capital assets*—consists of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any long-term borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- *Restricted*—consists of noncapital assets that must be used for a particular purpose as specified by creditors, contributors, grantors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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- *Unrestricted*—consists of assets that do not meet the definition of net investment in capital assets or restricted net position.

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The City's governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balances for governmental funds are comprised of the following:

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

Encumbrance accounting, under which purchase orders and other commitments for expenditures are recorded in order to reserve that amount of the applicable appropriation, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures. Encumbrances are reported as restricted, committed, or assigned fund balance at year-end, depending on the level of constraint, and are reappropriated the following year.

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

Reserve Policy

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

In order to establish a minimum cash threshold for emergencies, an emergency reserve shall be maintained at 0.015% of the taxable value of all property in the City on January 1 of that fiscal year. Additionally, for each fiscal year, the unassigned fund balance of the General Fund will be a minimum of two months, or 16.7%, and a maximum of three months, or 25%, of the following year's budgeted expenditures and transfers. This target is not inclusive of any nonspendable, restricted, committed, or assigned reserve amounts.

The General Fund unassigned fund balance will not be used to solve recurring revenue shortfalls. Any excess General Fund undesignated, unreserved fund balance remaining after meeting the maximum financial reserves requirements must be appropriated to finance any one-time expenses, as determined by the City Commission.

No amount of the minimum required level of the General Fund unassigned fund balance may be expended unless it meets the purposes stated above and until appropriated by the City Commission, except for unanticipated emergencies. In those unanticipated emergency situations which demand immediate government action in the interest of public safety and welfare, the City Manager is authorized by the City Commission to spend up to a maximum of 20% of the minimum required level of the General Fund unassigned fund balance in accordance with procedures provided in the City's purchasing policies. Financial accounting related to such emergency expenditures will be submitted to the City Commission by the City Manager as expeditiously as possible after the end of the emergency.

If the emergency reserve falls below the minimum level, the shortfall will be budgeted in its entirety in the succeeding budget year. In the case of an event that creates a differential between the required General Fund unassigned fund balance amount and current available funds of equal to, or more than five percent, a funding plan will be developed to meet the requirements of the General Fund Reserve Policy within three years of the event. If the differential is less than five percent, the shortfall will be budgeted in its entirety in the succeeding budget year.

A review of this reserve policy will be completed by the City Manager or designee, annually, and recommendations for changes, if appropriate, will be submitted to the City Commission.

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E. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment; and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Ad valorem property tax revenue is recognized as revenue in the fiscal year for which taxes are levied, measurable and available. Only property taxes collected within sixty days after year-end are recognized as revenue. The total millage levy is assessed at 6.4297 mills per \$1,000.

Taxes are levied and collected according to Florida Statutes under the following calendar:

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

The Alachua County Tax Collector (the Tax Collector) bills and collects ad valorem taxes for the City. Florida 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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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Costs Recoverable in Future Years

The amount by which depreciation on Deerhaven Renewable Generating Station exceeds principal repayment on the related bonds is recorded in other operating revenues in the Utility Fund as an amount to be recovered from future revenue. For the fiscal year ended September 30, 2025, that amount recoverable to future revenue is \$(9,918,905) million.

Unbilled Revenues

The Utility Fund accrues revenues for services rendered but not yet billed, which amounted to approximately \$18,050,645 for fiscal year 2025. Unbilled revenue is calculated by prorating cycle billings subsequent to September 30, 2025, according to the number of days applicable to the current fiscal year.

Fuel and Purchased Gas Adjustment

Fuel and purchased gas adjustment levelization revenue is recognized as fuel and fuel-related expenses are incurred. Amounts charged to customers for fuel are based on estimated costs and adjusted the following month when the costs are known. If the amount recovered through billings exceeds actual fuel expenses, the Utility Fund records the excess billings as a liability. If the amount recovered through billings is less than actual fuel expenses, the Utility Fund records the excess fuel expense as a reduction of the liability or as an asset.

Interfund Activity

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

- *Reimbursements*—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 impact the results of operations in the affected funds. An example is the payment to the General Fund from the Utility Fund.

F. Use of Estimates

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

G. 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.

H. Adoption of New Accounting Pronouncements

The City adopted GASB Statement No. 101, *Compensated Absences* – The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for: (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means, with an exception of certain types of compensated absences such as, parental leave, military leave, and jury duty, that should not be recognized until the leave is used. This statement establishes guidance for measuring a liability for

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leave that has not been used, for leave that has been used but not yet paid or settled, and certain salary-related payments that are directly and incrementally associated with payments for leave. This pronouncement is effective beginning fiscal year 2025 and implementation of this guidance did not have any significant impact on the City's financial statements and, therefore, no restatement was required.

Note 2 - Stewardship, Compliance, and Accountability

At September 30, 2025, the following funds had deficit net position or fund balance:

Special Revenue Funds	
HOME Grant	\$ (257,764)
Police Billable Overtime	(127,017)
Miscellaneous Grants	(1,259,825)
Capital Projects Funds	
Equipment Replacement	(100,795)

The HOME Grant has a deficit fund balance due to expenditures exceeding revenues over several years.

The Police Billable Overtime Fund has a negative balance because the invoicing for all the police billable overtime was not sufficient to cover the cost. Management will evaluate the rate which is being charged and increase rates or subsidize any shortages in the future through the General Fund.

The Miscellaneous Grants Fund reports a deficit fund balance due to expenditures exceeding revenues in the current year, and due to timing differences in revenue recognition for certain grant revenues.

The Equipment Replacement Fund reports a deficit fund balance due to expenditures exceeding revenues in the current year. The deficit is expected to be temporary.

Note 3 - Cash and Investments

Deposits and Investments

Deposits and investments as of September 30, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 40,196,790
Investments	1,784,964
Equity in Pooled Cash and Investments	291,690,206
Restricted Cash and Investments	312,753,168
Statement of Fiduciary Net Position	
Cash and Cash Equivalents	23,078,506
Investments:	
Equities	1,046,837,181
Limited Partnerships	38,406,407
Real Estate	68,818,644
Government Bonds	7,464,706
Corporate Bonds	6,988,210
Mortgage and Asset Backed Securities	8,781,066
Total Cash and Investments	\$ 1,846,799,848

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Deposits and investments as of September 30, 2025, consist of the following:

Deposits with Financial Institutions	\$ 134,699,362
Investments	1,712,100,486
Total Cash and Investments	<u>\$ 1,846,799,848</u>

Investment Policies

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

Defined Benefit Pension Investments

These funds represent investments administered by the City's Defined Benefit Pension Fund Investment Managers. They comprise \$1,104,855,688 of the City's total fair value of investments and are exclusive of \$21,403,156 held in cash and cash equivalents by the trustee.

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

The City maintains separate investment managers for its equity and fixed income portfolios. The managers are required to comply with Florida Statutes, City ordinances, other applicable laws, and with the fiduciary standards set forth in the Employees Retirement Income Security Act of 1974 at 29 U.S.C. Section 1140(a)(1)(A)(C). The managers of these funds are permitted to invest in the following instruments:

Equity Funds (Domestic)

- Common Stocks
- Stock Index Futures
- Convertible and Preferred Stocks
- American Depositary Receipts
- Real Estate Investment Trusts (REITs)
- Limited Liability Companies (LLCs)

Equity Funds (International)

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

Fixed Income Funds (Domestic)

- Must have a rating of investment grade (BBB/Baa) or better
- United States Treasury and Agency Securities
- Commercial Paper with either a Standard & Poor's quality rating of A-1 or a Moody's quality rating of P-1 and a maturity of 270 days or less

CITY OF GAINESVILLE, FLORIDA
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- Certificates of Deposit up to Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC) insurance coverage or any amount fully collateralized by U.S. Government Securities or issued by an institution which is a qualified public depository within the State of Florida
- Corporate Bonds, Mortgage-Backed Securities, or Asset-Backed Securities
- Yankee Bonds
- Convertible Securities
- Money Market or Cash Equivalent Securities

Fixed Income Funds (International)

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

Cash Equivalents

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

Real Estate and Alternative Assets

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

Pooled or Commingled Funds

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

Derivatives

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

Restricted Direct Investments – Prohibited

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

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

OPEB Investments

These funds represent investments administered by the City's OPEB Fund Investment Managers. They comprise \$72,440,526 of the City's total fair value of investments and are exclusive of the \$1,675,350 held in cash and cash equivalents by the trustees. These investments are reported at fair value, which is derived through valuation efforts done by the City's investment managers in conjunction with the plan custodian. The fair values for the vast majority of these assets are readily available. For those assets whose fair value is less verifiable, the best available information is used. The City maintains separate investment managers for its equity and fixed income portfolios. The managers of these funds are permitted to invest in the following:

Equity Funds (Domestic)

- Common Stocks
- Stock Index Futures
- Convertible and Preferred Stocks
- American Depositary Receipts
- REITs
- LLCs

Equity Funds (International)

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

Fixed Income Funds (Domestic)

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

Fixed Income Funds (International)

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

Cash Equivalents

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

CITY OF GAINESVILLE, FLORIDA
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SEPTEMBER 30, 2025

Real Estate and Alternative Assets

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

Pooled or Commingled Funds

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

Derivatives

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

Restricted Direct Investments – Prohibited

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

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

Equity Managers

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

CITY OF GAINESVILLE, FLORIDA
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SEPTEMBER 30, 2025

Fixed Income Managers

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

Other than Defined Benefit Pension and OPEB Investments

These funds comprise \$534,804,273 of the City's total fair value of investments. This figure excludes \$111,620,855 of deposits with financial institutions.

Deposits—The institutions in which the City's monies were deposited were certified as Qualified Public Depositories under the *Florida Public Deposits Act*. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the FDIC and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

Investments—The City's other investments are reported at fair value. Fair value is based on market values or independent pricing sources. Investments in commercial paper are recorded at amortized cost, which approximates fair value.

Florida Statutes and City ordinances authorize the City (excluding Cemetery and the Utility) to invest in the following investments:

- United States Treasury Debt Obligations
- Municipal Debt Obligations with a required AA/Aa2 rating by two or more Nationally Recognized Statistical Rating Organizations (NRSRO)
- United States Agency Securities
- Mortgage-Backed Securities/Collateralized Mortgage Obligations/Asset-Backed Securities with a required AAA/Aaa rating by a NRSRO; investments in securities that derive value and/or yield from an underlying asset must fall into one of the following categories: 1) security obligations that float with interest rates or external indexes such as LIBOR, Treasury Bills, Constant Maturity Treasury, Fed Funds, or Prime Rate; 2) security obligations that call or option features; or 3) security obligations that have step-up features at pre-determined intervals
- Interest-Bearing Bank Deposits with Qualified Public Depository
- Certificates of Deposit
- Corporate Debt Obligations with a required A/A2 rating by two or more NRSROs
- Repurchase Agreements
- Bankers Acceptances with required investment grade rating of the accepting bank's short-term obligations by two or more NRSROs
- Commercial Paper with required A-1/P-1/F-1 rating by a NRSRO
- Florida Local Government Investment Pools
- Money Market Funds with required AAA/Aaa rating by a NRSRO
- United States Government and Agency Mutual Funds

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

In accordance with Florida Statutes and the Resolution, the Utility is authorized to invest in the following investments:

- Obligations which are unconditionally guaranteed by the United States of America or its agencies or instrumentalities
- Repurchase Agreement Obligations unconditionally guaranteed by the United States of America or its agencies
- Corporate Indebtedness
- Direct and General Obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state (provided such obligations are rated by at least one nationally recognized statistical rating organization (NRSRO))

Custodial Credit Risk

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

Investments—Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterparty or by the counterparty's trust department or agent but not in the government's name. All identifiable investment securities of the City are either insured or are registered in the custodian's name for the benefit of the City and are held by the counterparty's trust department or agent.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by a rating by an NRSRO. The City has separate investment policies for its major investment categories. Detailed information on the City's policies on credit risk for investments is described above in the subsection titled "Investment Policies," separately for each major investment category. Guidelines for the credit ratings of specific types of investments are listed within each major investment category's investment policy description.

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Defined Benefit Pension Investments

Investment Type	Fair Value	Exempt from Disclosure	AAA	AA	A	BBB	BB
Equities	\$ 982,741,262	\$ 982,741,262	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Partnerships	38,406,407	38,406,407	-	-	-	-	-
Real Estate	62,278,552	62,278,552	-	-	-	-	-
U.S. Treasury/Agency Securities	6,704,725	-	-	6,704,725	-	-	-
Corporate Bonds	6,434,687	-	1,052,521	2,679,543	1,091,530	1,557,146	53,947
Mortgage/Asset-Backed Securities	8,290,055	-	1,356,006	3,452,158	1,406,259	2,006,130	69,502
Totals	\$ 1,104,855,688	\$ 1,083,426,221	\$ 2,408,527	\$ 12,836,426	\$ 2,497,789	\$ 3,563,276	\$ 123,449

OPEB Investments

Investment Type	Fair Value	Exempt from Disclosure	AAA	AA	A	BBB
Equities	\$ 64,095,919	\$ 64,095,919	\$ -	\$ -	\$ -	\$ -
Real Estate	6,540,092	6,540,092	-	-	-	-
U.S. Treasury/Agency Securities	759,981	-	759,981	-	-	-
Corporate Bonds	553,523	-	-	-	214,342	339,181
Mortgage/Asset-Backed Securities	491,011	-	-	491,011	-	-
Totals	\$ 72,440,526	\$ 70,636,011	\$ 759,981	\$ 491,011	\$ 214,342	\$ 339,181

Other than Defined Benefit Pension and OPEB Investments

Investment Type	Fair Value	Average Rating
Florida PRIME	\$ 278,284,263	AAAm
U.S. Treasury Securities	17,693,185	Exempt
Mutual Funds	1,784,964	Exempt
Commercial Paper	81,298,912	(1)
U.S. Agency Securities	126,433,070	(2)
Corporate Bonds	29,309,879	(3)
Totals	\$ 534,804,273	

- (1) As of September 30, 2025, all of the Utility's commercial paper investments were rated P-1 or N/A by Moody's Investors Service, A-1 or A-1+ by Standard & Poor's, and F1, F1+, or N/A by Fitch Ratings.
- (2) As of September 30, 2025, the City and Utility's FFCB were rated AA+ by Standard & Poor's, Aaa by Moody's, and N/A by Fitch, FHLMC is rated A-1+ by Standard & Poor's, P-1 by Moody's, and F1+ by Fitch Ratings. FHLB is rated A-1 or AA+ by Standard & Poor's, P-1 or Aaa by Moody's, and N/A by Fitch Ratings. FNMA is rated A-1+ or AA+ by Standard & Poor's, P-1 or Aaa by Moody's and AA+ or F1+ by Fitch Ratings.
- (3) As of September 30, 2025, all of the Utility's corporate holdings were rated A or better by Moody's Investor Service, A2 or better by Standard & Poor's, and NR, or A or better by Fitch Ratings.

Concentration of Credit Risk

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

**CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Defined Benefit Pension Investments

No investment in any one issuer exceeds 5% of total defined benefit pension investments.

OPEB Investments

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

Other than Defined Benefit Pension and OPEB Investments

As of September 30, 2025, the Utility had more than 5% of their respective investment portfolio invested with the following issuers:

<u>Issuer</u>	<u>Percent</u>
Utility:	
Federal Home Loan Mortgage Corporation	13.48%
Federal Farm Credit Bank	5.92%
Federal Home Loan Bank	17.41%
Federal National Mortgage Association	14.86%

Other assets held by the City at September 30, 2025, were in local government investment pools, U.S. Agencies, Mutual Funds, and T-Bills which are exempt from disclosure requirements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City's investment policies (excluding Cemetery and Utility) limits maturities as follows:

United States Treasury Debt Obligations	15 years
Municipal Debt Obligations	7 years
United States Agency Securities	15 years
U.S. Agency Mortgage-Backed Securities	15 years
Private Mortgage-Backed Securities/Collateralized Mortgage Obligations/Asset-Backed Securities	10 years
Interest-Bearing Bank Deposits	Daily Liquidity
Certificates of Deposit	3 years
Corporate Debt Obligations	10 years
Repurchase Agreements	30 days
Bankers Acceptances	180 days
Commercial Paper	270 days
Money Market Funds	Daily Liquidity
U.S. Government and Agency Mutual Funds	Daily Liquidity

The Utility's investment policy limits investments to securities with terms of ten years or less to reduce exposure to rising interest rates unless investments are matched to meet specific cash flow needs. Additionally, the average portfolio term is not to exceed seven years. The Resolution further limits the Utility's investments of the Utility Plant Improvement and Rate Stabilization funds to no more than five years.

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Information about the sensitivity of the fair values of the investments to market interest rate fluctuations is provided below, using the segmented time distribution method:

Defined Benefit Pension Investments

Investment Type	Fair Value	Exempt from Disclosure	< 2 Years	2-5 Years	5-10 Years	> 10 Years
Equities	\$ 982,741,262	\$ 982,741,262	\$ -	\$ -	\$ -	\$ -
Limited Partnerships	38,406,407	38,406,407	-	-	-	-
Real Estate	62,278,552	62,278,552	-	-	-	-
U.S. Treasury/Agency Securities	6,704,725	-	732,295	2,646,276	2,108,227	1,217,927
Corporate Bonds	6,434,687	-	702,801	2,539,695	2,023,317	1,168,874
Mortgage/Asset-Backed Securities	8,290,055	-	905,448	3,271,986	2,606,716	1,505,905
Totals	\$ 1,104,855,688	\$ 1,083,426,221	\$ 2,340,544	\$ 8,457,957	\$ 6,738,260	\$ 3,892,706

OPEB Investments

Investment Type	Fair Value	Exempt from Disclosure	< 2 Years	2-5 Years	5-10 Years	> 10 Years
Equities	\$ 64,095,919	\$ 64,095,919	\$ -	\$ -	\$ -	\$ -
Real Estate	6,540,092	6,540,092	-	-	-	-
U.S. Treasury/Agency Securities	759,981	-	241,246	320,585	198,150	-
Corporate Bonds	553,523	-	63,723	352,204	137,596	-
Mortgage/Asset-Backed Securities	491,011	-	-	-	58,063	432,948
Totals	\$ 72,440,526	\$ 70,636,011	\$ 304,969	\$ 672,789	\$ 393,809	\$ 432,948

Other than Defined Benefit Pension and OPEB Investments

Investment Type	Fair Value	< 1 Years	1-5 Years
Florida PRIME ⁽¹⁾	\$ 278,284,263	\$ 278,284,263	\$ -
U.S. Treasury Securities	17,693,185	7,643,152	10,050,033
Mutual Funds	1,784,964	1,784,964	-
Commercial Paper	81,298,912	81,298,912	-
U.S. Agency Securities	126,433,070	111,408,250	15,024,820
Corporate Bonds	29,309,879	12,266,100	17,043,779
Totals	\$ 534,804,273	\$ 492,685,641	\$ 42,118,632

(1) The dollar weighted average days to maturity of Florida PRIME at September 30, 2025, is 47 days. The weighted average life of Florida PRIME at September 30, 2025, is 73 days.

Note 4 - Hedging Activities

Interest Rate Hedges

The Utility is a party to certain interest rate swap agreements. Under its interest rate swap programs, the Utility either pays a variable rate of interest, which is based on various indices, and receives a fixed rate of interest for a specific period of time (unless earlier terminated), or the Utility pays a fixed rate of interest and receives a variable rate of interest, which is based on various indices for a specified period of time (unless earlier terminated). These indices are affected by changes in the market. The net amounts

CITY OF GAINESVILLE, FLORIDA
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received or paid under the swap agreements are recorded as an adjustment to interest on debt in the Statement of Revenues, Expenses, and Changes in Net Position. No money is initially exchanged when the Utility enters into a new interest rate swap transaction.

Terms, Fair Values, and Counterparty Credit Ratings – The terms, fair values, and counterparty credit ratings of the outstanding swaps as of September 30, 2025, were as follows:

Associated Bond Issue	2005C*	2006A*	2023A*	2023A*	2023B*
Notional Amounts	\$3,090,000	\$2,985,000	\$45,000,000	\$115,000,000	\$105,000,000
Effective Date	11/16/2005	7/6/2006	5/1/2023	5/1/2023	5/1/2023
Fixed Payer Rate	3.200%	3.224%	1.868%	1.410%	2.112%
Variable Receiver Rate	60.36% of 10YR SOFR Conversion	68.00% of 10YR SOFR Conversion Less 0.3635%	79.00% of 1MO SOFR	70.00% of 10YR SOFR Less .355%	80.00% of 1MO LIBOR Fallback Conversion
Fair Value	(\$14,450)	(\$15,505)	(\$1,925,389)	\$8,189,991	\$3,429,451
Termination Date	10/1/2026	10/1/2026	10/1/2044	10/1/2047	10/1/2044
Counterparty Credit Rating	Aa2/AA-/AA	Aa2/AA-	Aa3/A+/A+	Aa3/A+/A+	A1/A+/A+

Associated Bond Issue	2023C*	2014A*	2019A*	2017A*
Notional Amounts	\$151,210,000	\$34,025,000	\$153,820,000	\$249,625,000
Effective Date	6/22/2023	10/1/2024	10/1/2029	7/14/2027
Fixed Payer Rate	2.421%	1.054%	2.586%	2.853%
Variable Receiver Rate	81.50% of 1MO SOFR	70.00% of 1MO LIBOR Fallback Conversion	70.00% of 1MO SOFR	70.00% of 1MO SOFR
Fair Value	\$2,414,350	\$4,592,513	\$6,260,884	(\$3,245,470)
Termination Date	10/1/2053	10/1/2044	10/1/2047	10/1/2040
Counterparty Credit Rating	Aa2/A+/AA-	Aa1/A+/AA	A1/A+/A+	A2/A/A+

* See "Basis Risk" section below for details.

As of September 30, 2025, swaps that reflected negative fair values (FV) were 2005C, 2006A, 2023A (\$45M notional), and 2017A (forward starting swap (FSS)). Swaps that reflected positive FV were 2023A (\$115M notional), 2023B, 2023C, 2014A, and 2019A (FSS). Excluding FSS, swaps with negative FV have a higher fixed payer rate than its variable receiver rate, except for the 2023A \$45M notional swap, while swaps with a lower fixed payer rate than its variable receiver rate have positive FV.

	Fair Value of Interest Rate Swaps at September 30, 2025	Changes in Fair Value	Changes in Deferred (Inflow)/ Outflow	Changes in Regulatory (Assets)/Liabilities for Ineffective Instruments
2005C	\$ (14,450)	\$ 34,866	\$ -	\$ (34,866)
2006A	(15,505)	37,679	-	(37,679)
2023A	(1,925,389)	(833,155)	833,155	-
2023A	8,189,991	7,448,178	(7,448,178)	-
2023B	3,429,451	(690,650)	690,650	-
2023C	2,414,350	(6,934,586)	6,934,586	-
2014A	4,592,513	391,336	(391,336)	-
2019A	6,260,884	4,071,575	(4,071,575)	-
2017A	(3,245,470)	(3,245,470)	3,245,470	-
	<u>\$ 19,686,375</u>	<u>\$ 279,773</u>	<u>\$ (207,228)</u>	<u>\$ (72,545)</u>

CITY OF GAINESVILLE, FLORIDA
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Interest Rate Swap Payments – Debt service requirements on the interest rate swaps using interest rates in effect at September 30, 2025, are as follows:

Year Ending September 30,	Debt Service
2026	\$ (5,773,480)
2027	(5,081,143)
2028	(5,132,278)
2029	(5,108,021)
2030	(5,550,871)
2031-2035	(28,062,211)
2036-2040	(27,855,181)
2041-2045	(19,227,107)
2046-2050	(8,068,804)
2051-2054	(1,971,333)
Total	<u><u>\$ (111,830,429)</u></u>

Credit Risk – As of September 30, 2025, although more than half of the swaps reflect positive fair values, GRU has structured its swap agreements to minimize credit risk. To mitigate the potential for credit risk, the Utility has negotiated additional termination event and collateralization requirements in the event of a ratings downgrade. Failure to deliver the Collateral Agreement to the Utility as negotiated and detailed in the Schedule to the International Swaps and Derivative Agreements master agreement for each counterparty would constitute an event of default with respect to that counterparty.

Basis Risk – The Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York formed the Alternative Reference Rates Committee, known as the ARRC. ARRC recommended and provided alternative reference rates to replace the USD LIBOR ICE swap rates, which ended June 30, 2023.

To avoid disruption to the existing swap contracts, ARRC suggested certain fallback provisions using conversion formulas for the 10 YR LIBOR ICE swap rate, by incorporating the 10YR Secured Overnight Financing Rate (SOFR) ICE rate, USISSO10. ARRC also suggested using the fallback ICE LIBOR 1M index, VUS0001M, to replace the 1M USD LIBOR rate, US0001M. The fallback conversion formula, suggested by ARRC, was published in the ARRC White Paper in March 2021.

The swaps expose the City to basis risk as follows:

- The 2005 Series C Swap, \$3,090,000 notional, is exposed to basis risk through the potential mismatch of 60.36% of 10-year LIBOR, which has been replaced by the fallback conversion formula using the 10YR SOFR index, and the variable 31-day rollover rate. As a result, savings may not be realized. As of September 30, 2025, the fallback conversion rate was at 3.915%.
- The 2006 Series A Swap, \$2,985,000 notional, is exposed to basis risk through the potential mismatch of 68% of 10-year LIBOR less .365%, which has been replaced by the fallback conversion formula using the 10YR SOFR index, and the variable 31-day rollover rate. As a result, savings may not be realized. As of September 30, 2025, the fallback conversion rate was at 3.915%.

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- The 2023 Series A Swap, \$45,000,000 notional, is exposed to the difference between 79% of the one-month SOFR and 79% of the one-month SOFR plus .57% bank fee. As a result, savings may not be realized. As of September 30, 2025, the one-month SOFR rate was 4.129%.
- The 2023 Series A Swap, \$115,000,000 notional, is exposed to the difference between 70% of the ten-year SOFR less .355% and 79% of the one-month SOFR plus .57% bank fee. As a result, savings may not be realized. As of September 30, 2025, the ten-year SOFR rate was 3.628%.
- The 2023 Series B Swap, \$105,000,000 notional, is exposed to the difference between 80% of the one-month LIBOR, and 80% of the one-month SOFR plus .53% bank fee. Due to the cessation of the USD LIBOR swap indices on June 30, 2023, a fallback conversion rate is implemented. As a result, savings may not be realized. As of September 30, 2025, the fallback conversion rate was 4.323%.
- The 2023 Series C Swap, \$151,210,000 notional, is exposed to the difference between 81.5% of the one-month SOFR and 81.5% of the one-month SOFR plus .57% bank fee. As a result, savings may not be realized. As of September 30, 2025, the one-month SOFR rate was 4.129%.
- The 2014 Series A and the 2019 Series A Swaps are forward starting swaps with effective dates of October 1, 2024, and October 1, 2029, respectively. The 2014 Series A Swap, \$34,025,000 notional, will be exposed to the difference between 70% of the one-month LIBOR and the variable rollover rate. The index for the 2014 Series A will be amended when economic decisions are made on the forward starting swap before the effective date. The 2019 Series A Swap, \$153,820,000 notional, will be exposed to 70% of the one-month SOFR as amended in December 21, 2022, and the variable rollover rate.
- The 2017 Series A Swap is an FSS with a notional of \$249,625,000 and an effective date of July 14, 2027. The swap will be exposed to the difference between 70% of the one-month SOFR and the variable rollover rate.

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

Interest Rate Risk – This risk is associated with the changes in interest rates that will adversely affect the fair values of the Utility's swaps and derivatives. The Utility mitigates this risk by actively reviewing and negotiating its swap agreements.

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

Market Access Risk – This risk is associated with the event that the Utility will not be able to enter credit markets for interest rate swap agreements or that the credit market becomes more costly. The Utility maintains a strong credit rating of Aa3 from Moody's, A from Standard and Poor's, and A+ from Fitch Ratings. Currently the Utility has not encountered any credit market barriers.

Fuel Hedges

The City enters into natural gas futures and options to reduce the risk of price fluctuations during the fiscal year. As of September 30, 2025, the City had financial hedge positions with a notional amount of 17.4 Metric Million British Thermal Units. Results of fuel hedge activities were recorded as an increase in fuel costs of \$4,344,580 for the year ended September 30, 2025.

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Fair value as related to fuel hedging is recorded as fair value of derivative instruments in the statement of net position and recognized in fuel expense as costs are incurred. The fair value of fuel hedges at September 30, 2025, is recorded as a noncurrent asset of \$3,026,723 and as a noncurrent liability of \$1,548,255. Changes in fair value related to fuel hedging contracts are recorded as deferred inflows and outflows in the statement of net position. The City incurred a net change in fair value for fuel hedges of \$3,837,206 as of September 30, 2025.

Effectiveness

Of the nine interest rate swap agreements, seven were deemed effective, while two were deemed ineffective as of September 30, 2025. The ineffective portion related to interest rate swap agreements is recorded as a regulatory asset in the amount of \$29,955 as of September 30, 2025.

The unrealized gain on interest rate swap agreements was \$279,773 representing an increase in fair value of hedging derivatives at September 30, 2025. The change in fair value of \$279,773 is based on the fair value 'at-the-market' as of September 30, 2025. There were no realized gains or losses related to interest rate swaps as of September 30, 2025.

GRU utilizes futures and options contracts to hedge the effects of fluctuations in the prices of natural gas. Fuel hedging contracts are comprised of 6% futures and 94% options and meet the requirements of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

The fuel hedges were tested for effectiveness using two effectiveness testing methods as of September 30, 2025. The ineffective portion is recorded as a regulatory asset in the statement of net position. As of September 30, 2025, no hedges were found to be ineffective.

Note 5 - Fair Value Measurements

The City records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement.

Fair value is defined in GASB Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs that reflect the City's own assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

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Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Real estate investments are valued by market assumptions provided by the individual managers of each fund. The managers determine the fair value of the underlying investments of the fund then allocate their fair value to the City's investments based on the percentage of ownership it has in the fund. For investments in certain entities that calculate net asset value (NAV) that do not have a readily determinable fair value, the City is permitted to report fair value on the NAV per share as a practical expedient, where certain conditions are met. Such measurements are included within the disclosure, but should not be classified as Level 1, Level 2, or Level 3 within the hierarchy.

Fair value measurements are performed on a recurring basis. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels. The City categorizes its investments within the fair value hierarchy as follows:

Defined Benefit Pension Investments

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Total Investments			
Equities	\$ 982,741,262	\$ 982,741,262	\$ -	\$ -
U.S. Treasury/Agency Securities	6,704,725	6,704,725	-	-
Mortgage/Asset-Backed Securities	8,290,055	-	8,290,055	-
Corporate Bonds	6,434,687	-	6,434,687	-
Total Investments by Fair Value Level	\$ 1,004,170,729	\$ 989,445,987	\$ 14,724,742	\$ -
Investments Measured at NAV	Total Investments	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Strategies ¹	\$ 62,278,552	\$ -	Daily, Quarterly Monthly, Quarterly, or Biannual	Next Day, 1-90 Days, Subjective 10-40 Days, Subjective
Alternative Investments ²	38,406,407	-		
Total Investments Measured at NAV	100,684,959	-		
Total Investments	\$ 1,104,855,688			

¹ *Real Estate Strategies* – This type includes four commingled real estate funds comprised of diversified commercial and residential real estate investments. Participation in these investments is through commingled funds with ownership measured in shares of the funds. On March 20, 2020, the Principal U.S. Property Account applied a redemption limitation that provides for redemptions on a pro rata basis as cash balances become available for distribution. The Defined Benefit Pension Investments had no redemptions in queue as of September 30, 2025.

² *Alternative Investments* – This type includes four funds with a variety of investments including structured credit investments, high yield credit investments, and residential bridge loans, which offer attractive risk/return profiles, and provide portfolio diversification. Participation in these funds is through a collective trust, commingled funds, and limited partnerships, with ownership measured in shares of the collective trust, commingled funds, or partners' capital.

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OPEB Investments

	September 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equities	\$ 64,095,919	\$ 64,095,919	\$ -	\$ -
U.S. Treasury/Agency Securities	759,981	759,981	-	-
Mortgage/Asset-Backed Securities	491,011	-	491,011	-
Corporate Bonds	553,523	-	553,523	-
Total Investments by Fair Value Level	\$ 65,900,434	\$ 64,855,900	\$ 1,044,534	\$ -
Investments Measured at NAV	Total Investments	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Strategies ¹	\$ 6,540,092	\$ -	Quarterly	60 Day Written, Subjective
Total Investments Measured at NAV	6,540,092	-		
Total Investments	\$ 72,440,526			

¹ *Real Estate Strategies* – This type includes one core private real estate fund comprised of commercial and residential real estate investments as of September 30, 2025. Participation in this fund is through a limited partnership with ownership measured in shares of partners' capital.

Other than Defined Benefit Pension and OPEB Investments

	September 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Instruments Reported at Fair Value				
Assets				
Commercial Paper	\$ 81,298,912	\$ -	\$ 81,298,912	\$ -
U.S. Treasury Securities	17,693,185	17,693,185	-	-
U.S. Agency Securities	126,433,070	28,252,891	98,180,179	-
Corporate Bonds	29,309,879	-	29,309,879	-
Mutual Funds	1,784,964	1,784,964	-	-
Effective Interest Rate Swaps	24,887,190	-	24,887,190	-
Ineffective Interest Rate Swaps	(29,955)	-	(29,955)	-
Total Assets at Fair Value	\$ 281,377,245	\$ 47,731,040	\$ 233,646,205	\$ -
Liabilities				
Effective Fuel Hedge Derivatives	\$ 5,170,860	\$ -	\$ 5,170,860	\$ -
Ineffective Fuel Hedge Derivatives	1,548,255	-	1,548,255	-
Total Liabilities at Fair Value	\$ 6,719,115	\$ -	\$ 6,719,115	\$ -

The City's investment in Florida PRIME is administered by the State Board of Administration and represents an investment in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. The City's investment in Florida PRIME qualifies under the provisions of GASB Statement No. 79 to be measured at amortized cost for financial reporting purposes. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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Money market investments and participating interest-earning investment contracts, including commercial paper, that have a remaining maturity at the time of purchase of one year or less are measured at amortized cost.

For the City's Other than Defined Benefit Pension and OPEB Investments, valuation methods of the primary fair value measurements are as follows:

- U.S. Treasury securities are valued using quoted prices in active markets for identical investments as of the measurement date (Level 1 inputs).
- U.S. Agency securities are valued using market prices of similar assets (Level 2 inputs) and, where possible, valued using quoted prices in active markets for identical investments as of the measurement date (Level 1 inputs).
- Investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating.
- Commodity derivatives, such as futures, swaps and options, which are ultimately settled using prices at locations quoted through clearinghouses, are valued using level 1 inputs.
- Other hedging derivatives, such as swaps settled using prices at locations other than those quoted through clearinghouses and options with strike prices not identically quoted through a clearinghouse, are valued using Level 2 inputs. For these instruments, fair value is based on pricing algorithms using observable market quotes.

Note 6 - Investment in TEA

The City had an equity investment in TEA, an energy marketing corporation comprised of seven municipal utilities as of July 31, 2025: Grand River Dam Authority (Oklahoma), Jacksonville Electric Authority (Florida), South Carolina Public Service Authority, Nebraska Public Power District, the City, City Utilities of Springfield (Missouri), and American Municipal Power, Inc. (Ohio). TEA provides energy products and resource management services to equity members and non-members and allocates transaction savings and operating expenses to equity members pursuant to Settlement Procedures under the Operating Agreement.

Effective August 1, 2025, the Utility formally withdrew its membership from TEA, transitioning from a member to a partner. In accordance with the withdrawal provisions of the Operating Agreement:

- GRU received a cash distribution of \$11,772,762 on August 22, 2025, representing its 5.93% equity share in TEA. The cash distribution received from the withdrawn investment was applied to GRU's fuel levelization balances to benefit customers.
- As of September 30, 2025, GRU no longer holds an equity interest in TEA and has no remaining investment balance related to TEA on its statement of net position.

Sales to and purchases from TEA are recorded in sales and service charges and operations and maintenance expenses, respectively. Sales to TEA were \$4,063,530 and purchases from TEA were \$8,718,857, for the year fiscal year up to July 31, 2025.

The Utility previously guaranteed credit under the TEA Advance Agreements decreased to \$0 effective August 1, 2025, due to the change from an equity member to a partner.

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The table below contains unaudited condensed financial information for TEA for the nine months ended September 30, 2025:

Condensed Statement of Operations	(In Thousands)
Total Revenue	\$ 1,865,187
Total Cost of Sales and Expense	<u>(1,816,321)</u>
Operating Income	48,866
Nonoperating Income (Expense)	<u>3,996</u>
Change in Net Position	52,862
Net Position, Beginning of Period	180,296
Capital Contributions	371
Member Distributions	<u>(36,770)</u>
Net Position, End of Period	<u><u>\$ 196,759</u></u>
 Condensed Balance Sheet	
Assets:	
Current Assets	\$ 475,123
Noncurrent Assets	<u>47,076</u>
Total Assets	<u><u>522,199</u></u>
Liabilities:	
Current Liabilities	299,345
Noncurrent Liabilities	<u>26,095</u>
Total Liabilities	325,440
Total Net Position	<u>196,759</u>
Total Liabilities and Net Position	<u><u>\$ 522,199</u></u>

As of September 30, 2025, there no accounts receivable due from TEA.

Note 7 - Receivables

Amounts receivable are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the governmental and business-type activities as September 30, 2025:

	Governmental Activities			
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Governmental Activities
Accounts Receivable, Gross	\$ 1,054,088	\$ 1,192,704	\$ 28,694	\$ 2,275,486
Allowance	<u>(306,234)</u>	<u>(57,137)</u>	<u>(5,058)</u>	<u>(368,429)</u>
Net Accounts Receivable	747,854	1,135,567	23,636	1,907,057
Due from Other Governments	3,365,752	2,947,033	-	6,312,785
Accrued Interest Receivable	63,333	-	-	63,333
Total Receivables	<u><u>\$ 4,176,939</u></u>	<u><u>\$ 4,082,600</u></u>	<u><u>\$ 23,636</u></u>	<u><u>\$ 8,283,175</u></u>

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	Business-Type Activities		
	Utility Fund	Nonmajor Enterprise Funds	Business- Type Activities
Accounts Receivable, Gross	\$ 58,857,101	\$ 621,946	\$ 59,479,047
Allowance	(4,176,043)	(1,906)	(4,177,949)
Net Accounts Receivable	54,681,058	620,040	55,301,098
Due from Other Governments	-	5,501,166	5,501,166
Total Receivables	\$ 54,681,058	\$ 6,121,206	\$ 60,802,264

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 37,434,316	\$ 156,500	\$ (871,713)	\$ 598,913	\$ 37,318,016
Construction in Progress	13,595,032	16,962,029	-	(8,391,536)	22,165,525
Total Capital Assets, Not Being Depreciated	51,029,348	17,118,529	(871,713)	(7,792,623)	59,483,541
Capital Assets, Being Depreciated:					
Buildings	96,475,437	11,762	(695,488)	348,778	96,140,489
Improvements Other than Buildings	36,028,414	-	(34,209)	2,398,552	38,392,757
Machinery and Equipment	62,207,011	6,951,084	(1,783,113)	130,204	67,505,186
Software	7,757,447	20,845	-	-	7,778,292
Infrastructure	308,720,826	-	-	4,915,089	313,635,915
Leases	196,453	-	(27,549)	-	168,904
SBITAs	10,480,841	2,094,915	(177,183)	-	12,398,573
Total Capital Assets, Being Depreciated	521,866,429	9,078,606	(2,717,542)	7,792,623	536,020,116
Less Accumulated Depreciation:					
Buildings	(48,622,971)	(2,510,371)	319,029	-	(50,814,313)
Improvements Other than Buildings	(20,268,952)	(1,531,248)	29,113	-	(21,771,087)
Machinery and Equipment	(47,873,518)	(4,626,770)	1,781,378	-	(50,718,910)
Software	(1,678,986)	(520,033)	-	-	(2,199,019)
Infrastructure	(172,001,786)	(7,954,137)	-	-	(179,955,923)
Leases	(95,771)	(40,889)	-	-	(136,660)
SBITAs	(2,863,336)	(2,199,734)	177,183	-	(4,885,887)
Total Accumulated Depreciation	(293,405,320)	(19,383,182)	2,306,703	-	(310,481,799)
Total Capital Assets Being Depreciated, Net	228,461,109	(10,304,576)	(410,839)	7,792,623	225,538,317
Governmental Activities Capital Assets, Net	\$ 279,490,457	\$ 6,813,953	\$ (1,282,552)	\$ -	\$ 285,021,858

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	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 9,147,958	\$ 1,500	\$ -	\$ -	\$ 9,149,458
Construction in Progress	122,954,655	135,104,749	(104,978,640)	-	153,080,764
Total Capital Assets, Not Being Depreciated	132,102,613	135,106,249	(104,978,640)	-	162,230,222
Capital Assets, Being Depreciated:					
Utility Plant and Equipment	3,223,983,439	106,499,715	(10,593,719)	-	3,319,889,435
Buildings	45,699,935	10,774	(35,663)	(74,795)	45,600,251
Improvements Other than Buildings	4,644,816	-	-	74,795	4,719,611
Machinery and Equipment	73,791,668	1,611,842	(1,893,136)	-	73,510,374
Infrastructure	56,898,481	-	-	-	56,898,481
Right-of-Use Leases	998,866	-	(395,991)	-	602,875
Right-of-Use SBITA	12,978,346	2,659,891	(2,696,581)	-	12,941,656
Total Capital Assets, Being Depreciated	3,418,995,551	110,782,222	(15,615,090)	-	3,514,162,683
Less Accumulated Depreciation:					
Utility Plant and Equipment	(1,497,125,215)	(110,182,110)	6,503,256	-	(1,600,804,069)
Buildings	(14,678,041)	(1,181,704)	31,272	44,964	(15,783,509)
Improvements Other than Buildings	(3,140,840)	(264,460)	-	(44,765)	(3,450,065)
Machinery and Equipment	(42,730,504)	(4,407,758)	1,880,093	-	(45,258,169)
Infrastructure	(31,232,704)	(1,458,658)	-	-	(32,691,362)
Right-of-Use Leases	(601,254)	(146,146)	392,343	-	(355,057)
Right-of-Use SBITA	(4,243,499)	(3,132,924)	2,696,581	-	(4,679,842)
Total Accumulated Depreciation	(1,593,752,057)	(120,773,760)	11,503,545	199	(1,703,022,073)
Total Capital Assets Being Depreciated, Net	1,825,243,494	(9,991,538)	(4,111,545)	199	1,811,140,610
Business-Type Activities Capital Assets, Net	\$ 1,957,346,107	\$ 125,114,711	\$ (109,090,185)	\$ 199	\$ 1,973,370,832

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General Government	\$ 2,092,314
Public Safety	3,572,427
Transportation	7,446,622
Economic Environment	186,852
Culture and Recreation	2,236,233
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	3,848,734

Total

\$ 19,383,182

Business-Type Activities

Utility	\$ 113,091,075
Regional Transit System	6,020,792
Stormwater	1,564,227
Florida Building Code Enforcement	74,575
Solid Waste	23,091

Total

\$ 120,773,760

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Note 9 - Accounts Payable and Other Liabilities

Accounts payable and other liabilities as of September 30, 2025, consist of the following:

	Governmental Activities			
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Governmental Activities
Accounts Payable	\$ 3,309,826	\$ 3,810,169	\$ 2,321,239	\$ 9,441,234
Payroll and Related Liabilities	3,847,427	17,605	20,496	3,885,528
Insurance Claims and Reserves	-	-	6,955,439	6,955,439
Due to Other Governments	369,921	84,481	-	454,402
Deposits	19,976	-	-	19,976
Assets Held in Evidence	706,624	160,128	-	866,752
Total Accounts Payable and Other Liabilities	\$ 8,253,774	\$ 4,072,383	\$ 9,297,174	\$ 21,623,331

	Business-Type Activities		
	Utility Fund	Nonmajor Enterprise Funds	Business-Type Activities
Accounts Payable	\$ 14,343,332	\$ 2,871,417	\$ 17,214,749
Fuels Payable	6,214,703	-	6,214,703
Due to Other Governments	-	21,109	21,109
Total Accounts Payable and Other Liabilities	\$ 20,558,035	\$ 2,892,526	\$ 23,450,561

Note 10 - Retirement Plans

The City sponsors and administers two single-employer retirement plans, which are accounted for in separate Pension Trust Funds. Additionally, the City participates in the Florida Retirement System (FRS), a single retirement system which consists of two cost-sharing, multiple-employer defined benefit plans, and other non-integrated programs.

A. Employees' Pension Plan

Plan Description—The Employees' Pension Plan (Employees' Plan) is a contributory defined benefit single-employer 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 Police Officers' and Firefighters' Consolidated Retirement Plan (the Consolidated Plan). 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.

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The City 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, Department of Financial Services, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

Benefits Provided—The Employees' Plan provides retirement, disability, and death benefits. Prior to April 2015, disability benefits were provided through a separate plan which was subsequently terminated. Existing and future pension assets and pension liabilities were transferred to the Employees' Plan at that time.

Retirement benefits for employees are calculated as a fixed percent (often referred to as "the multiplier") of the employee's final average earnings (FAE) times the employee's years of service. The fixed percentage and final average earnings vary depending on the date of hire as follows:

<u>Date of Hire</u>	<u>Fixed Percent of FAE (Multiplier)</u>	<u>Final Average Earnings</u>
On or Before 10/01/2007	2.0%	Highest of 36 Consecutive Months
10/02/2007 – 10/01/2012	2.0%	Highest of 48 Consecutive Months
On or After 10/02/2012	1.8%	Highest of 60 Consecutive Months

For service earned prior to 10/01/2012, the lesser number of unused sick leave or personal critical leave bank credits earned on or before 09/30/2012, or the unused sick leave or personal critical leave bank credits available at the time of retirement may be credited towards the employee's years of service for that calculation. For service earned on or after 10/01/2012, no additional months of service will be credited for unused sick leave or personal critical leave bank credits.

Employees are eligible for normal retirement:

- If the date of hire occurred on or before 10/02/2007, after accruing 20 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 65 while still employed.
- If the date of hire was between 10/02/2007 and 10/01/2012, after accruing 25 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 65 while still employed.
- If the date of hire was on or after 10/02/2012, after accruing 30 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 65 while still employed.

Employees are eligible for early retirement:

- If the date of hire occurred on or before 10/01/2012, after accruing 15 years of pension service credit and reaching age 55 while still employed.
- If the date of hire was on or after 10/02/2012, after accruing 20 years of pension service credit and reaching age 60 while still employed.

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- Under the early retirement option, the benefit is reduced by 5/12 of one percent for each month (5% for each year) by which the retirement date is less than the date the employee would reach age 65.
- Employees receive a deferred vested benefit if they are terminated after accruing five years of pension service credit but prior to eligibility for regular retirement. Those employees will be eligible to receive a benefit starting at age 65.

A 2% cost of living adjustment (COLA) is applied to retirement benefits each October 1 if the retiree has reached eligibility for COLA prior to that date. Eligibility for COLA is determined as follows:

- If the retiree had at least 20 years of credited service prior to 10/01/2012 and at least 20 years, but less than 25 years, of credited service upon retirement, COLA begins after reaching age 62.
- If the retiree had at least 20 years of credited service prior to 10/01/2012 and at least 25 years of credited service upon retirement, COLA begins after reaching age 60.
- If the retiree was hired on or before 10/01/2012 and had less than 20 years of credited service on or before 10/01/2012 and 25 years or more of credited service upon retirement, COLA begins after reaching age 65.
- If the retiree was hired after 10/01/2012 and had 30 years or more of credited service upon retirement, COLA begins after age 65.

Employees hired on or before 10/01/2012 are eligible to participate in the deferred retirement option plan (DROP) when they have completed 27 years of credited service and are still employed by the City. Such employees retire from the Employees' Plan but continue to work for the City. The retirement benefit is calculated as if the employee had terminated employment and is paid to a DROP account held within the pension plan until the employee actually leaves the employment of the City. While in DROP, these payments earn a guaranteed rate of annual interest, compounded monthly. For employees who entered DROP on or before 10/01/2012, DROP balances earn 6% annual interest. For employees who entered DROP on or after 10/02/2012, DROP balances earn 2.25% annual interest. Employees may continue in the DROP for a maximum of 5 years or until reaching 35 years of service, whichever occurs earlier. Upon actual separation from employment, the monthly retirement benefits begin being paid directly to the retiree and the retiree must take their DROP balance plus interest as a lump-sum cash disbursement, roll into a retirement account or choose a combination of the two options.

Death benefits are paid as follows:

- If an active member retires after reaching normal retirement eligibility and had selected a tentative benefit option, benefit payments will be made to the beneficiary in accordance with the option selected.
- If an active member who is married dies after reaching normal retirement eligibility and did not previously select a tentative benefit option, the plan assumes the employee retired the day prior to death and elected the joint and survivor option naming their spouse as their beneficiary.
- If an active member who is not married dies after reaching normal retirement eligibility and did not previously select a tentative benefit option, or if an active member dies prior to reaching normal retirement eligibility, or if a nonactive member with a deferred vested benefit dies before age 65, the death benefit is a refund of the member's contributions without interest to the beneficiary on record.

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- Continuation of retirement benefits after the death of a retiree receiving benefits is contingent on the payment option selected upon retirement. If the retiree has chosen a life annuity and dies prior to receiving benefits greater than the retiree's contributions to the plan, a lump sum equal to the difference is paid to the beneficiary on record.

Disability benefits are paid to eligible regular employees of the City who become totally and permanently unable to perform substantial work for pay within a 50-mile radius of the home or City Hall, whichever is greater, and who is wholly and continuously unable to perform any and every essential duty of employment, with or without a reasonable accommodation, or of a position to which the employee may be assigned. The basic disability benefit is equal to the greater of the employee's years of service credit times 2% with a minimum 42% for in-line-of-duty disability and a minimum 25% for other than in-line-of-duty disability, times the employee's final average earnings as would be otherwise calculated under the plan. The benefit is reduced by any disability benefit percent up to a maximum of 50% multiplied by the monthly Social Security primary insurance amount to which the employee would be initially entitled to as a disabled worker, regardless of application status. The disability benefit is limited to the lesser of \$3,750 per month or an amount equal to the maximum benefit percent, less reductions above and the initially determined wage replacement benefit made under workers' compensation laws.

Plan Membership—At October 1, 2024, membership consisted of:

Active Plan Members	1,602
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,596
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	549
Total	<u><u>3,747</u></u>

Contribution Requirements—The contribution requirements of plan members and the City are established and may be amended by City Ordinance once approved by the City Commission. The City is required to contribute at an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City contributes the difference between the actuarially determined rate and the contribution rate of employees. Plan members are required to contribute 5% of their annual covered salary. The City's required contribution rate for fiscal year 2025 was 5.97% of covered payroll. This rate was influenced by the issuance of the Taxable Pension Obligation Bonds, Series 2003A and the Special Obligation Revenue Bonds, Series 2020. Proceeds from these issues were utilized to retire the unfunded actuarial accrued liability at that time in the Employees' Plan. Differences between the required contribution and actual contribution are due to actual payroll experiences varying from the estimated total payroll used in the generation of the actuarially required contribution rate. Administrative costs are financed through investment earnings.

Net Pension Liability/(Asset)—At September 30, 2025, the City reported a net pension liability/(asset) for the Employees' Plan of \$(41,356,204). The Employees' Plan net pension liability/(asset) was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2024.

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Significant Actuarial Assumptions—The Employees’ Plan total pension liability was determined by an actuarial valuation performed as of October 1, 2024, using the following actuarial methods and assumptions:

<u>Actuarial Assumptions</u>	
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	7.75%
Discount Rate	7.75%

Mortality rates were based on the PubG.H-2010 Mortality Tables. All rates are projected generationally with Mortality Improvement Scale MP-2021. The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the FRS. The mortality rates used are those outlined in the July 1, 2024, FRS actuarial valuation report for nonspecial risk lives.

Long-Term Expected Rate of Return—The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For 2025, the inflation rate assumption was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Employees’ Plan target asset allocation as of September 30, 2025, are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return
Domestic Equity	47.00%	7.50%
International Equity	28.00%	8.50%
Domestic Fixed Income	8.00%	2.50%
Real Estate	12.00%	4.50%
Alternative	5.00%	6.65%
Total	100.00%	

Discount Rate—The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member contributions. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in Net Pension Liability/(Asset)—

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at October 1, 2024	<u>\$ 698,853,628</u>	<u>\$ 731,780,898</u>	<u>\$ (32,927,270)</u>
Changes for the Year:			
Service Cost	10,525,356	-	10,525,356
Interest	53,173,697	-	53,173,697
Differences Between Expected and Actual Experience	11,794,866	-	11,794,866
Changes of Assumptions	(4,231,944)	-	(4,231,944)
Benefit Payments, Including Refunds of Employee Contributions	(46,533,530)	(46,533,530)	-
Contributions - Employer	-	6,904,316	(6,904,316)
Contributions - Employee	-	5,737,931	(5,737,931)
Net Investment Income	-	67,883,395	(67,883,395)
Administrative Expense	-	(834,733)	834,733
Net Changes	<u>24,728,445</u>	<u>33,157,379</u>	<u>(8,428,934)</u>
Balance at September 30, 2025	<u><u>\$ 723,582,073</u></u>	<u><u>\$ 764,938,277</u></u>	<u><u>\$ (41,356,204)</u></u>

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate—The following presents the net pension liability/(asset), calculated using the discount rate of 7.75%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase) (8.75%)
Net Pension Liability/(Asset)	<u>\$ 38,146,747</u>	<u>\$ (41,356,204)</u>	<u>\$ (108,268,446)</u>

Pension Plan Fiduciary Net Position—Detailed information about the Employees’ Plan fiduciary net position is available in the separately issued Employees’ Plan financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources—For the year ended September 30, 2025, the City recognized pension expense for the Employees’ Plan of \$(11,041,203). At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Employees’ Plan from the following sources:

Description	Outflows of Resources	Inflows of Resources
Difference Between Expected and Actual Experience	\$ 14,628,725	\$ 204,578
Changes of Assumptions	3,474,817	3,385,556
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	66,508,628
Total	<u><u>\$ 18,103,542</u></u>	<u><u>\$ 70,098,762</u></u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Employees' Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Pension Expense Amount
2026	\$ 5,656,593
2027	(34,150,305)
2028	(22,510,890)
2029	(990,618)
Total	\$ (51,995,220)

B. Police Officers' and Firefighters' Consolidated Retirement Plan

Plan Description—The Consolidated Plan is a contributory defined benefit single-employer pension plan that covers City sworn police officers and firefighters. The Plan is established under City of Gainesville Code of Ordinances, Article 7, Chapter 2, Division 8. It complies with the provisions of Chapter 112, Part VII, Florida Statutes; Chapter 22D-1 of the Florida Administrative Code; Chapters 175 and 185, Florida Statutes; and Article X, Section 14 of the Florida Constitution, governing the establishment, operation, and administration of plans.

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.

The City 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, Department of Financial Services, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

Benefits Provided—The Consolidated Plan provides retirement, disability, and death benefits. Retirement benefits for employees are calculated as a fixed percent (often referred to as "the multiplier") of the employee's FAE times the employee's years of service.

For Police Officers, the final average monthly earnings (FAME) are the average of pensionable earnings during the 36 to 48-month period (depending on date of hire) that produces the highest earnings. For Police Officers, the benefit multiplier is 2.5% for credited service before 10/01/2005, 2.625% for credited service from 10/01/2005 to 07/01/2013, and 2.5% for credited service on and after 07/01/2013.

Police Officers are eligible for normal retirement:

- If the date of hire occurred prior to 07/01/2013, after accruing 20 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed or attaining a combination of credited service and age that equals seventy (Rule of Seventy).

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- If the date of hire was on or after 07/01/2013, after accruing 25 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed or attaining a combination of credited service and age that equals seventy.

Police Officers are eligible for early retirement:

- After accruing 10 years of pension service credit and reaching age 50 while still employed.
- Under the early retirement option, the benefit is reduced 3% for each year by which the retirement date is less than the date the employee would reach age 55.
- Employees may choose to receive a refund on contributions to the plan or to receive a deferred vested benefit if they are terminated after accruing 10 years of pension service credit but prior to eligibility for regular retirement. Those employees will be eligible to receive a benefit starting at age 55 with no reduction or at age 50 with the early retirement penalty above.

For Police Officers, a 1-2%, COLA is applied to retirement benefits each October 1 if the retiree has reached eligibility for COLA prior to that date. Eligibility for COLA for Police Officers is determined as follows:

- If the retiree was eligible for retirement on or before 07/01/2013 and had at least 25 years of credited service upon retirement, 2% COLA begins after reaching age 55.
- If the retiree was eligible for retirement on or before 07/01/2013 had 20 years of credited service upon retirement, 2% COLA begins after reaching age 62.
- If the retiree was eligible for retirement after 07/01/2013 and had 25 years of credited service upon retirement, 1% COLA begins after reaching age 55 and the COLA increases to 2% after reaching age 62.
- If the retiree retired under the Rule of Seventy with less than 20 years of credited service upon retirement, COLA begins after age 62. Effective July 1, 2013, Police Officers retiring under the Rule of Seventy are ineligible for COLA.

For Firefighters, the FAME are the average of pensionable earnings during the 36-month period that produces the highest earnings. For Firefighters, the benefit multiplier is 2.5% for credited service before 10/01/2005, 2.625% for credited service from 10/01/2005 to 12/31/2013, and 2.5% for credited service on and after 01/01/2014. For service earned prior to 01/01/2014, the lesser number of unused sick leave credits earned on or before 12/31/2013 or the unused sick leave bank credits available at the time of retirement may be credited towards the employee's years of service for that calculation. For service earned on or after 01/01/2014, no additional months of service will be credited for unused sick leave credits.

Firefighters are eligible for normal retirement:

- If the date of hire occurred prior to 01/01/2014, after accruing 20 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed or attaining a combination of credited service and age that equals seventy (Rule of Seventy).

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- If the date of hire was on or after 01/01/2014, after accruing 25 years of pension service credit, regardless of age or after accruing 10 years of pension service credit and reaching age 55 while still employed or attaining a combination of credited service and age that equals seventy.

Employees are eligible for early retirement:

- After accruing 10 years of pension service credit and reaching age 50 while still employed.
- Under the early retirement option, the benefit is reduced 3% for each year by which the retirement date is less than the date the employee would reach age 55.
- Employees may choose to receive a refund on contributions to the plan or to receive a deferred vested benefit if they are terminated after accruing 10 years of pension service credit but prior to eligibility for regular retirement. Those employees will be eligible to receive a benefit starting at age 55 with no reduction or at age 50 with the early retirement penalty above.

For Firefighters, a 2% COLA is applied to retirement benefits each October 1 if the retiree has reached eligibility for COLA prior to that date. Eligibility for COLA for Firefighters is determined as follows:

- If the retiree had at least 25 years of credited service upon retirement, COLA begins after reaching age 55.
- If the retiree had 20 years of credited service upon retirement, COLA begins after reaching age 62.
- If the retiree retired under the Rule of Seventy with less than 20 years of credited service upon retirement, COLA begins after age 62.

Both Police Officers and Firefighters are eligible to participate in the DROP when they have completed 25 years of credited service and are still employed by the City (or meet the Rule of Seventy). Such employees retire from the Consolidated Plan but continue to work for the City. The retirement benefit is calculated as if the employee had terminated employment and is paid to a DROP account held within the pension plan until the employee actually leaves the employment of the City. While in DROP, these payments earn a guaranteed rate of annual interest, (5.5% for Firefighters and 4.5% for Police Officers) compounded monthly. Employees may continue in the DROP for a maximum of 8 years or until reaching 33 years of service, whichever occurs earlier.

Upon actual separation from employment, the monthly retirement benefits begin being paid directly to the retiree and the retiree must take their DROP balance plus interest as a lump-sum cash disbursement, roll into a retirement account, or choose a combination of the two options. The Consolidated Plan also provides for a reverse DROP option.

Death benefits are paid as follows:

- If an active member retires after reaching normal retirement eligibility and had selected a tentative benefit option, benefit payments will be made to the beneficiary in accordance with the option selected.
- If an active member with less than ten years of service dies before reaching normal retirement eligibility, the death benefit is a refund to the beneficiary of 100% of the member contributions without interest.

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- If an active member with at least ten years of service dies before reaching normal retirement eligibility, the beneficiary is entitled to the benefits otherwise payable to the employee at early or normal retirement age, based on the accrued benefit at the time of death.
- Continuation of retirement benefits after the death of a retiree receiving benefits is contingent on the payment option selected upon retirement. If the retiree has chosen a life annuity and dies prior to receiving benefits greater than the retiree's contributions to the plan, a lump sum equal to the difference is paid to the beneficiary on record.

The monthly benefit for a service-incurred disability is the greater of the employee's accrued benefit as of the date of disability or 42% of the FAME. The monthly benefit for a nonservice-incurred disability is the greater of the accrued benefit as of the date of disability or 25% of the FAME. Payments continue until the death of the member or until the 120th payment, payable to the designated beneficiary if no option is elected. There is no minimum eligibility requirement if the injury or disease is service-incurred. If the injury or disease is not service-incurred, the employee must have at least five years of service to be eligible for disability benefits.

Plan Membership—At October 1, 2024, membership consisted of:

Active Plan Members	389
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	505
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	42
Total	<u><u>936</u></u>

Contribution Requirements—The contribution requirements of plan members and the City are established and may be amended by City Ordinance once approved by the City Commission in accordance with Part VII, Chapter 112, Florida Statutes. The City is required to contribute at an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Firefighters contribute 9.0% of gross pay and Police Officers contribute 7.5% of gross pay. The City's contribution rate for fiscal year 2025 was 8.80% of covered payroll for police personnel and 7.06% for fire personnel. This rate was influenced by the issuance of the Taxable Pension Obligation Bonds, Series 2003B and the Special Obligation Revenue Bonds, Series 2020. Differences between the required contribution and actual contribution are due to actual payroll experiences varying from the estimated total payroll used in the generation of the actuarially required contribution rate. Administrative costs are financed through investment earnings.

Net Pension Liability—At September 30, 2025, the City reported a net pension liability for the Consolidated Plan of \$5,439,685. The Consolidated Plan net pension liability was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2024.

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Significant Actuarial Assumptions—The Consolidated Plan total pension liability was determined by an actuarial valuation performed as of October 1, 2024, using the following actuarial methods and assumptions:

<u>Actuarial Assumptions</u>	
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	7.75%
Discount Rate	7.75%

Mortality rates were based on the PubS.H-2010 (Below Median) Combined Fully Generational Mortality Table, set forward one year. 50% of deaths among active members are assumed to be serviced incurred, and 50% are assumed to be nonservice-incurred. Disabled mortality is based 80% on the PubG.H-2010 Disability Retiree Mortality Table and 20% on the PubS.H-2010 Disability Retiree Mortality Table. All rates are projected generationally with Mortality Improvement Scale MP-2021. The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the FRS. The mortality rates used are those outlined in the July 1, 2024 FRS actuarial valuation report for special risk employees with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was conducted in 2017.

Long-Term Expected Rate of Return—The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2025, the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Consolidated Plan's target asset allocation as of September 30, 2025, are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return
Domestic Equity	54.00%	7.50%
International Equity	20.00%	8.50%
Non-Core Fixed Income	11.00%	2.50%
Private Real Estate	15.00%	4.50%
Total	100.00%	

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Discount Rate—The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member and state contributions. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability—

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at October 1, 2024	\$ 352,907,002	\$ 348,139,610	\$ 4,767,392
Changes for the Year:			
Service Cost	5,436,011	-	5,436,011
Interest	26,944,029	-	26,944,029
Share Plan Allocation	1,219,652	-	1,219,652
Differences Between Expected and Actual Experience	8,071,188	-	8,071,188
Changes of Assumptions	3,402,584	-	3,402,584
Contributions - Employer	-	2,852,649	(2,852,649)
Contributions - State	-	2,358,932	(2,358,932)
Contributions - Employee	-	2,993,388	(2,993,388)
Benefit Payments, Including Refunds of Employee Contributions	(21,356,266)	(21,356,266)	-
Net Investment Income	-	36,809,555	(36,809,555)
Administrative Expense	-	(613,353)	613,353
Net Changes	23,717,198	23,044,905	672,293
Balance at September 30, 2025	<u>\$ 376,624,200</u>	<u>\$ 371,184,515</u>	<u>\$ 5,439,685</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate—The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% (Increase) (8.75%)
Net Pension Liability/(Asset)	<u>\$ 48,992,095</u>	<u>\$ 5,439,685</u>	<u>\$ (30,723,003)</u>

Pension Plan Fiduciary Net Position—Detailed information about the Consolidated Plan’s fiduciary net position is available in the separately issued Consolidated Plan financial report.

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources—For the year ended September 30, 2025, the City recognized pension expense for the Consolidated Plan of \$4,825,764. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Consolidated Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 11,208,130	\$ -
Changes of Assumptions	3,747,708	752,386
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	21,400,784
Total	<u>\$ 14,955,838</u>	<u>\$ 22,153,170</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Consolidated Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Pension Expense Amount
2026	\$ 8,646,060
2027	(9,438,847)
2028	(6,626,877)
2029	222,332
Total	<u>\$ (7,197,332)</u>

C. FRS Retirement Benefits

Plan Description—The City's elected officials are eligible to participate in the FRS, a single retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, which consists of two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The FRS Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a DROP available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options.

The Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

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Benefits Provided—Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

The benefits under the HIS Program are described in Section 112.363, Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$7.50 per month per year of service, with a minimum benefit of \$45 per month and maximum benefit of \$225 per month. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy.

Contribution Requirements—The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates for Elected Officials as of September 30, 2025, were 52.57% and 2.00% for FRS and HIS, respectively. The City's contributions for the year ended September 30, 2025, were \$137,060 to the FRS Pension Plan and \$5,360 to the HIS Program.

Pension Liabilities and Pension Expense—The City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The FRS net pension liability was measured as of June 30, 2025, and the HIS net pension liability was measured as of June 30, 2024. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net Pension Liability	\$ 727,687	\$ 76,460
Proportion at:		
Current Measurement Date	0.002344720%	0.000596530%
Prior Measurement Date	0.002565149%	0.000721646%
Pension Expense	\$ 52,709	\$ (1,659)

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Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 29,032	\$ -	\$ 1,245	\$ -
Difference Between Expected and Actual Experience	77,725	-	456	121
Change of Assumptions	84,503	-	677	18,494
Changes of Proportion and Difference Between City Contributions and Proportionate Share of Contributions	115,632	121,495	6,934	21,589
Net Difference Between Projected and Actual Earnings on Pension Investments	-	105,967	-	64
Total	\$ 306,892	\$ 227,462	\$ 9,312	\$ 40,268

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ended September 30, 2026. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending	FRS Amount	HIS Amount
2026	\$ 104,677	\$ (7,512)
2027	(10,783)	(8,121)
2028	(16,099)	(6,286)
2029	(27,397)	(5,640)
2023	-	(4,642)
Total	\$ 50,398	\$ (32,201)

Actuarial Assumptions—The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increases	3.50%	3.50%
Investment Rate of Return	6.70%	N/A
Discount Rate	6.70%	5.20%

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Mortality assumptions for FRS Pension Plan were based on the PUB-2010 base table varying by member category and sex, projected generationally with Scale MP-2021. The HIS Plan was based on the Generational PUB-2010 with Projection Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Assumed Inflation – Mean	-	-	2.4%	1.5%

Note: (1) As Outlined in the Plan's Investment Policy.

Discount Rate—The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

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FRS

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's Proportionate Share of the Net Pension Liability	\$ 1,428,074	\$ 727,687	\$ 140,492

HIS

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's Proportionate Share of the Net Pension Liability	\$ 86,221	\$ 76,460	\$ 68,274

Pension Plan Fiduciary Net Position—Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

D. Summary of Defined Benefit Pension Plans

Below is a summary of the net pension liability, deferred inflows and outflows of resources, and pension expense for all defined benefit pension plans in which the City's employees participate:

Pension Plan	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Income)
Employees' Plan	\$ (41,356,204)	\$ 18,103,542	\$ 70,098,762	\$ (11,041,203)
Consolidated Plan	5,439,685	14,955,838	22,153,170	4,825,764
FRS (Proportionate Share)	727,687	306,892	227,462	52,709
HIS (Proportionate Share)	76,460	9,312	40,268	(1,659)
Total	<u>\$ (35,112,372)</u>	<u>\$ 33,375,584</u>	<u>\$ 92,519,662</u>	<u>\$ (6,164,389)</u>

E. Defined Contribution Pension Plan

Plan Description—The Defined Contribution Pension Plan is open to certain existing City professional and managerial employees. The plan is only available to newly hired at-will professional and managerial employees. The City Commission 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 (IRC). 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 once approved by the City Commission in accordance with applicable State Statute. Plan members are required to contribute 5% of their annual covered salary. The City is required to contribute 10% of covered payroll. During fiscal year 2025, plan members contributed \$341,992 and the City contributed \$202,318.

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Note 11 - OPEB Plan

Plan Description—By ordinance enacted by the City Commission, the City has established the Retiree Health Insurance Program, a single-employer defined benefit postemployment health care plan that covers eligible retired employees. The OPEB Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical coverage as a participant in the City's plan. Administrative costs are financed through investment earnings.

The City issues a publicly available financial report that includes financial statements and required supplementary information for the Retiree Health Insurance Program and Trust Fund. That report may be obtained by writing to City of Gainesville, Finance Department, P.O. Box 490, Gainesville, Florida 32627 or by calling (352) 334-5054.

Benefits Provided—Prior to September 1, 2008, normal or early retirees are subsidized \$10.00 times the number of years of credited service plus \$5.00 times the number of years of age and portion thereof over 65, or minus \$5.00 times the number of years of age and portion thereof under 65, on the date the retiree first enters the Retiree Health Insurance Program or January 1, 2009, whichever is later.

DROP participants who have entered a regular DROP before September 1, 2008, or who have declared their intention to reverse DROP before September 1, 2008, shall have the period of employment while in the regular DROP, or the period of employment after the effective date of commencement of participation in the (reverse) DROP, added to credited service for purposes of the calculation described above.

For disabled retirees, the amount that the City will contribute towards the required premium, for persons who become retirees based upon application for disability retirement submitted before September 1, 2008, will be an amount equal to 80% of the individual premiums of the least costly city group health plan option being offered at that time. The City will contribute towards any other tier of coverage an amount equal to 150% of the individual premium of the least costly City group plan option being offered at that time.

For current retirees age 65 or older on January 1, 2009, the amount the City will contribute towards the required premium will be the greater of the amount contributed for the month of August 2008 or the amount determined under the provisions of the Retiree Health Insurance Program.

After August 31, 2008, normal or early retirees are subsidized \$10.00 times the number of years of credited service plus \$5.00 times the number of years of age and portion thereof over 65, or minus \$5.00 times the number of years of age and portion thereof under 65, on the date the retiree first enters the Retiree Health Insurance Program.

DROP participants who have entered a regular DROP after August 31, 2008, or who have declared their intention to reverse DROP after August 31, 2008, shall not have the period of employment while in regular DROP, or the period of employment after the effective date of commencement of participation in the (reverse) DROP, count as credited service for purposes of the calculation described above.

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For disabled retirees, the amount that the City will contribute towards the required premium, for persons who become retirees based upon application for “in-line-of-duty” disability retirement under the Consolidated Plan or the Employees’ Plan, submitted after August 31, 2008, the City will contribute towards an individual premium an amount equal to 80% of the individual premiums of the least costly City group health plan option being offered at the time the disability retirement is approved. The City will contribute towards any other tier of coverage an amount equal to 150% of the individual premium of the least costly City group plan option being offered at the time the disability retirement is approved. For approved disabilities other than “in-line-of-duty,” the City will contribute 50% of the amount described above.

Those who do not meet the age and service requirements above are eligible for coverage only. Retirees must pay 100% of the active premium rates up to age 65, the 100% of the Medicare supplement premium rate.

Employees Covered by Benefit Terms—At October 1, 2023, the following employees were covered by the benefit terms:

Active Plan Members	2,029
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,543
Total	<u><u>3,572</u></u>

Contributions—The contribution policy of the City is established and may be amended by the City at any time. The annual contribution consists of the normal cost amount developed annually plus, given there is any unfunded actuarial accrued liability (UAAL), an amount to amortize said UAAL over 10 years from inception. For the 2025 fiscal year, the City contributed a total of \$5,387,233 in explicit premiums to the OPEB Plan. The City’s contribution rate is influenced by the issuance of \$35,210,000 Taxable OPEB bonds to retire the UAAL then existing in the Retiree Health Insurance Program Trust Fund.

Investment Policy—The City Commission has the responsibility to develop a policy for the investment of the assets of the Retiree Health Insurance Program Trust Fund. The investment of the assets must be consistent with the written investment policy adopted by the City Commission (Section 2-438 of the Gainesville City Code). The policies are structured to maximize the financial return to the Retiree Health Insurance Program Trust Fund consistent with the risks incumbent in each investment and are structured to establish and maintain an appropriate diversification of the assets. The City Commission periodically undertakes studies to evaluate the potential consequence of alternative investment strategies on the long-term well-being of the Retiree Health Insurance Program Trust Fund.

Net OPEB Liability/(Asset)—At September 30, 2025, the City reported a net OPEB liability/(asset) for the Retiree Health Insurance Program of \$(14,730,983). The net OPEB liability/(asset) was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2025 measurement date.

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Significant Actuarial Assumptions—The total OPEB liability was determined by an actuarial valuation performed as of October 1, 2023, updated to September 30, 2025 measurement date, using the following actuarial methods and assumptions:

Inflation Rate	3.00%
Salary Increase	Service Based
Investment Return Rate	7.75%
Discount Rate	7.75%
Healthcare Cost Trend Rate	8.50%-4.00%

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in the Milliman's July 1, 2023, FRS valuation report. All rates are using mortality improvement scale MP-2018.

Long-Term Expected Rate of Return—The long-term expected rate of return on the Retiree Health Insurance Program Trust Fund investments can be determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expenses, and inflation) are developed for each major asset class. The assumed rate of inflation is 3.0% per year. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following reflects the current target allocation and expected returns:

	Target Allocation	Long-Term Expected Rate of Return
Domestic Equity	70.00%	7.50%
International Equity	20.00%	8.50%
Fixed Income	5.00%	2.50%
Real Estate	5.00%	4.50%
Total	100.00%	

Discount Rate—The discount rate used to measure the total OPEB liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member contributions. Based on those assumptions, the Retirement Health Insurance Program Trust Fund fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in Net OPEB Liability/(Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at October 1, 2024	\$ 62,747,212	\$ 69,866,338	\$ (7,119,126)
Changes for the Year:			
Service Cost	1,522,572	-	1,522,572
Interest	4,653,480	-	4,653,480
Contributions - Employer	-	5,387,233	(5,387,233)
Net Investment Income	-	8,463,787	(8,463,787)
Net Benefit Payments	(8,610,407)	(8,610,407)	-
Administrative Expense	-	(63,111)	63,111
Net Changes	(2,434,355)	5,177,502	(7,611,857)
Balance at September 30, 2025	<u>\$ 60,312,857</u>	<u>\$ 75,043,840</u>	<u>\$ (14,730,983)</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate—The following presents the net OPEB liability/(asset), calculated using the discount rate of 7.75%, as well as what the City's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase) (8.75%)
Net OPEB Liability/(Asset)	<u>\$ (8,192,680)</u>	<u>\$ (14,730,983)</u>	<u>\$ (20,332,077)</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Trend Rate—The following presents the net OPEB liability/(asset), calculated using the health care cost trend rate as well as what the net OPEB liability/(asset) would be if it were calculated using a health care cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability/(Asset)	<u>\$ (21,924,232)</u>	<u>\$ (14,730,983)</u>	<u>\$ (6,183,112)</u>

OPEB Plan Fiduciary Net Position—Detailed information about the Retiree Health Insurance Program's fiduciary net position is available in the separately issued Retiree Health Insurance Program financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources—For the year ended September 30, 2025, the City recognized OPEB expense of \$(2,807,301).

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At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 5,729,118
Changes of Assumptions	2,260,890	5,285,268
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,726,363
Total	<u><u>\$ 2,260,890</u></u>	<u><u>\$ 15,740,749</u></u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ending	OPEB Expense Amount
2026	\$ (2,100,016)
2027	(5,681,148)
2028	(3,041,461)
2029	(1,658,357)
2030	(998,877)
Total	<u><u>\$ (13,479,859)</u></u>

Note 12 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with IRC 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 13 - Long-Term Debt

Governmental Activities

- **\$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. Current Interest Serial Bonds in the amount of \$1,970,000 were paid in full October 1, 2005. For Current Interest Term Bonds in the amount of \$20,125,000, interest is payable semiannually beginning April 1, 2003, and principal is payable annually beginning October 1, 2029. For Capital Appreciation Bonds, in the amount of \$17,947,953, principal is payable annually beginning October 1, 2006. Interest accrues to principal and is payable upon maturity. Interest accreted on unmatured bonds through September 30, 2025, is \$9,832,183. The bonds are not subject to redemption prior to maturity.

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- **\$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 beginning October 1, 2006. Interest payable semiannually beginning October 1, 2003. The bonds are not subject to redemption prior to maturity.
- **\$14,715,000 Revenue Refunding Note, Series 2014** – 2.4% fixed, issued February 14, 2014, final maturity October 1, 2025; payable solely from non-ad valorem revenues. This is a direct borrowing from TD Bank. Proceeds from the note were used to refinance all of the Capital Improvement Revenue Bond Series 2005 Bonds along with closing costs incurred.
- **\$12,435,000 Capital Improvement Revenue Bonds, Series 2014** – 2.00% - 5.00%, issued December 17, 2014, final maturity October 2034; payable solely from non-ad valorem revenues. Principal payable annually beginning October 1, 2015. Interest payable semiannually beginning April 1, 2015. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$2,100,000 of capital improvements for which the debt and assets are reported in the Solid Waste enterprise fund.
- **\$10,426,642 Revenue Refunding Note, Series 2016A** – 2.3% fixed, issued April 15, 2016, final maturity November 1, 2028; payable solely from non-ad valorem revenues. This is a direct borrowing from TD Bank. Proceeds from the note were used to refinance all of the First Florida Governmental Financing Commission Loan, Series 2005 and the First Florida Governmental Financing Commission Loan, Series 2007 and partial refunding of the Capital Improvement Revenue Note, Series 2009 along with closing costs incurred. This note also funded an additional \$1,543,358 for capital improvements in the Solid Waste and Stormwater Management enterprise funds.
- **\$6,630,000 Capital Improvement Revenue Notes, Series 2016B** – 2.4% fixed, issued April 15, 2016, final maturity November 1, 2031; payable solely from non-ad valorem revenues. Annual principal payments begin on November 1, 2017. Semiannual interest payments begin November 1, 2016. This is a direct borrowing with TD Bank. Proceeds from the note are to be used for partial funding of the road resurfacing and repairs and streetscapes.
- **\$8,535,000 Capital Improvement Revenue Note, Series 2019** – 1.97% fixed, issued October 11, 2019, to finance the cost of public safety equipment, vehicles, general capital improvement projects, and other capital costs. Payable solely from non-ad valorem revenues with principal payments due annually, beginning October 1, 2020, with a maturity date of October 1, 2034. Interest payments on the note are due semiannually beginning April 1, 2020.
- **\$206,080,000 Taxable Special Obligation Revenue Bonds, Series 2020** – 0.541% - 3.097% issued September 11, 2020, to retire a portion of the net pension liability for the Employees' Plan and Consolidated Plan. Payable solely from non-ad valorem revenues with principal payments due annually beginning October 1, 2021. Interest is payable semiannually beginning April 1, 2021. Certain portions of the bonds are subject to redemption prior to the stated dates of maturity.

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- **\$11,473,000 Capital Improvement Revenue Refunding Note, Series 2021** – 1.75% fixed, issued April 9, 2021, to refund the Capital Improvement Revenue Bonds, Series 2010 and the Capital Improvement Revenue Note, Series 2017. Payable solely from non-ad valorem revenues with principal payments due annually beginning October 1, 2021, with a maturity date of October 1, 2037. Interest is payable semiannually beginning October 1, 2021. The refunding reduced the City's total debt service payments by \$1,166,994 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,024,871.
- **\$1,335,748 Financed Purchase** – During fiscal year 2025, the City entered into a financed purchase arrangement for public safety equipment (tasers) with a total acquisition cost of \$1,429,195. The financing agreement is accounted for as a long-term obligation of the City and was measured using the City's incremental borrowing rate of 3.5% as of September 30, 2025.

Business-Type Activities – Utility Fund

- **\$156,900,000 Utilities System Revenue Bonds, 2009 Series B – (Federally Taxable)** – Issuer Subsidy – Build America Bonds – 5.147% - 5.655%, dated September 16, 2009, with final maturity of October 1, 2039. The 2009 Series B Bonds are subject to redemption prior to maturity at the election of the City at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2009 Series B Bonds were issued to pay costs of acquisition and construction of the City's utility system.
- **\$12,930,000 Utilities System Revenue Bonds, 2010 Series A (Federally Taxable)** – 5.87%, dated November 1, 2010, final maturity October 1, 2030. The 2010 Series A Bonds are subject to redemption prior to maturity at the election of the City at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption; or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2010 Series A Bonds were issued to: (a) pay costs of acquisition and construction of the City's utilities system, (b) to provide for the payment of certain capitalized interest on the Taxable 2010 Series A Bonds, and (c) to pay the costs of issuance of the Taxable 2010 Series A Bonds.
- **\$132,445,000 Utilities System Revenue Bonds, 2010 Series B – Issuer Subsidy – Build America Bonds (Federally Taxable)** – 6.02%, dated November 1, 2010, final maturity October 1, 2040. The 2010 Series B Bonds are subject to redemption prior to maturity at the election of the City at a redemption price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis plus 12.5 basis points. The 2010 Series B Bonds were issued to: (a) pay costs of acquisition and construction of the City's utilities system, (b) to provide for the payment of certain capitalized interest on the Taxable 2010 Series B Bonds, and (c) to pay the costs of issuance of the Taxable 2010 Series B Bonds.

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- **\$100,470,000 Utilities System Revenue Bonds, 2012 Series B** – Variable interest rates based on market rates, 3.70% at September 30, 2025, dated August 2, 2012, final maturity October 1, 2042. The 2012 Series B Bonds were issued to: (a) refund \$31,560,000 in aggregate principal amount of the 2005 Series B Bonds, (b) provide funds to refund \$17,570,000 in aggregate principal amount of the 2005 Series C Bonds, (c) provide funds to refund \$25,930,000 in aggregate principal amount of the 2006 Series A Bonds, (d) provide funds to refund \$14,405,000 in aggregate principal amount of the 2008 Series A Bonds, and (e) pay costs of issuance of the 2012 Series B Bonds. These bonds mature at various dates through October 1, 2042. The 2012 Series B Bonds are subject to redemption prior to maturity, at a redemption price so specified. In April 2019, the 2019 Series C Bonds (\$67,355,000) were issued to partially refund \$1,860,000 of bonds maturing from October 1, 2021 through October 1, 2023. The refunding was to provide near-term debt relief and stabilize reserves.
- **\$37,980,000 Utilities System Revenue Bonds, 2014 Series A** – 3.25% - 5.00%, dated December 19, 2014, with final maturity October 1, 2044. The 2014 Series A Bonds were issued to: (a) provide funds for the payment of the cost and acquisition and construction of certain improvements to the system, and (b) pay costs of issuance of the 2014 Series A Bonds. These bonds mature at various dates beginning October 1, 2015, and from October 1, 2021 to October 1, 2034, October 1, 2039, and October 1, 2044. The bonds maturing prior to October 1, 2024, are not subject to redemption prior to maturity. The bonds maturing on and after October 1, 2025, are subject to redemption prior to maturity at the option of the City on and after October 1, 2024, as whole or in part at any time, at a redemption price plus interest so specified.
- **\$30,970,000 Utilities System Revenue Bonds, 2014 Series B** – 3.13% - 5.00%, dated December 19, 2014, with final maturity October 1, 2036. The 2014 Series B Bonds were issued to: (a) provide funds to refund \$12,725,000 in aggregate principal amount of a portion of the 2005 Series A Bonds, (b) provide funds to refund \$19,915,000 in aggregate principal amount of a portion of the 2008 Series A Bonds, and (c) pay costs of issuance of the 2014 Series B Bonds. These bonds mature at various dates beginning October 1, 2015, through October 1, 2020, from October 1, 2029 to October 1, 2030, and October 1, 2036. The bonds maturing prior to October 1, 2024, are not subject to redemption prior to maturity. The bonds maturing on and after October 1, 2025, are subject to redemption prior to maturity at the option of GRU on and after October 1, 2024, as whole or in part at any time, at a redemption price plus interest so specified. The 2014 Series B Bonds created a net present value savings of \$1,700,000, with yearly cash savings ranging from approximately \$11,000 to over \$600,000.
- **\$415,920,000 Utilities System Revenue Bonds, 2017 Series A** – 4.00% - 5.00%, dated November 7, 2017, with final maturity on October 1, 2040. The 2017 Series A Bonds were issued concurrently with 2017 Series B and Series C bonds to (a) finance a portion of the costs of acquisition of the GREC Biomass Plant and (b) pay cost of issuance. These bonds mature at various dates beginning October 1, 2018 and ending October 1, 2040. The 2017 Series A Bonds were issued at a premium of \$73,205,458 as serial bonds with the first optional call date of October 1, 2027. These bonds are subject to redemption prior to maturity. On October 28, 2021, a portion of the October 1, 2025 and October 1, 2026, maturities were legally defeased for the purpose of reducing outstanding debt.

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- **\$153,820,000 Utilities System Revenue Bonds, 2019 Series A** – 5.00%, dated April 12, 2019, with final maturity on October 1, 2047. The 2019 Series A Bonds were issued for the primary purpose of: (a) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the System; (b) refunding the outstanding Utilities System Commercial Paper Notes, Series C; and (c) paying costs of issuance of the 2019 Series A Bonds. These bonds were issued at a premium and mature beginning on October 1, 2041 and ending on October 1, 2047. The 2019 Series A Bonds will be subject to redemption prior to maturity at the option of the City on and after October 1, 2029, as a whole or in part at any time, at a redemption price of 100% of the principal amount thereof, plus accrued interest.
- **\$26,665,000 Utilities System Revenue Bonds, 2019 Series B (Federally Taxable)** – 3.875%, dated April 12, 2019 with final maturity on October 1, 2047. The 2019 Series B Bonds were issued for the primary purpose of: (a) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the System; (b) refunding the outstanding Utilities System Commercial Paper Notes, Series D; (c) refunding all of the Utilities System Revenue Bonds, 2005 Series B (Federally Taxable); and (d) paying costs of issuance of the 2019 Series B Bonds. The refunding aggregate debt service presented a present value dissaving of (\$1,881,311). The 2019 Series B Bonds are term bonds and are subject to redemption through the mandatory sinking fund installments on October 1 in the years starting with 2041 at a redemption price of 100% of the principal amount thereof, plus accrued interest.
- **\$67,355,000 Utilities System Revenue Bonds, 2019 Series C** – Variable interest rates based on market rates, 3.58% at September 30, 2025, dated April 26, 2019, with final maturity October 1, 2047. The 2019 Series C Bonds were issued for the primary purpose of: (a) refunding: (i) \$18,515,000 of the 2005 Series C Bonds, (ii) \$13,905,000 of the 2006 Series A Bonds, (iii) \$8,430,000 of the 2007 Series A Bonds, (iv) \$14,200,000 of the 2008 Series B Bonds, and (v) \$1,860,000 of the 2012 Series B Bonds; (b) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the system; and (c) paying costs of issuance of the 2019 Series C Bonds. The present value savings generated from the partial refunding of the 2005 Series C Bonds, 2006 Series A Bonds, 2007 Series A Bonds, 2008 Series B Bonds, and 2012 Series B Bonds was \$8,118,771.
- **\$10,715,000 Utilities System Revenue Bonds, 2020 Series A** – 2.06% dated July 7, 2020, with a final maturity October 1, 2034. These 2020 Series A Bonds were issued to: (a) refund the 2010 Series C Bonds on July 7, 2020, and (b) pay cost of issuance. These bonds are direct placement bonds, and the sale was awarded to Bank of America, N.A. with a fixed rate of 2.06%. The 2020 Series A Bonds mature at various dates beginning October 1, 2020, and every year after with final maturity date of October 1, 2034.
- **\$95,760,000 Utilities System Revenue Bonds, 2021 Series A** – 5.00%, dated August 11, 2021, with final maturity on October 1, 2051. The 2021 Series A Bonds were issued as two subseries, \$39,475,000 as subseries A-1, designated as “Green Bonds”, and \$56,285,000 as subseries A-2. The 2021 Series A Bonds were issued for the primary purpose of: (a) paying the cost of the acquisition, construction, and equipping of certain capital improvements to the system; and (b) pay cost of issuance. The “Green Bonds” have been independently verified by Kestrel Verifiers for certain water distribution and reclamation facility improvements, wastewater collection renewal and replacement, and reclaimed water recharge projects. These bonds mature at various dates beginning October 1, 2042 and ending October 1, 2051. The 2021 Series A Bonds were issued at a premium of \$30,032,591 as term bonds with the first optional call date of October 1, 2031. These bonds are subject to redemption prior to maturity.

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- **\$66,755,000 Utilities System Revenue Bonds, 2022 Series A** – 1.51%, dated July 14, 2022, with final maturity on October 1, 2028. The 2022 Series A Bonds were issued to: (a) refund the 2012 Series A Bonds, and (b) pay cost of issuance. These bonds are tax-exempt, forward delivery direct placement bonds and the sale was awarded to Bank of America, N.A. with a fixed rate of 1.51%. The 2022 Series A Bonds mature at various dates beginning October 1, 2022, and every year after with a final maturity date of October 1, 2028. The refunding of the \$66,075,000 of the 2012 Series A Bonds generated a net present value savings of \$4,891,334.
- **\$234,045,000 Utilities System Revenue Bonds, 2022 Series B** – 2.847%, dated April 29, 2022, with final maturity on October 1, 2038. These 2022 Series A Bonds were issued to: (a) refund the 2007 Series A Bonds and 2008 Series B Bonds, b) terminate derivative instruments associated with the 2007 Series A Bonds and 2008 Series B Bonds, and (c) pay the cost of issuance. The 2022 Series B Bonds fully redeemed \$127,750,000 of the 2007 Series A Bonds and \$75,800,000 of the 2008 Series B Bonds and terminated \$132,170,000 notional outstanding on the 2007 Series A swap and \$90,000,000 notional outstanding on the 2008 Series B swaps. The net present value savings generated with the issuance of the 2022 Series B Bonds was \$4,088,915. These bonds are direct placement bonds, and the sale was awarded to Bank of America, N.A. with a fixed rate of 2.847%. The 2022 Series B Bonds mature at various dates beginning October 1, 2022, and every year after with final maturity date of October 1, 2038.
- **\$160,000,000 Utilities System Revenue Bonds, 2023 Series A** – Variable interest rate based on market rates, 3.98% at September 30, 2025, dated May 1, 2023, and issued concurrently with 2023 Series B as replacements for the 2017 Series B, 2017 Series C, and 2020 Series B direct placements originally to: (a) finance a portion of the costs of acquisition of the GREC Biomass Plant, and (b) pay cost of issuance. These bonds are direct placement bonds and the sale was awarded to Truist Commercial Equity, Inc. The 2023 Series A Bonds replaced the 2017 Series B and C Bonds. There was no economic gain or loss realized with this transaction as these direct placements are contractually renegotiated every three years. The 2023 Series A Bonds have principal payments starting on October 1, 2040 and ending with October 1, 2047. The following are terms of the agreement with Truist: (a) GRU pays variable rate at 79% of 1 Month SOFR, and (b) bank fee at .57%, calculated on the basis of 360 days. The contract termination date is May 1, 2026.
- **\$105,000,000 Utilities System Revenue Bonds, 2023 Series B** – Variable interest rate based on market rates, 4.28% at September 30, 2025, dated May 1, 2023, and issued concurrently with 2023 Series A as replacements for the 2017 Series B, 2017 Series C, and 2020 Series B direct placements originally to: (a) finance a portion of the costs of acquisition of the GREC Biomass Plant, and (b) pay cost of issuance. These bonds are direct placement bonds and the sale was awarded to TD Bank, N.A. The 2023 Series B Bonds replaced the 2020 Series B Bonds. There was no economic gain or loss realized with this transaction as these direct placements are contractually renegotiated every three years. The 2023 Series B Bonds have principal payments starting on October 1, 2040 and ending with October 1, 2044. The following are terms of the agreement with TD Bank: (a) GRU pays variable rate at 80% of 1 Month SOFR, and (b) bank fee at .53%, calculated on the basis of 360 days. The contract termination date is May 1, 2026.

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- **\$151,210,000 Utilities System Revenue Bonds, 2023 Series C** – Variable interest rate based on market rates, 4.28% at September 30, 2025, issued on June 22, 2023, for the primary purpose of: (a) paying the costs of the acquisition, construction, and equipping of certain capital improvements to the System; and (b) paying costs of issuance. These bonds are direct placement bonds and the sale was awarded to TD Bank, N.A. The 2023 Series C Bonds have principal payments starting on October 1, 2048 and ending with October 1, 2053. The following are terms of the agreement with TD Bank: (a) GRU pays variable rate at 81.5% of 1 Month SOFR, and (b) bank fee at .57%, calculated on the basis of 360 days. The contract termination date is June 22, 2026.

The Utility's 2009 Series B and 2010 Series B Bonds receive a federal interest subsidy of 33% of the annual interest expense and are assumed to remain at said rate through the sequestration period of 2030. The sequestration period will be applied unless and until a law is enacted that cancels or otherwise affects the sequestration reduction rate. The subsidy is recorded as nonoperating revenue on the statement of revenues, expenses, and changes in fund net position.

For the Utility's utilities system variable rate demand obligations (VRDO), support is provided in connection with tenders for purchase with various liquidity providers pursuant to Stand-by Bond Purchase Agreements (SBPA) or credit agreements relating to that series of obligations. The purchase price of the obligations tendered or deemed tendered for purchase is payable solely from the proceeds of the remarketing thereof and funds drawn under the applicable SBPA or credit agreement. The current stated termination dates of the SBPA and credit agreements range from April 24, 2027 to April 25, 2028. Each of the SBPA and credit agreement termination dates may be extended. At September 30, 2025, there were no outstanding draws under any of the SBPAs. Available credits including interest, under each VRDO, are as follows: \$89,592,986 for 2012 Series B, and \$67,513,025 for 2019 Series C.

Liquidity Facilities as of September 30, 2025, were as follows:

LIQUIDITY FACILITIES							
						Par (000)	
Series	Series Type	Facility	Term Date	Fee	Remarketing Agent	O/S or LOC	Amounts Drawn
2012B	Daily VRDO	Truist	04/24/27	43 bps	JP Morgan	88,545	0
2018A (LOC)	TE LOC	SunTrust	11/21/27	25 bps	NA	25,000	0
2019C	Daily VRDN	Bank of America	04/25/28	39 bps	Bank of America	66,745	0
2020A (LOC)	Taxable LOC	Truist	11/21/27	30 bps	NA	50,000	0
2022A/B	TE/Taxable	US Bank	12/20/27	38 bps	NA	150,000	0

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Cash Defeasance

On August 29, 2025, \$19,526,292 in cash, \$19,070,392 from restricted assets reserved for debt defeasance purposes and \$455,900 from operating cash, were used to defease \$18,230,000 of the 2017 Series A bonds, specifically the 2028 maturity year. The \$19,526,292 included \$374,728 in accrued interest and was used to purchase State and Local Government Series (SLGS) securities held in an irrevocable trust account to pay future debt service payments. Those bonds are no longer reflected as a liability on the Utility's financial statements. Prior debt service cash flow on those bonds was \$21,420,250 for years 2025 through 2028, generating net savings of \$1,893,958 in interest. Total debt outstanding at September 30, 2025, on the 2017 Series A bonds is \$294,240,000.

On September 1, 2025, \$8,352,646 in cash, \$7,911,212 from restricted assets reserved for debt defeasance purposes, and \$441,434 from operating cash, were used to redeem \$8,190,000 of the 2014 Series A bonds, partially redeeming 2026 through 2044 maturity years. The \$8,352,646 included \$162,646 in accrued interest. Those bonds are no longer reflected as a liability on GRU's financial statements. Prior debt service cash flow on those bonds was \$12,887,531 for years 2025 through 2044, generating net savings of \$4,534,885 in interest. Total debt outstanding September 30, 2025, on the 2014 Series A bonds is \$25,835,000.

Revocable Trust Account

On October 28, 2021, a portion of the October 1, 2025, 2009 Series B maturity totaling \$1,130,000 was allocated to a revocable trust specifically established to ensure future payments on the outstanding debt. This strategic move aimed to achieve short-term savings in debt service, targeting anticipated spikes in debt service payments during the fiscal years 2022-2026, thereby making them more manageable. The transaction facilitated GRU's continued receipt of the Build America Bonds subsidy while circumventing the high costs associated with a make-whole call redemption. It also enabled GRU to focus on a single maturity effectively. An escrow agreement was established with U.S. Bank N.A., and the account was fully funded at closing. A total of \$1,336,702 was deposited into the escrow account to purchase securities, including a cash deposit of \$28,711. Cash flow from the escrow account is anticipated to fund payment dates covering the period from April 1, 2022 to October 1, 2025. The revocable trust account has a market value of \$1,161,669 at September 30, 2025.

Irrevocable Trust Account

As of September 30, 2025, the amount of outstanding bonds considered defeased is \$18,230,000. The irrevocable trust accounts have recorded balances of \$47,793,142 at September 2025, from prior lien bonds defeased in October 2021, October 2022, and September 2024. These balances are deemed sufficient to service and redeem the defeased bonds currently outstanding.

To further comply with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Utility states Article VIII Events of Default and Remedies of Bondholders, Section 801, in the Second Amended and Restated Utilities System Revenue Bond Resolution adopted September 21, 2017, in order to provide more information as it relates to: (1) events to default with finance-related consequences, (2) termination events, and (3) subjective acceleration clauses.

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EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 801.Events of Default. If one or more of the following Events of Default shall happen:

- (i) if default shall be made in: (a) the due and punctual payment of the principal or Redemption Price of any Bond (other than Parity Reimbursement Obligations) when and as the same shall become due and payable, whether at maturity or by call or proceedings for redemption, or otherwise, (b) in the due and punctual payment of any amounts due on Parity Reimbursement Obligations (after the lapse of any notice requirements or grace periods, or both, as provided by the applicable Parity Reimbursement Obligation);
- (ii) if default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment, when and as such interest installment or Sinking Fund Installment shall become due and payable;
- (iii) the Revenues in any Fiscal Year shall be inadequate to comply with the requirements of Section 710 hereof, unless the City promptly takes remedial action to ensure compliance thereafter consistent with the determination of the Consulting Engineer rendered pursuant to paragraph 4 of Section 713 hereof;
- (iv) if default shall be made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part in the Resolution or in the Bonds contained, and such default shall have continued for a period of 90 days after written notice specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" hereunder is given to the City by the Trustee or to the City and to the Trustee by the Holders of not less than 25% in principal amount of the Bonds Outstanding; provided, however, the City shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the City in good faith institutes applicable curative action and within 90 days of such notice diligently pursues such action until the default has been corrected;
- (v) a court having jurisdiction in the premises shall enter a decree or order providing for relief in respect of the City in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the City or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of ninety (90) days; or
- (vi) the City shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the City or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any action in furtherance of the foregoing; then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already

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become due and payable, either the Trustee (by notice in writing to the City and the Co-Trustee, if any), or the Holders of not less than 25% in principal amount of the Bonds Outstanding (by notice in writing to the City, the Trustee and the Co-Trustee, if any), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding. The right of the Trustee or of the Holders of not less than 25% in principal amount of the Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest on the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the Trustee and the Co-Trustee, if any, and all other sums then payable by the City under the Resolution, including, without limitation, Parity Hedging Contract Obligations then due (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration), shall either be paid by or for the account of the City or provision satisfactory to the Trustee and the Co-Trustee, if any, shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of 25% in principal amount of the Bonds Outstanding, by written notice to the City, the Trustee and the Co-Trustee, if any, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of 25% in principal amount of the Bonds Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default shall ipso facto be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Business-Type Activities - Nonutility Notes

- **\$4,312,000 State Revolving Loan – Depot Park Remediation** – In an agreement dated December 9, 2004, the Florida Department of Environmental Protection issued the City a loan not to exceed \$16,360,500 (including \$360,500 of capitalized interest) for remediation of the Depot Park area for stormwater improvements. The loan was amended on September 9, 2008, to reduce the available principal from \$16,000,000 to \$4,312,000 as the Utility chose to withdraw from the program before drawing any funds. The loan is made interest-free but includes a 1.97% annual grant allocation assessment rate and a one-time 2% loan service fee. Repayment began September 2007 and will continue semiannually until the balance is repaid. The loan is payable from non-ad valorem revenues, including stormwater fees.
- **\$2,100,000 Capital Improvement Revenue Bonds, Series 2014** – 2.00% - 5.00%, issued December 17, 2014, final maturity October 2034; payable solely from non-ad valorem revenues. Principal payable annually on October 1, beginning 2015. Interest payable semiannually beginning April 1, 2015. The bonds are not subject to redemption prior to maturity. This note also funded an additional \$12,435,000 of capital projects for governmental activities.

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- **\$1,543,358 Revenue Refunding Note, Series 2016A** – 2.3% fixed, issued April 15, 2016, final maturity November 1, 2028; payable solely from non-ad valorem revenues. This is a direct borrowing from TD Bank. Proceeds from the Note were used to refinance all of the First Florida Governmental Financing Commission Loan, Series 2005 and the First Florida Governmental Financing Commission Loan, Series 2007 and partial refunding of the Capital Improvement Revenue Note Series 2009 along with closing costs incurred. This note also funded an additional \$10,426,642 of capital projects for government activities.

Events of Default—Each of the following events is considered an “event of default” per the City’s debt agreements and Resolution:

- Payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or
- The Issuer shall fail to make any deposits required to be made hereunder or shall otherwise fail to comply with any of the covenants and obligations of the Issuer hereunder and such failure shall continue unremedied for a period of thirty (30) days after such failure to deposit or other such occurrence; or
- An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or
- Any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Revenues. Notwithstanding the foregoing, with respect to the events described in clause (b), the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

Enforcement Remedies—Upon the happening and continuance of any event of default specified above, then and in every such case the holders of not less than twenty-five percent (25%) of the bond obligation may appoint any state bank, national bank, trust company, or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the holders of all bonds then outstanding (the “Default Trustee”). Notice of such appointment, together with evidence of the requisite signatures of the holders of twenty-five percent (25%) of the bond obligation and each of the bond insurers, if any, and the trust instrument under which the Default Trustee shall have agreed to serve shall be filed with the City and the Default Trustee and notice of such appointment shall be published in THE BOND BUYER or a financial journal of general circulation in the City of New York, New York and mailed to the registered holders of the bonds. No more than one Default Trustee may be appointed and serving hereunder at any one time; however, the holders of a majority of the bond obligation and the bond insurer, if any, acting jointly, may remove the Default Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Default Trustee was appointed is cured or waived pursuant to this debt agreement, the appointment of the Default Trustee shall terminate with respect to such default.

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After a Default Trustee has been appointed pursuant to the foregoing, the Default Trustee may proceed, and upon the written request of holders of twenty-five percent (25%) of the Bond Obligation shall proceed, to protect and enforce the rights of the bondholders under the laws of the State of Florida, including the Act, and under the Resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Default Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the City under the Resolution, the Default Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, interest, or otherwise under any provisions of the Resolution or of such bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest, at the rate or rates of interest specified in such bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such bonds, without prejudice to any other right or remedy of the Default Trustee or of the bondholders, and to recover and enforce any judgment or decree against the City, but solely as provided herein and in such bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Debt Service Fund, and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

Additional information regarding the Utility's "Events of Default and Remedies of Bondholders" may be found in the separately issued reports of the Utility.

Debt Service Requirements for Long-Term Debt

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

Year Ending September 30,	Governmental Activities			
	Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 3,206,778	\$ 433,532	\$ 12,072,472	\$ 10,709,871
2027	2,924,440	366,097	13,044,739	10,768,005
2028	2,990,453	301,100	14,070,495	10,806,565
2029	2,953,605	235,734	17,315,730	6,210,815
2030	1,935,000	179,380	18,937,118	5,605,848
2031-2035	6,460,000	413,065	82,938,316	18,089,347
2036-2040	1,236,000	32,515	69,340,000	7,484,645
2041-2045	-	-	6,640,000	314,346
Total	<u>\$ 21,706,276</u>	<u>\$ 1,961,423</u>	<u>\$ 234,358,870</u>	<u>\$ 69,989,442</u>

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Year Ending September 30,	Business-Type Activities			
	Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 22,733,578	\$ 24,281,077	\$ 17,363,433	\$ 49,695,038
2027	22,960,689	23,772,372	16,307,045	48,830,948
2028	20,586,380	23,296,409	12,425,658	48,085,681
2029	20,974,569	22,850,578	11,894,270	47,446,823
2030	10,205,000	22,480,353	42,362,883	43,969,384
2031-2035	125,585,000	102,950,818	174,411,683	183,054,545
2036-2040	52,985,000	88,714,377	308,855,000	124,739,291
2041-2045	156,915,000	71,046,405	230,735,000	56,274,115
2046-2050	146,985,000	37,223,210	183,050,000	18,130,768
2051-2055	112,310,000	10,899,903	24,175,000	1,223,375
Total	\$ 692,240,216	\$ 427,515,502	\$ 1,021,579,972	\$ 621,449,968

The interest rates used in this table for variable rate debt are those in effect as of September 30, 2025, as described above for each individual issue.

Pledged Revenues

The Utility's revenues net of specified operating expenses are pledged as security of the above Utilities System Revenue Bonds and Commercial Paper Notes. For fiscal year 2025, principal and interest paid was \$134,456,653 and total pledged revenues was \$506,482,077. As of September 30, 2025, annual principal and interest payments are expected to require 20% of pledged revenues on average.

The Resolution contains certain restrictions and commitments, including the Utility's covenant to establish and maintain rates and other charges to produce revenue sufficient to pay operation and maintenance expenses, amounts required for deposit in the debt service fund, and amounts required for deposit in the utility plant improvement fund.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
Revenue Bonds and Loans	\$ 7,481,656	\$ -	\$ (641,625)	\$ 6,840,031	\$ 671,568
Bond Premium	485,479	-	(47,364)	438,115	-
Pension Obligation Bonds	238,032,362	-	(10,513,523)	227,518,839	11,400,904
Accreted Interest	11,974,050	-	(2,141,867)	9,832,183	3,504,096
Total Bond Payable	257,973,547	-	(13,344,379)	244,629,168	15,576,568
Revenue Note	25,148,269	-	(4,491,902)	20,656,367	2,957,686
Lease Liability	114,180	-	(75,038)	39,142	31,115
SBITA Liability	7,424,930	2,094,916	(2,051,727)	7,468,119	1,472,689
Financed Purchase	-	1,335,748	(285,839)	1,049,909	249,092
Compensated Absences	5,679,972	575,160	-	6,255,132	4,019,199
Total	\$ 296,340,898	\$ 4,005,824	\$ (20,248,885)	\$ 280,097,837	\$ 24,306,349

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds Payable:					
Utility Revenue Bonds	\$ 1,773,860,000	\$ -	\$ (61,760,000)	\$ 1,712,100,000	\$ 39,720,000
Add: Issuance Premiums	81,626,821	-	(8,430,198)	73,196,623	-
Total Utility Revenue Bonds	1,855,486,821	-	(70,190,198)	1,785,296,623	39,720,000
Other Bonds Payable	1,263,345	-	(108,375)	1,154,970	113,433
Total Bonds Payable	1,856,750,166	-	(70,298,573)	1,786,451,593	39,833,433
Other Notes Payable	822,470	-	(257,252)	565,218	263,578
Lease Liability	405,674	-	(145,384)	260,290	129,981
SBITA Liability	5,327,408	881,561	(1,696,576)	4,512,393	2,057,449
Compensated Absences	6,215,198	203,247	-	6,418,445	3,209,224
Total	\$ 1,869,520,916	\$ 1,084,808	\$ (72,397,785)	\$ 1,798,207,939	\$ 45,493,665

The liability for compensated absences had a net increase of \$571,160 and \$203,247 for governmental activities and business-type activities, respectively.

Note 14 - Conduit Debt

The City issued Continuing Care Retirement Community Revenue Refunding Notes 2017A the purpose of providing funds to refinance certain obligations of Oak Hammock at the University of Florida, Inc. (the Borrower). The note is payable solely from revenues of the Borrower. As of September 30, 2025, the aggregate principal amount remaining on the note is \$12,905,000.

There is no obligation on the part of the City, County, State, or any political subdivision for repayment of the bonds or notes. Accordingly, the conduit debt is not reported as liabilities in the accompanying financial statements.

Note 15 - Fund Balance Classification and Restricted Net Position

Fund balances for major and nonmajor governmental funds as of September 30, 2025, are classified as follows:

	General Fund	Nonmajor Governmental Funds	Totals
Nonspendable			
Inventory, Prepaids, and Deposits	\$ 86,234	\$ 243,948	\$ 330,182
Long-Term Receivable	130,632,948	-	130,632,948
Cemetery Trust	-	973,501	973,501
Total Nonspendable	130,719,182	1,217,449	131,936,631
Restricted for			
Cemetery Trust	-	855,457	855,457
City Building Improvements	-	411,674	411,674
Community Redevelopment	-	31,598,051	31,598,051
Cultural Events	-	38,972	38,972
Equipment Replacements	-	1,755,031	1,755,031
Housing and Community Development	-	2,852,694	2,852,694
Infrastructure	-	22,051,929	22,051,929

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	General Fund	Nonmajor Governmental Funds	Totals
Land Acquisitions	\$ -	\$ 209,499	\$ 209,499
Police Mentoring Programs	-	67,229	67,229
Police Programs	-	178,372	178,372
Public Safety	-	265,208	265,208
Recreation Facilities	-	35,414,725	35,414,725
Recreation Programs	-	5,021,567	5,021,567
Road Improvements	-	4,153,549	4,153,549
Transportation Improvements	-	5,955,200	5,955,200
Tree Mitigation	-	15,205,314	15,205,314
Total Restricted	-	126,034,471	126,034,471
Committed for			
Cultural Events	-	472,882	472,882
Economic Development	-	228,155	228,155
Homeless Assistance	-	1,694,640	1,694,640
Housing and Community Development	-	20,679	20,679
Neighborhood Improvements	-	2,071,226	2,071,226
Police Services - Other	-	87,595	87,595
Total Committed	-	4,575,177	4,575,177
Assigned for			
City Building Improvements	-	2,542,958	2,542,958
Debt Service Principal and Interest	5,504,730	126	5,504,856
Economic Development	-	1,421,258	1,421,258
Equipment Replacement	-	505,128	505,128
Homeless Assistance	-	1,199,572	1,199,572
Information Technologies	3,194,000	2,842,515	6,036,515
Land Acquisitions	-	175,905	175,905
Other Purposes	-	25,642	25,642
Public Safety	-	2,842,515	2,842,515
Road Improvements	-	4,475,315	4,475,315
Subsequent Year's Budget	7,087,483	-	7,087,483
Total Assigned	15,786,213	16,030,934	31,817,147
Total Unassigned	49,949,644	(1,745,401)	48,204,243
Total Fund Balances	\$ 196,455,039	\$ 146,112,630	\$ 342,567,669

Restricted Net Position

The government-wide statement of net position reports \$230,466,463 of restricted net position, of which \$101,717,163 is restricted by enabling legislation.

CITY OF GAINESVILLE, FLORIDA
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Note 16 - Interfund Receivables, Payables, Advances, and Transfers

Due to/from Other Funds

	Payable Fund			
	Utility	Nonmajor Governmental	Nonmajor Enterprise	Due from Other Funds
Receivable Fund				
General	\$ 107,290,783	\$ 1,852,901	\$ 32,046,785	\$ 141,190,469
Nonmajor Governmental	810	-	-	810
Internal Service	-	711,711	-	711,711
Nonmajor Enterprise	1,543,180	-	-	1,543,180
Total Due to Other Funds	\$ 108,834,773	\$ 2,564,612	\$ 32,046,785	\$ 143,446,170

An interfund payable in the amount of \$6,673,274 from nonmajor enterprise funds to the General Fund resulted from Regional Transit System overdrawing their share of the pooled cash account. Approximately \$3.1 million of this balance is not expected to be paid within one year. The \$1,852,091 due to the General Fund from nonmajor governmental funds is an interfund payable resulting from certain funds overdrawing their share of the pooled cash account.

The Utility Fund and nonmajor enterprise funds recorded a due to the General Fund of \$131,292,277 for their share of the pension contribution expense related to Pension Obligation Bonds, Series 2003A and Special Obligation Revenue Bond, Series 2020, with \$125,787,548 not expected to be paid within one year.

All remaining balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

	Transfers Out					Total Transfers Out
	General	Utility	Nonmajor Governmental	Internal Service	Nonmajor Enterprise	
Transfers In						
General	\$ -	\$ 8,505,224	\$ 170,065	\$ -	\$ -	\$ 8,675,289
Nonmajor Governmental	27,743,182	-	4,057,006	346,938	3,288,452	35,435,578
Nonmajor Enterprise	814,930	-	67,479	-	-	882,409
Internal Service	54,999	-	6,565	153,343	-	214,907
Total Transfers In	\$ 28,613,111	\$ 8,505,224	\$ 4,301,115	\$ 500,281	\$ 3,288,452	\$ 45,208,183

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The Utility transfer totaling \$8,505,224 to the General Fund is based on a formula approved by the Utility and is predominantly tied to the Utility's revenue generation. For more detail on the formula, refer to the separately issued financial statements for the Utility. The General Fund transferred \$30,266,704 to Nonmajor Governmental Funds, mainly the Debt Service Funds for scheduled debt service payments. Other interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

Note 17 - Leases

Lessee

Governmental Activities

The City has a lease for a temporary Fire Station, a lease for storage space, and mailing equipment. These are all considered building and equipment rental agreements. The City's leased assets and accumulated amortization are included in Note 8 - Capital Assets under the general asset class.

Lease agreements in which the City is a lessee are summarized as follows:

Description	Lease Inception Date	End Date	Monthly Payment Amount	Interest Rate	Initial Lease Liability	Balance 9/30/2025
Creative Warehouse - Storage	10/21/2020	10/31/2025	\$ 1,056	3.50%	\$ 46,874	\$ 6
Temporary Fire Station Space	10/1/2021	9/30/2026	2,020	3.50%	124,157	25,987
Mailing Equipment	3/30/2023	3/29/2028	460	3.50%	25,422	13,149
Total Lease Agreements					<u>\$ 196,453</u>	<u>\$ 39,142</u>

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 31,115	\$ 892	\$ 32,007
2027	5,304	212	5,516
2028	2,723	36	2,759
Total Governmental	<u>\$ 39,142</u>	<u>\$ 1,140</u>	<u>\$ 40,282</u>

Business-Type Activities

The Utility leases communication tower antenna ground space, fiber optics, and equipment from third parties. Lease terms range from 1 to 6 years. Several leases have an option to extend the lease term after completion of the contracted term. The incremental borrowing rates range from 3.5% to 5.25% as of September 30, 2025. The Utility leased assets and accumulated amortization are included in Note 8 - Capital Assets under the general asset class. There were no commitments prior to the commencement of the lease contracts, and no lease impairments as of September 30, 2025.

CITY OF GAINESVILLE, FLORIDA
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Principal and Interest Requirements to Maturity

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 129,981	\$ 8,592	\$ 138,573
2027	67,872	4,117	71,989
2028	50,854	1,630	52,484
2029	11,583	199	11,782
Total Business-Type	\$ 260,290	\$ 14,538	\$ 274,828

Lessor

Governmental Activities

The City leases several City-owned buildings and properties. The lease contract terms vary from 1 to 15 years, which includes options to extend. There was no receipt of variable or other lease payment prior to the commencement of the contracts. The incremental borrowing rate was 3.5% as of September 30, 2025. Lease interest income was \$20,418 for September 30, 2025. Lease revenue was \$119,371 for September 30, 2025.

Utility Fund

The Utility leases communication tower antenna space to various third-party wireless communications service providers on eleven communication towers and two water towers throughout our service territory. Two of the five transmitter sites for the county-wide public safety radio system are also located on these communication towers.

Lease contract terms vary from 1 to 34 years, which includes options to extend. There was no receipt of variable or other lease payment prior to the commencement of the contracts. The incremental borrowing rate was 3.5% to 5.25% as of September 30, 2025. The total lease interest was \$708,105 for September 30, 2025, and the lease revenue was \$1,245,385 for September 30, 2025.

Note 18 - Subscription-Based Information Technology Arrangements

The City has entered into SBITAs involving:

- Fleet Management Software
- Police Body Cameras and Video Storage
- Citizen Engagement Software
- Geographic Information System Software
- EMS Health Record and Mobile Integrated Health Management System
- Bus Management Software
- Document Management Software
- Utility Billing Software
- Various Desktop and Service Subscriptions

CITY OF GAINESVILLE, FLORIDA
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SBITA terms range from 1 to 5 years and some have an option to extend the arrangement beyond the current term. Subscription agreements that have terms for more than one year are recorded as a right-to-use asset and are amortized over the life of the arrangement term. The City's subscription assets and the related accumulated amortization are included in Note 8 - Capital Assets. There were no commitments prior to the commencement of the subscription agreements and no subscription impairments as of September 30, 2025.

The following table summarizes future subscription fees and the accrued interest as of September 30, 2025:

Principal and Interest Requirements to Maturity

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,472,689	\$ 250,063	\$ 1,722,752
2027	1,314,768	209,428	1,524,196
2028	1,250,281	163,804	1,414,085
2029	1,142,042	120,063	1,262,105
2030-2032	2,288,339	120,247	2,408,586
Total Governmental	\$ 7,468,119	\$ 863,605	\$ 8,331,724
Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 2,057,449	\$ 160,349	\$ 2,217,798
2027	1,100,516	93,297	1,193,813
2028	563,587	57,389	620,976
2029	486,700	34,557	521,257
2030	304,141	13,686	317,827
Total Business-Type	\$ 4,512,393	\$ 359,278	\$ 4,871,671

Note 19 - Commitments and Contingencies

Utility Industry

The primary factors currently affecting the utility industry include environmental regulations, operating, planning and critical infrastructure protection standards promulgated by the North American Electric Reliability Corporation under Federal Regulatory Commission jurisdiction, and the increasing strategic and price differences among various types of fuels. No state or federal legislation is pending or proposed at this time for retail competition in Florida. Detailed information regarding factors that affect the utility can be found in the separately issued financial statements of the Utility at www.gru.com/About-GRU/Investor-Relations.

Remediation Sites

Several site investigations have been completed at the JRK Station. According to previous assessments, the horizontal extent of impacted soils extends from the northern containment wall of the above-ground storage tanks to the wastewater filter beds and from the old plant building to Sweetwater Branch Creek.

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The results of the most recent soil assessment documented the presence of Benzo(a)*pyrene* in one soil sample at a concentration greater than its default commercial/industrial direct exposure based soil cleanup target levels (SCTLs). Four of the soil samples contained Benzo(a)*pyrene* equivalents at concentrations greater than its default commercial/industrial direct exposure based SCTLs. In addition, two of the soil samples contained total recoverable petroleum hydrocarbons at concentrations greater than its default commercial/industrial direct exposure based SCTLs.

Following the submittal of the August 2013 No Further Action Proposal, the Florida Department of Environmental Protection (FDEP) prepared comments regarding the No Further Action Proposal and provided them to GRU in a letter dated January 10, 2014. In August of 2014, GRU provided responses to the FDEP's January 2014 comment letter. In March of 2016, an attempt was made to meet with the FDEP, but a time was not set up for the meeting. The delay in responding to GRU's comments was due in part to the FDEP's waiting on resolution of the request to use an active hydraulic containment system as an engineering control. Ultimately, the FDEP rejected the use of the active containment system as an engineering control. On April 17, 2017, the FDEP provided comments on GRU's August 2014 response to the FDEP's January 2014 comment letter. The FDEP requested further assessment of the extent of No. 6 fuel oil in the subsurface. GRU's response proposed additional soil investigation to assess the extent of No. 6 fuel oil, both as a nonaqueous phase liquid and as stained soils. GRU also proposed temporarily shutting down the groundwater recovery system and evaluating whether free product returns to the wells. This information will be used to evaluate what actions will be needed to recover free product, if any is detected.

The FDEP had requested a supplemental site assessment (SSA) be conducted to assess the nature and extent of non-aqueous phase liquids (NAPL), soil impacts, and groundwater quality impacts at the J.R. Kelly site. Environmental Consulting & Technology (ECT), one of GRU's consultants, conducted a supplemental site assessment and submitted the results to the FDEP in the June 2022 Supplemental Site Assessment Report. On July 19, 2022, the FDEP sent a response letter requesting additional assessment to complete delineation of target analytes at the J.R. Kelly Generating Station site.

The results of the additional assessment were submitted to FDEP with the findings that the extent of impact has not been fully defined. The FDEP has requested GRU conduct additional assessment such that complete delineation is achieved, and a Remedial Action Plan can be developed to address all impacts to all media. In March and July 2023, an additional assessment was conducted and the results are in review for the development of a report to submit to the FDEP.

In January 2024, a Supplemental Site Assessment Report was submitted to the FDEP recommending additional soil assessment in the southern portion of the site. In June 2024, GRU received a comment letter from the FDEP regarding the January 2024 Supplemental Site Assessment Report requesting additional assessment beyond the initial recommendations.

In August 2024, ECT prepared a response to the FDEP's request. In October 2024, the FDEP concurred with ECT's recommendations.

ECT proposes to conduct additional soil sampling activities based on the FDEP comment/approval letter dated October 17, 2024 for the further assessment of the extent of target analytes at the site as required by Chapter 62-780, F.A.C.

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A Supplemental Site Assessment Report, Addendum 4, dated/received July 29, 2025, was prepared by ECT and submitted to the FDEP. The FDEP provided GRU with response to this report dated November 7, 2025. ECT is currently preparing a scope of work to respond to the FDEP's request in their November 7th response which will include additional assessment.

Manufactured Gas Plant

The City's natural gas system originally distributed blue water gas, which was produced in town by gasification of coal using distillate oil. Although manufactured gas was replaced by pipeline gas in the mid-1950's, coal residuals and spilt fuel contaminated soils remain on and adjacent to the manufactured gas plant (MGP) site. When the natural gas system was purchased, GRU assumed responsibility for the investigation and remediation of environmental impacts related to the operation of the former MGP. GRU has pursued recovery for the MGP from past insurance policies and, to date, has recovered \$2,204,402 from such policies. GRU received final approval of its Remedial Action Plan, which included the excavation and landfilling of impacted soils. This plan was implemented pursuant to a Brownfield Site Rehabilitation Agreement with the state.

A soil excavation was conducted to remove visibly stained soils and soils containing free phase coal tar. During the soil excavation, it was discovered that the extent of the stained soils and coal tar was exceeded beyond the limits of the planned excavation. Following the removal of the contaminated soils and construction of the park, groundwater sampling was conducted to evaluate the groundwater quality and evaluate the effects of the coal tars that were not removed during the soil excavation. Currently, the site is in a monitoring phase to assess the extent of the dissolved coal tar constituents in the aquifer and evaluate options for site closure.

Following remediation, the property has been redeveloped by the City as a park with storm water ponds, nature trails, and recreational space, all of which were considered in the remediation plan's design. The duration of the groundwater monitoring program is unknown, and that timeframe is open to the results of the sampling data.

Based upon GRU's analysis of the cost to clean up this site, GRU has accrued a liability to reflect the costs associated with the cleanup effort. During fiscal years 2025, expenses were \$1,274,367. The reserve balance at September 30, 2025 was \$1,151,000.

GRU is recovering the costs of this cleanup through customer charges. A regulatory asset was established for the recovery of remediation costs from customers. Customer billings were \$1,274,367 as of September 30, 2025. The regulatory asset balance was \$4,138,447 as of September 30, 2025.

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

Purchase Commitments

On July 16, 2020, the City Commission approved a Power Purchase Agreement (PPA) for solar electric to add 50 megawatts of solar generation to our service area by December 2022. On July 21, 2020, the Utility entered into a 20-year contract with the option for two additional five-year terms and a purchase opportunity at years 8, 12, and 16, and at change in control. On April 20, 2023, the City Commission

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authorized the General Manager or designee to execute a contract amendment to the Power Purchase Agreement to extend the commercial operation date until the fourth quarter of calendar year 2024 or the first quarter of calendar year 2025, and to expand the facility size from 50 megawatts of solar generation to 74.9 megawatts to mitigate cost impacts. However, due to a recent surge in construction-related costs, this project and the associated PPA were mutually terminated in January 2025. Neither the Utility nor the solar developer have further obligations related to the project or the PPA.

On November 6, 2024, the Utility authorized the negotiation and execution of a natural gas prepayment agreement with the Municipal Gas Authority of Georgia (MGAG), subject to certain execution parameters. MGAG develops natural gas prepayment transactions from time to time with Main Street Natural Gas, Inc., from the proceeds of certain tax-exempt bonds. The base contract was approved in Resolution 2024-920 on December 11, 2024, and the prepayment agreement with MGAG was executed on December 18, 2024. GRU's obligation is limited to paying for the natural gas delivered. The delivery period on the base contract begins on April 1, 2025, and continues through March 31, 2054. The Utility's second gas prepayment agreement was approved in Resolution 2025-106 on February 12, 2025. The second prepayment agreement was fully executed on February 20, 2025, and has a delivery period that begins on April 1, 2025, and continues through March 31, 2055. Utility's third gas prepayment agreement was approved in Resolution 2025-177 on March 12, 2025. The third prepayment agreement was fully executed on July 17, 2025, and has a delivery period that begins on November 1, 2025, and continues through October 31, 2055.

The Wild Spaces Public Places (WSSP) and Streets, Stations, and Strong Foundations (SSSF) funds have the following project commitments as of September 30, 2025.

Project	Amount
WSPP Morningside	\$ 99,918
WSPP Trailheads and Bike Trails	80,400
WSPP Boulware Springs Nature Park and Boulware Springs Historic Water Works	53,309
WSPP Duval Park	11,537
WSPP Alfred A. Ring Park Improvements	8,100
WSPP Crosswalk Projects	3,602
WSPP Sweetwater Recreation Trail Joint Project with County 3	5,584
WSPP Tom Petty Park Improvements Phase II	1,861,139
WSPP Albert "Ray" Massey Tennis Court Relight	148,768
WSPP Boulware Springs Nature Park and Boulware Springs Historic Water Works Construction	16,793
WSPP T.B. McPherson Recreation Complex Improvements 2025	181,554
WSPP Wilhelmina Johnson Center Building Improvements	255,575
WSPP Trailheads and Bike Trails Phase II - NE 31st Ave Trail (NE 15th St to NW Waldo Rd)	1,456,787
WSPP Park and Field Lighting Overhaul	704,000
SSSF GFR Administration/Headquarters	66,281
SSSF NE 9th St - EUA to NE 23rd Ave	48,840
SSSF Southeast Public Safety Center	1,291,506
SSSF GFR Station #3	1,312,524
SSSF GPD Property and Evidence Building	479,462
SSSF Public Works Hurricane Hardened Building	608,771
	\$ 8,694,450

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Note 20 - Tax Abatements

The City is party to Development Agreements with various developers to redevelop properties within the four former Community Redevelopment Agency districts. The Development Agreements are agreements between the City and a developer to construct multi-family units with the potential of commercial space in the building being constructed. In return, the City agrees to annually reimburse the developer a Tax Increment Recapture based on the increase of assessed value of the development as determined by the Alachua County Property Appraiser.

For fiscal year ended September 30, 2025, the City did not pay any Tax Increment Recapture amounts.

Note 21 - 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 its uninsured risk of loss. Under the current program, the City is self-insured for workers' compensation, auto, and general liability. Third-party coverage is currently maintained for workers' compensation claims in excess of \$350,000. The Utility Fund purchases plant and machinery insurance from a commercial carrier. 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 and are shown at current dollar value.

All funds participate in the general insurance program. The Utility reimburses the City for premiums and claims paid on its behalf and maintains its own insurance reserve for the self-insured portion.

Changes in General Insurance Claims Liability—

Utility Fund (Business-Type Activities)

	Beginning of Fiscal Year Liability	Incurred	Payments and Reduction of Reserve	End of Fiscal Year Liability
2024-2025	\$ 1,342,000	\$ 774,788	\$ (991,788)	\$ 1,125,000
2023-2024	\$ 1,960,000	\$ 752,346	\$ (1,370,346)	\$ 1,342,000
2022-2023	\$ 1,960,000	\$ 862,590	\$ (862,590)	\$ 1,960,000

Internal Service Fund (Governmental Activities)

	Beginning of Fiscal Year Liability	Incurred	Payments	Fiscal Year Reserve Adjustment	End of Fiscal Year Liability
2024-2025	\$ 4,984,607	\$ 2,631,114	\$ (2,465,687)	\$ 1,455,543	\$ 6,605,577
2023-2024	\$ 5,752,151	\$ 1,024,474	\$ (1,792,018)	\$ -	\$ 4,984,607
2022-2023	\$ 6,854,000	\$ 875,697	\$ (1,977,546)	\$ -	\$ 5,752,151

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The City is also self-insured for its Employee Health and Accident Benefit Plan (the Plan). The Plan is accounted for in an internal service fund and is externally administered, for an annually contracted amount that is based upon the volume of claims processed. Contributions for City employees and their dependents are shared by the City and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$300,000 per individual. No claims have exceeded insurance coverage in the last three years.

Changes in Employee Health and Accident Insurance Claims Liability—

	Beginning of Fiscal Year Liability	Incurred	Payments	End of Fiscal Year Liability
2024-2025	\$ 1,453,412	\$ 28,797,271	\$ (28,614,558)	\$ 1,636,125
2023-2024	\$ 1,316,739	\$ 27,400,633	\$ (27,263,960)	\$ 1,453,412
2022-2023	\$ 1,560,265	\$ 23,649,828	\$ (23,893,354)	\$ 1,316,739

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

Note 22 - Subsequent Events

\$160,000,000 Utilities System Variable Rate Subordinated Revenue Bond, 2023 Series A

On January 14, 2026, GRUA approved a resolution to amend a credit agreement between GRU and Truist Bank to extend the maturity date of the agreement by two years.

Subsequent to September 30, 2025, on December 10, 2025, the City entered into a direct borrowing loan agreement with Regions Capital Advantage, Inc. in the amount of \$21,562,000. The loan was issued to finance Streets, Stations, and Strong Foundations infrastructure projects and bears interest at a rate of 3.38%, with a final maturity in 2032. This debt issuance will be reported in the City's financial statements for the fiscal year ending September 30, 2026.

Note 23 - Extraordinary Item

The Utility reached a settlement agreement in the litigation regarding *Jacob Rodgers v. William Stormant and City of Gainesville, d/b/a Gainesville Regional Utilities*; Case No. 01-2016-CA-000659 in the Circuit Court of the Eighth Judicial Circuit in and for Alachua County, Florida. The parties reached a mediated settlement fully resolving all remaining claims, which was formally approved by the GRUA and finalized on September 4, 2024. Accordingly, the trial court ordered the clerk to close the case file for Case No. 01-2016-CA-000659, and on October 30, 2024, the trial court entered a final judgment pursuant to the mediated settlement agreement adjudging that Plaintiff recover from the City the sum of \$11,000,000, for which let execution issue up to \$200,000, and which shall bear interest at the legal rate. In January 2025, the \$200,000 agreed settlement was paid to the Plaintiff.

The parties' settlement agreement specifically reserved all rights for the Plaintiff to pursue a legislative claim bill, and the City's rights to defend against entry of a legislative claim bill.

CITY OF GAINESVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

On December 12, 2024, Florida State Senator Mack Bernard from District 24 (Palm Beach County) filed a legislative claim bill seeking relief for Plaintiff for \$11,000,000. House Bill 6521 was created on February 12, 2025.

House Bill 6521 was passed by the Florida House of Representatives on April 24, 2025. It was passed by Florida Senate on April 28, 2025. It was approved by the Governor on June 13, 2025. On June 18, 2025, Gainesville Regional Utilities paid the remaining balance of \$10,800,000 to the Plaintiff. In January 2025, GRU paid the initial \$200,000 to the Plaintiff.

This item was identified as an extraordinary item based on the unusual nature and infrequent occurrence of the payment. The unusual nature refers to the statutory limits of sovereign immunity of \$200,000. To exceed this amount, a bill had to be filed and approved with the Florida House of Representatives, then approved by the Florida Senate and then signed by the Governor. This is the first such award from the State involving the City of Gainesville which makes the occurrence infrequent in nature.

Due to this extraordinary item, GRU Management made the decision, with the approval of GRUA on December 10, 2025, to use reserves from Rate Stabilization to cover the unexpected expense of \$11,000,000 this fiscal year. This was a one-time transfer from Rate Stabilization to Operating Funds that will not be returned to Rate Stabilization.

Required Supplementary Information



CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amount			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 90,270,576	\$ 90,270,576	\$ 90,901,670	\$ 631,094
Licenses and Permits	12,409,137	12,409,137	12,137,284	(271,853)
Intergovernmental	22,238,108	22,238,108	22,936,700	698,592
Charges for Services	16,129,097	16,129,097	15,856,352	(272,745)
Fines and Forfeitures	836,889	836,889	1,148,953	312,064
Miscellaneous	3,795,897	3,833,663	4,881,707	1,048,044
Total Revenues	145,679,704	145,717,470	147,862,666	2,145,196
Expenditures				
City Attorney	1,676,569	1,694,470	1,484,003	210,467
City Auditor	888,640	888,980	777,561	111,419
City Clerk	1,225,739	1,445,979	1,562,593	(116,614)
City Commission	579,098	579,098	568,722	10,376
City Manager	1,641,448	1,641,448	1,569,337	72,111
Communications and Engagement	1,043,980	1,012,120	967,777	44,343
Equity and Inclusion	1,447,750	1,620,285	1,216,246	404,039
Financial Services	3,816,908	3,815,398	3,664,599	150,799
Fire Rescue	27,757,792	29,001,900	28,889,174	112,726
Housing and Community Development	490,215	521,222	481,014	40,208
Human Resources	2,340,383	2,340,383	2,022,264	318,119
Nondepartmental	10,622,685	10,880,327	10,215,125	665,202
Office of Management and Budget	910,072	947,284	349,642	597,642
Parks, Recreation and Cultural Affairs	11,825,090	11,838,016	11,116,741	721,275
Police	41,701,243	40,571,032	39,851,427	719,605
Public Works	15,918,893	17,046,846	17,359,625	(312,779)
Risk Management	154,000	182,854	191,862	(9,008)
Sustainable Development	3,197,394	3,473,940	3,183,822	290,118
Technology	8,085,985	11,019,123	7,713,410	3,305,713
Transportation	1,345,975	1,864,628	1,635,416	229,212
Wild Spaces and Public Places	10,988	10,988	-	10,988
Debt Service:				
Principal	-	1,622,444	1,933,508	(311,064)
Interest	-	253,025	256,949	(3,924)
Total Expenditures	136,680,847	144,271,790	137,010,817	7,260,973
Excess of Revenues Over Expenditures	8,998,857	1,445,680	10,851,849	9,406,169
Other Financing Sources (Uses)				
Subscription-Based IT Arrangements	-	-	2,043,785	2,043,785
Transfers in	9,688,422	9,966,867	8,675,289	(1,291,578)
Transfers (out)	(18,687,279)	(23,812,723)	(28,613,111)	(4,800,388)
Total Other Financing Sources (Uses)	(8,998,857)	(13,845,856)	(17,894,037)	(4,048,181)
Net Changes in Fund Balance	\$ -	\$ (12,400,176)	\$ (7,042,188)	\$ 5,357,988
Reconciliation to GAAP Basis Statement of Revenues, Expenditures, and Changes in Fund Balance:				
	Total Revenues	Total Expenditures	Other Financing Sources/(Uses)	Net Change in Fund Balance
Budgetary Basis	\$ 147,862,666	\$ (137,010,817)	\$ (17,894,037)	\$ (7,042,188)
Perspective Differences ⁽¹⁾	744,043	(3,641,785)	-	(2,897,742)
GAAP Basis	\$ 148,606,709	\$ (140,652,602)	\$ (17,894,037)	\$ (9,939,930)

⁽¹⁾ Perspective differences are as a result of funds budgeted as special revenue funds which do not qualify as special revenue funds under GAAP and are thus reported as part of the general fund.

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2025

Annual budgets are legally adopted for all governmental funds other than Capital Projects Funds and certain Special Revenue Funds (such as grant funds and tax increment funds), which are appropriated on a project-length basis. Budgets are controlled at the department level throughout the year and total expenditures plus encumbrances may not legally exceed appropriations for each budgeted fund. The Special Revenue Funds, which are budgeted annually, are the Community Development Block Grant Fund, the Urban Development Action Grant Fund, the HOME Grant Fund, the Cultural Affairs Fund, the State Law Enforcement Contraband Forfeiture Fund, the Federal Law Enforcement Contraband Forfeiture Fund – DOJ, the Federal Law Enforcement Contraband Forfeiture Fund – US Treasury, the Police Billable Overtime Fund, Street, Sidewalk, and Ditch Improvement Fund, the Economic Development Fund, the Miscellaneous Grants Fund, the Water/Wastewater Infrastructure Surcharge, the Supportive Housing Investment Fund (SHIP), the Small Business Fund, the Miscellaneous Special Revenue Fund, the Evergreen Cemetery Trust Fund, the School Crossing Guard Trust Fund, and the Art in Public Places Trust Fund. All other Special Revenue Funds are appropriated on a project-length, multi-year basis.

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

The City Manager has the authority to amend appropriations within and among the various departments and projects within a fund, except the Law Enforcement Contraband Forfeiture Trust Funds, consistent with legal requirements, in order to achieve the general objectives contemplated in fund level budgets. Appropriation changes among funds, departments, and capital projects require City Commission approval. Interfund transfers (except for short-term loans and their settlements) and intrafund transfers within the Law Enforcement Contraband Forfeiture Funds require prior approval of the City Commission. 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 generally accepted accounting principles (GAAP) expenditures or liabilities but represent budgetary accounting controls. All governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year-end.

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

Excess of Expenditures Over Budget Appropriations in Individual Funds

For the year ended September 30, 2025, the following budgetary funds had an excess of expenditures over appropriations:

CITY OF GAINESVILLE, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2025

- General Fund – The General Principal expenditures and interest expenses exceeded final budget appropriations by \$311,064 and \$3,924, respectively. This was due to Governmental Accounting Standards Board Statement No. 96 related items, which required the agreements to be added as a right-of-use liability which splits the payment out between principal and interest.
- General Fund – The Clerk’s Office expenditures that exceeded final budget appropriations by \$116,614. This was due to Governmental Accounting Standards Board Statement No. 96 related items, which required the agreements to be added as capital outlay and other financing sources.
- General Fund – The Public Work’s Department expenditures exceeded final budget appropriations by \$312,779. This was due to Governmental Accounting Standards Board Statement No. 96 related items, which required the agreements to be added as capital outlay and other financing sources
- General Fund – The transfer out expenditures exceeded final budget appropriations by \$4,800,388 due to the accounting for the reduction of the Pension Obligation Bonds (POB). The general fund acts as a pass-through fund for transfers from the enterprise fund that are ultimately transferred to the debt service fund. The budgeted transfer out for this transaction is included in the applicable enterprise funds rather than the general fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS EMPLOYEES' PENSION PLAN LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Total Pension Liability					
Service Costs	\$ 10,525,356	\$ 10,054,186	\$ 9,893,114	\$ 9,941,415	\$ 9,191,329
Interest	53,173,697	51,750,047	50,384,686	48,135,336	46,718,121
Differences Between Expected and Actual Experience	11,794,866	832,354	(511,444)	13,619,109	922,294
Transfer from Disability Plan	-	-	-	-	-
Changes of Assumptions	(4,231,944)	-	-	10,137,250	574,399
One Time Adjustment for DROP					
Account Balances	-	-	-	-	-
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(46,533,530)	(42,942,641)	(41,677,081)	(40,258,669)	(40,174,943)
Net Change in Total Pension Liability	24,728,445	19,693,946	18,089,275	41,574,441	17,231,200
Total Pension Liability - Beginning	698,853,628	679,159,682	661,070,407	619,495,966	602,264,766
Total Pension Liability - Ending (a)	<u>\$ 723,582,073</u>	<u>\$ 698,853,628</u>	<u>\$ 679,159,682</u>	<u>\$ 661,070,407</u>	<u>\$ 619,495,966</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 6,904,316	\$ 8,451,963	\$ 5,674,901	\$ 5,551,544	\$ 5,461,714
Employee Contributions	5,737,931	6,012,168	5,573,832	5,331,766	5,307,109
Contributions - Buy Back	-	-	-	-	-
Net Investment Income	67,883,395	154,311,092	116,645,780	(144,078,947)	144,933,044
Transfer from Disability Plan	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(46,533,530)	(42,942,641)	(41,677,081)	(40,258,669)	(37,766,711)
Administrative Expense	(834,733)	(514,206)	(600,828)	(478,628)	(593,485)
Net Change in Plan Fiduciary Net Position	33,157,379	125,318,376	85,616,604	(173,932,934)	117,341,671
Plan Fiduciary Net Position - Beginning	731,780,898	606,462,522	520,845,918	694,778,852	577,437,181
Plan Fiduciary Net Position - Ending (b)	<u>\$ 764,938,277</u>	<u>\$ 731,780,898</u>	<u>\$ 606,462,522</u>	<u>\$ 520,845,918</u>	<u>\$ 694,778,852</u>
City's Net Pension Liability - Ending (a)-(b)	<u>\$ (41,356,204)</u>	<u>\$ (32,927,270)</u>	<u>\$ 72,697,160</u>	<u>\$ 140,224,489</u>	<u>\$ (75,282,886)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.72%	104.71%	89.30%	78.79%	112.15%
Annual Covered Payroll	\$ 114,758,624	\$ 118,874,301	\$ 111,476,645	\$ 106,635,320	\$ 106,142,180
Net Pension Liability as a Percentage of Covered Payroll	-36.04%	-27.70%	65.21%	131.50%	-70.93%

Notes to Schedule

Changes of Assumptions -- amounts reported as changes of assumption resulted from the following:

- For the measurement date of 9/30/2025, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rate used in Milliman's July 1, 2024.
- For the measurement date of 9/30/2021, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rate used in Milliman's July 1, 2021 FRS valuation report for non special-risk employees.
- For measurement date 9/30/2019, investment rate was reduced from 8.00% to 7.90%; inflation assumption rate was lowered from 3.75% to 2.50%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS EMPLOYEES' PENSION PLAN LAST TEN FISCAL YEARS (Concluded)

	2020	2019	2018	2017	2016
Total Pension Liability					
Service Costs	\$ 8,697,546	\$ 7,962,015	\$ 8,196,544	\$ 8,355,553	\$ 7,789,638
Interest	45,457,275	43,726,387	42,877,827	39,934,706	38,189,162
Differences Between Expected and Actual Experience	(157,018)	6,644,543	(5,088,593)	7,646,058	1,125,190
Transfer from Disability Plan	-	-	-	-	-
Changes of Assumptions	-	6,062,725	5,721,214	21,041,875	4,860,706
One Time Adjustment for DROP Account Balances	-	-	-	10,038,916	-
Contributions - Buy Back	195,500	121,500	89,300	-	-
Benefit Payments, Including Refunds of Employee Contributions	(37,279,075)	(35,568,906)	(33,106,728)	(34,963,352)	(37,252,988)
Net Change in Total Pension Liability	16,914,228	28,948,264	18,689,564	52,053,756	14,711,708
Total Pension Liability - Beginning	585,350,538	556,402,274	537,712,710	485,658,954	470,947,246
Total Pension Liability - Ending (a)	<u>\$ 602,264,766</u>	<u>\$ 585,350,538</u>	<u>\$ 556,402,274</u>	<u>\$ 537,712,710</u>	<u>\$ 485,658,954</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 177,683,605	\$ 16,939,286	\$ 16,372,689	\$ 14,654,934	\$ 13,481,032
Employee Contributions	5,053,053	4,602,400	4,317,403	4,829,122	7,947,069
Contributions - Buy Back	195,500	121,500	89,300	-	-
Net Investment Income	17,060,129	(2,731,366)	49,219,793	58,605,302	39,190,078
Transfer from Disability Plan	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(37,279,075)	(35,568,906)	(33,106,728)	(38,469,162)	(37,252,988)
Administrative Expense	(563,047)	(584,033)	(697,884)	(604,905)	(670,867)
Net Change in Plan Fiduciary Net Position	162,150,165	(17,221,119)	36,194,573	39,015,291	22,694,324
Plan Fiduciary Net Position - Beginning	415,287,016	432,508,135	396,313,562	357,298,271	334,603,947
Plan Fiduciary Net Position - Ending (b)	<u>\$ 577,437,181</u>	<u>\$ 415,287,016</u>	<u>\$ 432,508,135</u>	<u>\$ 396,313,562</u>	<u>\$ 357,298,271</u>
City's Net Pension Liability - Ending (a)-(b)	<u>\$ 24,827,585</u>	<u>\$ 170,063,522</u>	<u>\$ 123,894,139</u>	<u>\$ 141,399,148</u>	<u>\$ 128,360,683</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.88%	70.95%	77.73%	73.70%	73.57%
Annual Covered Payroll	\$ 101,061,060	\$ 92,048,000	\$ 89,976,976	\$ 91,143,976	\$ 80,223,575
Net Pension Liability as a Percentage of Covered Payroll	24.57%	184.76%	137.70%	155.14%	160.00%

Notes to Schedule

Changes of Assumptions -- amounts reported as changes of assumption resulted from the following:

- For measurement date 9/30/2022, investment rate was reduced from 7.90% to 7.75%.
- For measurement date 9/30/2018, investment rate was reduced from 8.10% to 8.00%.
- For measurement date 9/30/2017, investment rate was reduced from 8.20% to 8.10%.
- For measurement date 9/30/2016, investment rate was reduced from 8.30% to 8.20%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF EMPLOYER CONTRIBUTIONS EMPLOYEES' PENSION PLAN LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Total Contributions as a Percentage of Covered Payroll
2025	\$ 6,851,090	\$ 6,904,316	\$ (53,226)	\$ 114,758,624	6.02%
2024	8,451,963	8,451,963	-	118,874,301	7.11%
2023	5,674,161	5,674,901	(740)	111,476,645	5.09%
2022	5,551,544	5,551,544	-	106,635,320	5.21%
2021	5,461,275	5,461,714	(439)	106,142,180	5.15%
2020	19,011,264	177,683,605	(158,672,341)	101,061,060	175.82%
2019	16,939,286	16,939,286	-	92,048,000	18.40%
2018	16,777,348	16,372,689	404,659	89,976,976	18.20%
2017	14,654,934	14,654,934	-	91,143,976	16.08%
2016	13,481,032	13,481,032	-	80,223,575	16.80%

Notes to Schedule

Valuation Date: 10/1/2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual entry age, normal cost
Amortization Method	Level percentage, closed
Remaining Amortization Period	30 years
Asset Valuation Method	Actuarial value, based on 5-year recognition of returns greater or less than the assumed investment return.
Investment Return Rate	7.75%, net of investment related expenses
Salary Increase Rate	3.00%-5.00%
Payroll Growth	3.20%
Mortality Rates	Healthy Active Lives: Female: PubG.H-2010 for employees, Male: PubG.H-2010 for Employees, set back one year. Healthy Retiree Lives: Female: PubG.H-2010 for Health Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. Beneficiary Lives: Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. Disabled Lives: PubG.H-2010 for Disabled Retirees, set forward 3 years. All rates are projected generationally with Mortality Improvement Scale MP-2018.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022	2021
Total Pension Liability					
Service Costs	\$ 5,436,011	\$ 4,912,801	\$ 4,780,020	\$ 4,443,944	\$ 4,235,165
Interest	26,944,029	25,868,375	24,778,517	23,638,461	23,425,956
Change in Excess State Money	-	-	-	-	-
Share Plan Allocation	1,219,652	1,043,286	816,182	447,251	398,142
Differences Between Expected and Actual Experience	8,071,188	2,461,075	4,142,248	7,955,203	159,551
Changes of Assumptions	3,402,584	-	-	5,128,200	(4,514,316)
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(21,356,266)	(20,502,446)	(20,671,684)	(22,223,037)	(20,223,626)
Net Change in Total Pension Liability	23,717,198	13,783,091	13,845,283	19,390,022	3,480,872
Total Pension Liability - Beginning	352,907,002	339,123,911	325,278,628	305,888,606	302,407,734
Total Pension Liability - Ending (a)	<u>\$ 376,624,200</u>	<u>\$ 352,907,002</u>	<u>\$ 339,123,911</u>	<u>\$ 325,278,628</u>	<u>\$ 305,888,606</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 2,852,649	\$ 2,352,828	\$ 2,204,746	\$ 1,869,220	\$ 2,048,850
State Contributions	2,358,932	2,182,566	1,955,462	2,033,782	1,537,422
Employee Contributions	2,993,388	2,729,278	2,552,294	2,332,944	2,314,580
Contributions - Buy Back	-	-	-	-	-
Net Investment Income	36,809,555	59,604,573	39,167,792	(54,115,730)	66,246,836
Benefit Payments, Including Refunds of Employee Contributions	(21,356,266)	(20,502,446)	(20,671,684)	(22,223,037)	(20,223,626)
Administrative Expense	(613,353)	(594,142)	(692,008)	(589,725)	(622,712)
Other	-	-	(213)	325,736	(2,754)
Net Change in Plan Fiduciary Net Position	23,044,905	45,772,657	24,516,389	(70,366,810)	51,298,596
Plan Fiduciary Net Position - Beginning	348,139,610	302,366,953	277,850,564	348,217,158	296,918,562
Adjustment to Beginning of Year	-	-	-	216	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 371,184,515</u>	<u>\$ 348,139,610</u>	<u>\$ 302,366,953</u>	<u>\$ 277,850,564</u>	<u>\$ 348,217,158</u>
City's Net Pension Liability - Ending (a)-(b)	<u>\$ 5,439,685</u>	<u>\$ 4,767,392</u>	<u>\$ 36,756,958</u>	<u>\$ 47,428,064</u>	<u>\$ (42,328,552)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.56%	98.65%	89.16%	85.42%	113.84%
Annual Covered Payroll	\$ 35,124,701	\$ 33,150,901	\$ 31,229,110	\$ 28,686,181	\$ 28,654,045
Net Pension Liability as a Percentage of Covered Payroll	15.49%	14.38%	117.70%	165.33%	-147.72%

Notes to Schedule

Changes of Assumptions -- amounts reported as changes of assumption resulted from the following:

- For measurement date 9/30/25, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2024 FRS Valuation Report for special-risk employees.
- For measurement date 9/30/2022, investment rate was reduced from 7.90% to 7.75%.
- For measurement date 9/30/21, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation Report for special-risk employees.
- For measurement date 9/30/2019, investment rate was reduced from 8.00% to 7.90%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT PLAN LAST TEN FISCAL YEARS (Concluded)

	2020	2019	2018	2017	2016
Total Pension Liability					
Service Costs	\$ 3,905,032	\$ 3,757,740	\$ 3,682,078	\$ 4,254,335	\$ 3,812,252
Interest	22,777,676	22,397,470	21,993,597	21,463,554	20,156,185
Change in Excess State Money	-	(951,203)	-	-	-
Share Plan Allocation	890,108	951,203	-	-	-
Differences Between Expected and Actual Experience	501,678	(1,185,483)	(2,419,821)	2,311,687	(6,006,515)
Changes of Assumptions	-	3,102,805	4,612,282	2,158,450	2,719,455
Contributions - Buy Back	7,400	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(20,188,276)	(19,538,102)	(19,464,524)	(16,100,144)	(15,444,821)
Net Change in Total Pension Liability	7,893,618	8,534,430	8,403,612	14,087,882	5,236,556
Total Pension Liability - Beginning	294,514,116	285,979,686	277,576,074	263,488,192	258,251,636
Total Pension Liability - Ending (a)	<u>\$ 302,407,734</u>	<u>\$ 294,514,116</u>	<u>\$ 285,979,686</u>	<u>\$ 277,576,074</u>	<u>\$ 263,488,192</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 51,905,342	\$ 4,958,811	\$ 4,507,892	\$ 4,294,312	\$ 3,716,354
State Contributions	3,141,731	-	1,366,304	1,254,172	1,242,740
Employee Contributions	2,113,851	1,946,523	1,963,471	2,024,693	2,093,074
Contributions - Buy Back	7,400	-	-	-	-
Net Investment Income	17,227,545	3,521,972	24,056,126	31,854,789	22,310,321
Benefit Payments, Including Refunds of Employee Contributions	(20,188,276)	(19,538,102)	(19,464,524)	(16,100,144)	(15,444,821)
Administrative Expense	(708,558)	(771,292)	(699,346)	(564,203)	(585,416)
Other	-	91,875	-	-	-
Net Change in Plan Fiduciary Net Position	53,499,035	(9,790,213)	11,729,923	22,763,619	13,332,252
Plan Fiduciary Net Position - Beginning	243,431,612	253,221,825	241,763,801	219,000,182	205,667,930
Adjustment to Beginning of Year	(12,085)	-	(271,899)	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 296,918,562</u>	<u>\$ 243,431,612</u>	<u>\$ 253,221,825</u>	<u>\$ 241,763,801</u>	<u>\$ 219,000,182</u>
City's Net Pension Liability - Ending (a)-(b)	<u>\$ 5,489,172</u>	<u>\$ 51,082,504</u>	<u>\$ 32,757,861</u>	<u>\$ 35,812,273</u>	<u>\$ 44,488,010</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.18%	82.66%	88.55%	87.10%	83.12%
Annual Covered Payroll	\$ 26,077,644	\$ 24,058,071	\$ 25,263,376	\$ 25,501,291	\$ 23,885,642
Net Pension Liability as a Percentage of Covered Payroll	21.05%	212.33%	129.67%	140.43%	186.25%

Notes to Schedule

Changes of Assumptions -- amounts reported as changes of assumption resulted from the following:

- For measurement date 9/30/2018, investment rate was reduced from 8.10% to 8.00%.
- For measurement date 9/30/2017, investment rate was reduced from 8.20% to 8.10%.
- For measurement date 9/30/2016, investment rate was reduced from 8.30% to 8.20%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF EMPLOYER CONTRIBUTIONS POLICE OFFICERS' AND FIREFIGHTERS' CONSOLIDATED RETIREMENT PLAN LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Total Contributions as a Percentage of Covered Payroll
2025	\$ 3,949,131	\$ 3,991,929	\$ (42,798)	\$ 35,124,701	11.37%
2024	3,481,353	3,492,108	(10,755)	33,150,901	10.53%
2023	2,204,746	2,204,746	-	31,229,110	7.06%
2022	1,869,220	1,869,220	-	28,686,181	6.52%
2021	2,048,850	2,048,850	-	28,654,054	7.15%
2020	5,680,398	51,905,342	(46,224,944)	26,077,644	199.04%
2019	4,958,811	4,958,811	-	24,058,071	20.61%
2018	4,507,892	4,507,892	-	25,263,376	17.84%
2017	4,294,312	4,294,312	-	25,501,291	16.84%
2016	3,716,354	3,716,354	-	23,885,642	15.56%

Notes to Schedule

Valuation Date: 10/1/2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual entry age, normal cost
Amortization Method	Level percentage, closed
Remaining Amortization Period	30 years
Asset Valuation Method	Actuarial value, based on 5-year recognition of returns greater or less than the assumed investment return.
Investment Return Rate	7.75%, net of investment related expenses
Salary Increase Rate	Police Officers: 3.0% - 6.0%; Firefighters: 2.0% - 5.0%
	3.0% per year for projecting aggregate payroll; 2.75% for determining
Payroll Growth	amortization payments towards the unfunded accrued liability.
Mortality Rates	Healthy Active Lives: PubS.H-2010 for Employees, set forward one year. Healthy Retiree Lives: PubS.H-2010 for Healthy Retirees, set forward one year. Beneficiary Lives: Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disabled Retirees. All rates for healthy lives are project generationally with Mortality Improvement Scale MP-2018.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
PENSION PLANS
LAST TEN FISCAL YEARS**

Fiscal Year	Annual Money-Weighted Rate of Return on Pension Plan Investments	
	General Pension Plan	Consolidated Plan
2025	9.44%	10.74%
2024	25.10%	20.59%
2023	23.22%	15.77%
2022	-20.77%	-15.40%
2021	25.46%	17.80%
2020	4.11%	7.10%
2019	-0.64%	1.30%
2018	12.63%	10.22%
2017	11.84%	11.20%
2016	11.84%	11.20%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM LAST TEN FISCAL YEARS

	FLORIDA RETIREMENT SYSTEM (FRS)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's Proportion of the Net Pension Liability	0.0023447%	0.0025651%	0.0021209%	0.0018974%	0.0024373%	0.0026964%	0.0028433%	0.0028149%	0.0026950%	0.0033806%
Employer's Proportionate Share of the Net Pension Liability	\$ 727,687	\$ 992,320	\$ 845,109	\$ 705,981	\$ 184,112	\$ 1,168,671	\$ 979,195	\$ 847,873	\$ 797,444	\$ 853,598
Employer's Covered Payroll	\$ 268,000	\$ 327,100	\$ 275,964	\$ 229,578	\$ 258,253	\$ 252,289	\$ 249,819	\$ 237,711	\$ 202,289	\$ 229,337
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	271.53%	303.37%	306.24%	307.51%	71.29%	463.23%	391.96%	356.68%	394.21%	372.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%
	HEALTH INSURANCE SUBSIDY PROGRAM (HIS)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's Proportion of the Net Pension Liability	0.0005965%	0.0007216%	0.0006965%	0.0006299%	0.0007294%	0.0007268%	0.0007467%	0.0007276%	0.0006345%	0.0007428%
Employer's Proportionate Share of the Net Pension Liability	\$ 76,460	\$ 108,254	\$ 110,608	\$ 66,712	\$ 89,472	\$ 88,738	\$ 83,552	\$ 77,015	\$ 67,846	\$ 86,570
Employer's Covered Payroll	\$ 268,000	\$ 327,100	\$ 275,964	\$ 229,578	\$ 258,253	\$ 252,289	\$ 249,819	\$ 237,711	\$ 202,289	\$ 229,337
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	28.53%	33.10%	40.08%	29.06%	34.65%	35.17%	33.45%	32.40%	33.54%	37.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Notes to Schedules

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30 of the current fiscal year. Covered payroll is for the year ended June 30 of each year presented.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF EMPLOYER CONTRIBUTIONS FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM LAST TEN FISCAL YEARS

FLORIDA RETIREMENT SYSTEM (FRS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 139,996	\$ 145,255	\$ 102,029	\$ 80,880	\$ 87,405	\$ 90,261	\$ 89,357	\$ 81,218	\$ 76,047	\$ 78,365
Contributions in Relation to the Contractually Required Contribution	(139,996)	(145,255)	(102,029)	(80,880)	(87,405)	(90,261)	(89,357)	(81,218)	(76,047)	(78,365)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Payroll	\$ 266,600	\$ 305,500	\$ 293,105	\$ 232,410	\$ 241,084	\$ 253,072	\$ 252,952	\$ 237,711	\$ 222,289	\$ 218,313
Contributions as a Percentage of Covered Payroll	52.51%	47.55%	34.81%	34.80%	36.25%	35.67%	35.33%	34.17%	34.21%	35.90%

HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 5,332	\$ 6,110	\$ 4,581	\$ 3,858	\$ 4,002	\$ 4,201	\$ 4,199	\$ 3,946	\$ 3,690	\$ 3,624
Contributions in Relation to the Contractually Required Contribution	(5,332)	(6,110)	(4,581)	(3,858)	(4,002)	(4,201)	(4,199)	(3,946)	(3,690)	(3,624)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Payroll	\$ 266,600	\$ 305,500	\$ 293,105	\$ 232,410	\$ 241,084	\$ 253,072	\$ 252,952	\$ 237,711	\$ 222,289	\$ 218,313
Contributions as a Percentage of Covered Payroll	2.00%	2.00%	1.56%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFITS LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service Costs	\$ 1,522,572	\$ 1,496,860	\$ 1,383,081	\$ 1,317,220	\$ 1,488,138	\$ 1,742,093	\$ 1,591,950	\$ 1,467,084	\$ 1,282,158
Interest	4,653,480	4,928,066	5,167,286	4,741,333	4,977,350	6,093,319	5,887,782	5,676,583	5,274,094
Differences Between Expected and Actual Experience	-	(4,403,447)	-	(4,238,579)	-	(3,069,055)	-	3,158,374	(914,359)
Changes of Assumptions	-	(2,588,716)	-	5,275,406	-	(13,744,743)	625,481	675,415	559,493
Gross Benefit Payments	(11,729,971)	(9,465,325)	(7,722,217)	(8,209,132)	(8,426,856)	(8,225,362)	(7,676,658)	-	-
Retiree Contributions	3,119,564	3,221,638	3,238,276	3,220,135	3,330,813	3,404,162	3,173,162	(4,354,263)	(4,109,173)
Net Change in Total OPEB Liability	(2,434,355)	(6,810,924)	2,066,426	2,106,383	1,369,445	(13,799,586)	3,601,717	6,623,193	2,092,213
Total OPEB Liability - Beginning	62,747,212	69,558,136	67,491,710	65,385,327	64,015,882	77,815,468	74,213,751	67,590,558	65,498,345
Total OPEB Liability - Ending (a)	<u>\$ 60,312,857</u>	<u>\$ 62,747,212</u>	<u>\$ 69,558,136</u>	<u>\$ 67,491,710</u>	<u>\$ 65,385,327</u>	<u>\$ 64,015,882</u>	<u>\$ 77,815,468</u>	<u>\$ 74,213,751</u>	<u>\$ 67,590,558</u>
Plan Fiduciary Net Position									
Employer Contributions	\$ 5,387,233	\$ 3,018,589	\$ 1,316,815	\$ 1,522,447	\$ 1,924,061	\$ 2,557,953	\$ 2,348,167	\$ 2,016,572	\$ 1,622,729
Net Investment Income	8,463,787	12,131,481	6,997,632	(12,280,107)	14,120,107	602,848	(1,550,570)	6,250,519	6,550,405
Gross Benefit Payments	(11,729,971)	(9,465,325)	(7,722,217)	(8,209,132)	(8,426,856)	(8,225,362)	(7,676,658)	(4,354,263)	(4,109,173)
Retiree Contributions	3,119,564	3,221,638	3,238,276	3,220,135	3,330,813	3,404,162	3,173,162	-	-
Administrative Expense	(63,111)	(19,666)	(39,098)	(15,527)	(6,982)	(4,661)	(19,078)	(13,890)	(6,082)
Net Change in Plan Fiduciary Net Position	5,177,502	8,886,717	3,791,408	(15,762,184)	10,941,143	(1,665,060)	(3,724,977)	3,898,938	4,057,879
Plan Fiduciary Net Position - Beginning	69,866,338	60,979,621	57,188,213	72,950,397	62,009,254	63,674,314	67,399,291	63,500,353	59,442,474
Plan Fiduciary Net Position - Ending (b)	<u>\$ 75,043,840</u>	<u>\$ 69,866,338</u>	<u>\$ 60,979,621</u>	<u>\$ 57,188,213</u>	<u>\$ 72,950,397</u>	<u>\$ 62,009,254</u>	<u>\$ 63,674,314</u>	<u>\$ 67,399,291</u>	<u>\$ 63,500,353</u>
City's Net OPEB Liability - Ending (a)-(b)	<u>\$ (14,730,983)</u>	<u>\$ (7,119,126)</u>	<u>\$ 8,578,515</u>	<u>\$ 10,303,497</u>	<u>\$ (7,565,070)</u>	<u>\$ 2,006,628</u>	<u>\$ 14,141,154</u>	<u>\$ 6,814,460</u>	<u>\$ 4,090,205</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	124.42%	111.35%	87.67%	84.73%	111.57%	96.87%	81.83%	90.82%	93.95%
Annual Covered Payroll	\$ 146,084,079	\$ 139,127,694	\$ 148,786,315	\$ 141,701,253	\$ 156,333,484	\$ 148,889,032	\$ 124,457,080	\$ 118,530,552	\$ 122,798,859
Net OPEB Liability as a Percentage of Covered Payroll	-10.08%	-5.12%	5.77%	7.27%	-4.84%	1.35%	11.36%	5.75%	3.33%

Notes to Schedule

Changes of Assumptions -- Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

September 30, 2022	7.75%
September 30, 2020	7.90%
September 30, 2019	7.90%
September 30, 2018	8.00%

Additionally, changes of assumptions includes changes due to claims experience, premium rates, and mortality rates.

*GASB Statement No. 75 was implemented in 2017. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, FLORIDA SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POSTEMPLOYMENT BENEFITS LAST TEN FISCAL YEARS*

Fiscal Year Ended September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Total Contributions as a Percentage of Covered Payroll
2025	\$ -	\$ 5,387,233	\$ (5,387,233)	\$ 146,084,079	3.69%
2024	-	3,018,589	(3,018,589)	139,127,694	2.17%
2023	-	1,316,815	(1,316,815)	148,786,315	0.89%
2022	-	1,522,447	(1,522,447)	141,701,253	1.07%
2021	-	1,924,061	(1,924,061)	156,333,484	1.23%
2020	-	2,557,953	(2,557,953)	148,889,032	1.72%
2019	767,613	2,348,167	(1,580,554)	124,457,080	1.89%
2018	731,060	2,016,572	(1,285,512)	118,530,552	1.70%
2017	616,087	1,622,729	(1,006,642)	122,798,859	1.32%

Notes to Schedule

Valuation Date: 10/1/2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual entry age, normal cost
Amortization Method	Level percentage, closed
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value of Assets
Discount Rate	7.75% per year assumed investment return rate
Salary Increase Rate	Police Officers: 3.0% - 6.0%; Firefighters: 2.0% - 5.0%, General: 3.0-5.0%
Payroll Growth	3.00%
Health Care Inflation	Medical Claims (Pre-65) 8.5% - 4.00%, (Post-65) 4.50%
Mortality Rates	All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2023 Florida Retirement System (FRS) valuation report. All rates are using mortality improvement scale MP-2018.

*GASB Statement No. 75 was implemented in 2017. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
OTHER POSTEMPLOYMENT BENEFITS
LAST TEN FISCAL YEARS***

Fiscal Year	Annual Money-Weighted Rate of Return on OPEB Plan	
	Investments	
2025	12.50%	
2024	20.43%	
2023	11.97%	
2022	-17.88%	
2021	25.08%	
2020	0.25%	
2019	-2.41%	
2018	9.97%	
2017	11.25%	

Note to Schedule

*GASB Statement No. 75 was implemented in 2017. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplementary Information



NONMAJOR GOVERNMENTAL 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 of Gainesville, Florida (the City) maintains the following Special Revenue Funds:

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

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

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

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

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

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

Street, Sidewalk, and Ditch Improvement - 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 - to account for revenue and expenditures made to promote economic development. Includes operating expense and rental revenue generated by the GTEC (Gainesville Technology Incubator) facility.

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

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

SPECIAL REVENUE FUNDS

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

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

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

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

Tree Mitigation - to account for projects that exceed the basic service levels for tree planting, routine pruning maintenance, and hazard abatement of the City's tree canopy.

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

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

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

Gainesville Community Reinvestment Area - to account for the use of funds from an interlocal agreement with Alachua County (the County) for the redevelopment of the consolidated tax increment district areas, cap the annual funding provided by the City and County, and set an end-date for the redevelopment work. Funding from the County will end January 1, 2029.

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

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

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

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

SPECIAL REVENUE FUNDS

American Rescue Plan Act (ARPA) - to account for grant funds provided through the *American Rescue Act of 2021* to help state and local governments cover increased expenditures, replenish lost revenue, and mitigate economic harm from the COVID-19 pandemic.

Opioid Settlement Fund - to account for revenues and expenditures related to the opioid settlement funds administered from the State of Florida to support prevention, treatment, and recovery efforts related to combating the opioid epidemic.

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 of Gainesville, Florida (the City) maintains the following Debt Service Funds:

Pension Obligation Bond Series 2003A - to account for funds to accumulate the debt service requirements of the pension obligation bonds for the General Employees' Pension Plan.

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

Revenue Refunding Note Series 2014 - to account for funds to accumulate the debt service requirements of the Revenue Refunding Note of 2014.

Capital Improvement Revenue Bond Series 2014 - to account for funds to accumulate the debt service requirements of the Revenue Bond of 2014.

Revenue Refunding Note Series 2016A - to account for funds to accumulate the debt service requirements of the Revenue Refunding Note of 2016A.

Capital Improvement Revenue Note Series 2016B - to account for funds to accumulate the debt service requirements of the Revenue Note of 2016B.

Capital Improvement Revenue Note 2019 - to account for funds to accumulate the debt service requirements of the Revenue Note of 2019.

Special Obligations Revenues Bonds Series 2020 - to account for funds to accumulate the debt service requirements of the Special Obligation Revenue Bonds (Pension Obligation Bonds) of 2020.

Capital Improvement Revenue Refunding Note 2021 - to account for funds to accumulate the debt service requirements for the Refunding Note of 2021.

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 of Gainesville, Florida (the City) maintains the following Capital Projects Funds:

General Capital Projects - 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 and Community Improvement - to account for the costs of acquiring greenspace land and quality of life improvements in the community.

Campus Development Agreement - to account for the costs of projects specified to be funded by the Campus Development Agreement, provided by the University of Florida.

Additional 5 Cents Local Option Gas Tax (LOGT) - to account for the receipt and expenditure of the additional five cents local option gas tax.

WSPP Park and Recreation 2009-2010 - to account for the receipt of a portion of the Wild Spaces Public Places two-year ½ cent sales tax and the related capital projects associated with public recreation funded by the tax and interest earnings.

WSPP Land Acquisition 2009-2010 - to account for the receipt of a portion of the Wild Spaces Public Places two-year ½ cent sales tax and the related capital projects associated with land acquisition funded by the tax and interest earnings.

Senior Recreation Center - to account for the costs of the construction of the Senior Recreation Center.

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

Facilities Maintenance Recurring - to account for the costs for ongoing facilities capital maintenance.

Equipment Replacement - to account for the costs for replacing City equipment (radios, computers, laptops, etc.).

Roadway Resurfacing Program - to account for the costs for resurfacing roads.

Capital Improvement Revenue Bond Series 2014 - to account for the costs of various capital projects financed by the CIRB 2014 and interest earnings.

Capital Improvement Beazer Settlement - to account for the costs of remediation work associated with the clean-up at the Cabot Carbon/Koppers Superfund Site.

Capital Improvement Revenue Note (CIRN) 2016B Additional 5 Cent Gas Tax - to account for the costs of various capital projects financed by the CIRN 2016B and interest earnings.

CAPITAL PROJECTS FUNDS

Wild Spaces Public Places Sales Tax 2017-2022 - to account for the receipt of a portion of the Wild Spaces Public Places five-year ½ cent sales tax and the related capital projects associated with public recreation funded by the tax and interest earnings.

Wild Spaces Public Places Joint Projects 2017-2022 - to account for joint capital projects funded by the Wild Spaces Public Places five-year ½ cent sales tax.

Capital Improvement Revenue Note 2019 - to account for the costs associated with various capital projects funded by the CIRN 2019 and interest earnings.

Wild Spaces Public Places Sales Tax 2023-2032 - to account for the revenues and expenditures of the Wild Spaces Public Places 10 year ½ cent sales tax and related capital projects associated with public recreation funded by the tax and interest earnings.

Infrastructure Sales Tax 2023-2032 - to account for the revenues and expenditures of the 10-year ½ cent sales tax and related capital projects associated with infrastructure funded by the tax and interest earnings.

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds			
	Community Development Block Grant	Urban Development Action Grant	Home Grant	Cultural Affairs
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	209,035	-	474,435
Investments	-	-	-	-
Receivables	332,705	-	71,709	1,331
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	332,705	209,035	71,709	475,766
Liabilities				
Accounts Payable and Accrued Liabilities	235,245	-	26,013	2,884
Due to Other Funds	77,068	-	303,460	-
Unearned Revenues	-	-	-	-
Total Liabilities	312,313	-	329,473	2,884
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	20,392	209,035	-	-
Committed	-	-	-	472,882
Assigned	-	-	-	-
Unassigned	-	-	(257,764)	-
Total Fund Balances	20,392	209,035	(257,764)	472,882
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 332,705	\$ 209,035	\$ 71,709	\$ 475,766

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	State Law Enforcement Contraband Forfeiture	Federal Law Enforcement Contraband Forfeiture - DOJ	Police Billable Overtime	Federal Law Enforcement Contraband Forfeiture - US Treasury
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	231,235	181,460	-	320,092
Investments	-	-	-	-
Receivables	-	-	343,107	-
Due from Other Funds	-	-	810	-
Assets Held for Evidence	242,948	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>474,183</u>	<u>181,460</u>	<u>343,917</u>	<u>320,092</u>
Liabilities				
Accounts Payable and Accrued Liabilities	164,006	5,665	4,345	-
Due to Other Funds	-	-	466,589	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>164,006</u>	<u>5,665</u>	<u>470,934</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	242,948	-	-	-
Restricted	67,229	175,795	-	320,092
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(127,017)	-
Total Fund Balances	<u>310,177</u>	<u>175,795</u>	<u>(127,017)</u>	<u>320,092</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 474,183</u>	<u>\$ 181,460</u>	<u>\$ 343,917</u>	<u>\$ 320,092</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Street, Sidewalk, and Ditch Improvement	Economic Development	Miscellaneous Grants	Transportation Concurrency Exception Area
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	144,646	228,155	-	5,960,225
Investments	-	-	-	-
Receivables	-	-	539,147	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>144,646</u>	<u>228,155</u>	<u>539,147</u>	<u>5,960,225</u>
Liabilities				
Accounts Payable and Accrued Liabilities	-	-	28,182	5,025
Due to Other Funds	-	-	1,616,700	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,644,882</u>	<u>5,025</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	154,090	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>154,090</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	144,646	-	-	5,955,200
Committed	-	228,155	-	-
Assigned	-	-	-	-
Unassigned	-	-	(1,259,825)	-
Total Fund Balances	<u>144,646</u>	<u>228,155</u>	<u>(1,259,825)</u>	<u>5,955,200</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 144,646</u>	<u>\$ 228,155</u>	<u>\$ 539,147</u>	<u>\$ 5,960,225</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Water/ Wastewater Infrastructure Surcharge	SHIP	Small Business Loan	Miscellaneous Special Revenue Fund
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	3,770,460	2,856,220	20,679	1,101,782
Investments	-	-	-	-
Receivables	-	-	-	105,530
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	3,770,460	2,856,220	20,679	1,207,312
Liabilities				
Accounts Payable and Accrued Liabilities	4,594	23,918	-	46,368
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	4,594	23,918	-	46,368
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	2,832,302	-	-
Committed	3,765,866	-	20,679	-
Assigned	-	-	-	1,160,944
Unassigned	-	-	-	-
Total Fund Balances	3,765,866	2,832,302	20,679	1,160,944
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,770,460	\$ 2,856,220	\$ 20,679	\$ 1,207,312

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Tree Mitigation	Evergreen Cemetery	School Crossing Guard	Art in Public Places
Assets				
Cash and Cash Equivalents	\$ -	\$ 147	\$ -	\$ -
Equity in Pooled Cash and Investments	15,288,797	49,233	80,587	38,972
Investments	-	1,784,964	-	-
Receivables	-	-	7,008	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	1,000	-	-	-
Total Assets	15,289,797	1,834,344	87,595	38,972
Liabilities				
Accounts Payable and Accrued Liabilities	83,483	5,386	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	83,483	5,386	-	-
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	1,000	973,501	-	-
Restricted	15,205,314	855,457	-	38,972
Committed	-	-	87,595	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	15,206,314	1,828,958	87,595	38,972
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,289,797	\$ 1,834,344	\$ 87,595	\$ 38,972

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Gainesville Community Reinvestment Area	Downtown Redevelopment Tax Increment Fund	Fifth Avenue Tax Increment Fund	College Park Tax Increment Fund
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	25,690,560	1,629,725	219,248	4,424,633
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>25,690,560</u>	<u>1,629,725</u>	<u>219,248</u>	<u>4,424,633</u>
Liabilities				
Accounts Payable and Accrued Liabilities	343,877	-	1,244	21,908
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>343,877</u>	<u>-</u>	<u>1,244</u>	<u>21,908</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	25,346,683	1,629,725	218,004	4,402,725
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>25,346,683</u>	<u>1,629,725</u>	<u>218,004</u>	<u>4,402,725</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,690,560</u>	<u>\$ 1,629,725</u>	<u>\$ 219,248</u>	<u>\$ 4,424,633</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			Debt Service Funds
	Eastside Tax Increment Fund	American Rescue Plan Act (ARPA)	Opioid Settlement Fund	Pension Obligation Bond Series 2003A
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	914	7,396,714	237,531	-
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>914</u>	<u>7,396,714</u>	<u>237,531</u>	<u>-</u>
Liabilities				
Accounts Payable and Accrued Liabilities	-	1,895,063	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	5,499,074	-	-
Total Liabilities	<u>-</u>	<u>7,394,137</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	914	2,577	237,531	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>914</u>	<u>2,577</u>	<u>237,531</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 914</u>	<u>\$ 7,396,714</u>	<u>\$ 237,531</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Debt Service Funds			
	Pension Obligation Bond Series 2003B	Revenue Refunding Note Series 2014	Capital Improvement Revenue Bond Series 2014	Revenue Refunding Note Series 2016A
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	-	-	-	5
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Liabilities				
Accounts Payable and Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	5
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Debt Service Funds			
	Capital Improvement Revenue Note 2016B	Capital Improvement Revenue Note 2019	Special Obligation Revenue Bonds Series 2020	Revenue Refunding Note Series 2021
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	56	29	-	36
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>56</u>	<u>29</u>	<u>-</u>	<u>36</u>
Liabilities				
Accounts Payable and Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	56	29	-	36
Unassigned	-	-	-	-
Total Fund Balances	<u>56</u>	<u>29</u>	<u>-</u>	<u>36</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 56</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 36</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	General Capital Projects	Greenspace and Community Improvement	Campus Development Agreement	Add'l 5 Cents Local Option Gas Tax (LOGT)
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	7,129,975	175,905	415,257	3,510,937
Investments	-	-	-	-
Receivables	-	-	-	193,035
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	7,129,975	175,905	415,257	3,703,972
Liabilities				
Accounts Payable and Accrued Liabilities	23,687	-	-	329,756
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	23,687	-	-	329,756
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	3,374,216
Committed	-	-	-	-
Assigned	7,106,288	175,905	415,257	-
Unassigned	-	-	-	-
Total Fund Balances	7,106,288	175,905	415,257	3,374,216
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,129,975	\$ 175,905	\$ 415,257	\$ 3,703,972

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	WSPP Parks and Recreation 2009-2010	WSPP Land Acquisition 2009-2010	Senior Recreation Center	Capital Improvement Revenue Bond 2010
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	1,724	209,499	28,034	38,628
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>1,724</u>	<u>209,499</u>	<u>28,034</u>	<u>38,628</u>
Liabilities				
Accounts Payable and Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,724	209,499	28,034	-
Committed	-	-	-	-
Assigned	-	-	-	38,628
Unassigned	-	-	-	-
Total Fund Balances	<u>1,724</u>	<u>209,499</u>	<u>28,034</u>	<u>38,628</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,724</u>	<u>\$ 209,499</u>	<u>\$ 28,034</u>	<u>\$ 38,628</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	Facilities Maintenance Recurring	Equipment Replacement	Roadway Resurfacing Program	Capital Improvement Revenue Bond Series 2014
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	1,915,536	-	3,813,439	558,192
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>1,915,536</u>	<u>-</u>	<u>3,813,439</u>	<u>558,192</u>
Liabilities				
Accounts Payable and Accrued Liabilities	49,257	-	181,373	-
Due to Other Funds	-	100,795	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>49,257</u>	<u>100,795</u>	<u>181,373</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	27,677
Committed	-	-	-	-
Assigned	1,866,279	-	3,632,066	530,515
Unassigned	-	(100,795)	-	-
Total Fund Balances	<u>1,866,279</u>	<u>(100,795)</u>	<u>3,632,066</u>	<u>558,192</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,915,536</u>	<u>\$ -</u>	<u>\$ 3,813,439</u>	<u>\$ 558,192</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	Capital Improvement Beazer Settlement	Capital Imp Revenue Note 2016B Add'l 5 Cent Gas Tax	Wild Spaces Public Places Sales Tax 2017-2022	Wild Spaces Public Places Joint Projects 2017-2022
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash and Investments	25,642	770,264	7,526,475	5,021,567
Investments	-	-	-	-
Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Assets Held for Evidence	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	25,642	770,264	7,526,475	5,021,567
Liabilities				
Accounts Payable and Accrued Liabilities	-	-	84,592	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	-	-	84,592	-
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	314,595	7,441,883	5,021,567
Committed	-	-	-	-
Assigned	25,642	455,669	-	-
Unassigned	-	-	-	-
Total Fund Balances	25,642	770,264	7,441,883	5,021,567
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,642	\$ 770,264	\$ 7,526,475	\$ 5,021,567

CITY OF GAINESVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Concluded)

	Capital Projects Funds			
	Capital Improvement Revenue Note 2019	Wild Spaces Public Spaces Sales Tax 2023-2032	Infrastructure Sales Tax 2023-2032	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 147
Equity in Pooled Cash and Investments	2,803,956	26,919,822	20,870,004	152,290,320
Investments	-	-	-	1,784,964
Receivables	-	1,244,514	1,244,514	4,082,600
Due from Other Funds	-	-	-	810
Assets Held for Evidence	-	-	-	242,948
Prepaid Expenses	-	-	-	1,000
Total Assets	2,803,956	28,164,336	22,114,518	158,402,789
Liabilities				
Accounts Payable and Accrued Liabilities	13,636	430,287	62,589	4,072,383
Due to Other Funds	-	-	-	2,564,612
Unearned Revenues	-	-	-	5,499,074
Total Liabilities	13,636	430,287	62,589	12,136,069
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	154,090
Total Deferred Inflows of Resources	-	-	-	154,090
Fund Balances				
Nonspendable	-	-	-	1,217,449
Restricted	2,166,705	27,734,049	22,051,929	126,034,471
Committed	-	-	-	4,575,177
Assigned	623,615	-	-	16,030,934
Unassigned	-	-	-	(1,745,401)
Total Fund Balances	2,790,320	27,734,049	22,051,929	146,112,630
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,803,956	\$ 28,164,336	\$ 22,114,518	\$ 158,402,789

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Community Development Block Grant	Urban Development Action Grant	Home Grant	Cultural Affairs
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	2,325,205	-	790,064	-
Charges for Services	-	-	-	84,300
Fines and Forfeitures	-	-	-	-
Miscellaneous	17,466	9,679	2,953	66,768
Total Revenues	<u>2,342,671</u>	<u>9,679</u>	<u>793,017</u>	<u>151,068</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	2,295,979	-	758,952	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	167,526
Debt Service:				
Principal	-	-	-	12,396
Interest and Fiscal Charges	-	-	-	273
Capital Outlay	-	-	32,202	-
Total Expenditures	<u>2,295,979</u>	<u>-</u>	<u>791,154</u>	<u>180,195</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>46,692</u>	<u>9,679</u>	<u>1,863</u>	<u>(29,127)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(55,010)	-	-	(8,841)
Total Other Financing Sources (Uses)	<u>(55,010)</u>	<u>-</u>	<u>-</u>	<u>(8,841)</u>
Net Change in Fund Balances	<u>(8,318)</u>	<u>9,679</u>	<u>1,863</u>	<u>(37,968)</u>
Fund Balances, Beginning of Year	<u>28,710</u>	<u>199,356</u>	<u>(259,627)</u>	<u>510,850</u>
Fund Balances, End of Year	<u>\$ 20,392</u>	<u>\$ 209,035</u>	<u>\$ (257,764)</u>	<u>\$ 472,882</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	State Law Enforcement Contraband Forfeiture	Federal Law Enforcement Contraband Forfeiture - DOJ	Police Billable Overtime	Federal Law Enforcement Contraband Forefiture - US Treasury
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	6,000	-	1,381,131	-
Fines and Forfeitures	183,710	51,559	-	-
Miscellaneous	50	74	-	95
Total Revenues	189,760	51,633	1,381,131	95
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	17,762	266,862	1,202,088	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	285,839
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	21,993	-	-	1,335,748
Total Expenditures	39,755	266,862	1,202,088	1,621,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,005	(215,229)	179,043	(1,621,492)
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	1,335,748
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,335,748
Net Change in Fund Balances	150,005	(215,229)	179,043	(285,744)
Fund Balances, Beginning of Year	160,172	391,024	(306,060)	605,836
Fund Balances, End of Year	\$ 310,177	\$ 175,795	\$ (127,017)	\$ 320,092

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Street, Sidewalk, and Ditch Improvement	Economic Development	Miscellaneous Grants	Transportation Concurrency Exception Area
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	2,287,788	-
Charges for Services	-	-	-	1,829,465
Fines and Forfeitures	-	-	-	-
Miscellaneous	6,698	10,677	29,875	258,991
Total Revenues	<u>6,698</u>	<u>10,677</u>	<u>2,317,663</u>	<u>2,088,456</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	1,429,337	-
Physical Environment	-	-	-	-
Transportation	-	-	6,633	212,399
Economic Environment	-	5,020	49,779	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	542,932	907,990
Total Expenditures	<u>-</u>	<u>5,020</u>	<u>2,028,681</u>	<u>1,120,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,698</u>	<u>5,657</u>	<u>288,982</u>	<u>968,067</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(67,479)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(67,479)</u>	<u>-</u>
Net Change in Fund Balances	6,698	5,657	221,503	968,067
Fund Balances, Beginning of Year	<u>137,948</u>	<u>222,498</u>	<u>(1,481,328)</u>	<u>4,987,133</u>
Fund Balances, End of Year	<u>\$ 144,646</u>	<u>\$ 228,155</u>	<u>\$ (1,259,825)</u>	<u>\$ 5,955,200</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Water/ Wastewater Infrastructure Surcharge	SHIP	Small Business Loan	Miscellaneous Special Revenue Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	1,114,630	-	70,885
Charges for Services	-	-	-	193,380
Fines and Forfeitures	-	-	-	20,055
Miscellaneous	206,941	158,612	958	520,797
Total Revenues	<u>206,941</u>	<u>1,273,242</u>	<u>958</u>	<u>805,117</u>
Expenditures				
Current:				
General Government	-	-	-	386,882
Public Safety	-	-	-	209,336
Physical Environment	-	-	-	999
Transportation	-	-	-	1,307
Economic Environment	837,370	1,684,632	-	890
Human Services	-	-	-	-
Culture and Recreation	-	-	-	34,250
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>837,370</u>	<u>1,684,632</u>	<u>-</u>	<u>633,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(630,429)</u>	<u>(411,390)</u>	<u>958</u>	<u>171,453</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	25,000
Transfers (out)	-	-	-	(10,065)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,935</u>
Net Change in Fund Balances	<u>(630,429)</u>	<u>(411,390)</u>	<u>958</u>	<u>186,388</u>
Fund Balances, Beginning of Year	<u>4,396,295</u>	<u>3,243,692</u>	<u>19,721</u>	<u>974,556</u>
Fund Balances, End of Year	<u>\$ 3,765,866</u>	<u>\$ 2,832,302</u>	<u>\$ 20,679</u>	<u>\$ 1,160,944</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Tree Mitigation	Evergreen Cemetery	School Crossing Guard	Art in Public Places
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	3,843,690	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	70,442	-	-
Fines and Forfeitures	-	-	56,396	-
Miscellaneous	641,365	349,505	2,310	1,954
Total Revenues	<u>4,485,055</u>	<u>419,947</u>	<u>58,706</u>	<u>1,954</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	49,599	-	-
Transportation	908,038	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	4,677
Debt Service:				
Principal	-	5,134	-	-
Interest and Fiscal Charges	-	366	-	-
Capital Outlay	661,204	-	-	-
Total Expenditures	<u>1,569,242</u>	<u>55,099</u>	<u>-</u>	<u>4,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,915,813</u>	<u>364,848</u>	<u>58,706</u>	<u>(2,723)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(166,566)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(166,566)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,915,813</u>	<u>198,282</u>	<u>58,706</u>	<u>(2,723)</u>
Fund Balances, Beginning of Year	<u>12,290,501</u>	<u>1,630,676</u>	<u>28,889</u>	<u>41,695</u>
Fund Balances, End of Year	<u>\$ 15,206,314</u>	<u>\$ 1,828,958</u>	<u>\$ 87,595</u>	<u>\$ 38,972</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			
	Gainesville Community Reinvestment Area	Downtown Redevelopment Tax Increment Fund	Fifth Avenue Tax Increment Fund	College Park Tax Increment Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	3,691,460	-	-	-
Charges for Services	746,055	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	1,206,196	81,197	12,765	211,546
Total Revenues	<u>5,643,711</u>	<u>81,197</u>	<u>12,765</u>	<u>211,546</u>
Expenditures				
Current:				
General Government	118,890	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	4,583,010	227,807	93,852	267,053
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	1,904	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	1,340,586	-	-	-
Total Expenditures	<u>6,044,390</u>	<u>227,807</u>	<u>93,852</u>	<u>267,053</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(400,679)</u>	<u>(146,610)</u>	<u>(81,087)</u>	<u>(55,507)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	5,522	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	3,385,481	-	-	-
Transfers (out)	(182,421)	-	-	-
Total Other Financing Sources (Uses)	<u>3,208,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,807,903</u>	<u>(146,610)</u>	<u>(81,087)</u>	<u>(55,507)</u>
Fund Balances, Beginning of Year	<u>22,538,780</u>	<u>1,776,335</u>	<u>299,091</u>	<u>4,458,232</u>
Fund Balances, End of Year	<u>\$ 25,346,683</u>	<u>\$ 1,629,725</u>	<u>\$ 218,004</u>	<u>\$ 4,402,725</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Special Revenue Funds			Debt Service Funds
	Eastside Tax Increment Fund	American Rescue Plan Act (ARPA)	Opioid Settlement Fund	Pension Obligation Bond Series 2003A
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	7,923,625	161,073	-
Charges for Services	-	-	-	2,524,744
Fines and Forfeitures	-	-	-	-
Miscellaneous	1,634	-	12,259	-
Total Revenues	<u>1,634</u>	<u>7,923,625</u>	<u>173,332</u>	<u>2,524,744</u>
Expenditures				
Current:				
General Government	-	6,240,069	-	-
Public Safety	-	130,410	190,097	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	591,231	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	24,155	-	1,078,523
Interest and Fiscal Charges	-	845	-	4,262,252
Capital Outlay	-	936,915	-	-
Total Expenditures	<u>-</u>	<u>7,923,625</u>	<u>190,097</u>	<u>5,340,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,634</u>	<u>-</u>	<u>(16,765)</u>	<u>(2,816,031)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	2,816,031
Transfers (out)	(59,823)	-	-	-
Total Other Financing Sources (Uses)	<u>(59,823)</u>	<u>-</u>	<u>-</u>	<u>2,816,031</u>
Net Change in Fund Balances	<u>(58,189)</u>	<u>-</u>	<u>(16,765)</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>59,103</u>	<u>2,577</u>	<u>254,296</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 914</u>	<u>\$ 2,577</u>	<u>\$ 237,531</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Debt Service Funds			
	Pension Obligation Bond Series 2003B	Revenue Refunding Note Series 2014	Capital Improvement Revenue Bond Series 2014	Revenue Refunding Note Series 2016A
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	2,640,000	1,603,836	641,625	1,144,902
Interest and Fiscal Charges	1,584,266	38,388	246,084	98,188
Capital Outlay	-	-	-	-
Total Expenditures	<u>4,224,266</u>	<u>1,642,224</u>	<u>887,709</u>	<u>1,243,090</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,224,266)</u>	<u>(1,642,224)</u>	<u>(887,709)</u>	<u>(1,243,090)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	4,224,266	1,642,210	887,709	1,243,095
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,224,266</u>	<u>1,642,210</u>	<u>887,709</u>	<u>1,243,095</u>
Net Change in Fund Balances	-	(14)	-	5
Fund Balances, Beginning of Year	-	14	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Debt Service Funds			
	Capital Improvement Revenue Note 2016B	Capital Improvement Revenue Note 2019	Special Obligation Revenue Bonds Series 2020	Revenue Refunding Note Series 2021
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	2,369,177	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>2,369,177</u>	<u>-</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	440,000	545,000	6,795,000	757,000
Interest and Fiscal Charges	86,518	117,679	4,535,719	155,749
Capital Outlay	-	-	-	-
Total Expenditures	<u>526,518</u>	<u>662,679</u>	<u>11,330,719</u>	<u>912,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(526,518)</u>	<u>(662,679)</u>	<u>(8,961,542)</u>	<u>(912,749)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	526,520	662,708	8,961,542	912,785
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>526,520</u>	<u>662,708</u>	<u>8,961,542</u>	<u>912,785</u>
Net Change in Fund Balances	2	29	-	36
Fund Balances, Beginning of Year	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 56</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 36</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	General Capital Projects	Greenspace and Community Improvement	Campus Development Agreement	Add'l 5 Cents Local Option Gas Tax (LOGT)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 2,336,369
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	128,271	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	158,091	8,144	23,943	211,917
Total Revenues	<u>286,362</u>	<u>8,144</u>	<u>23,943</u>	<u>2,548,286</u>
Expenditures				
Current:				
General Government	2,194	-	-	-
Public Safety	789,936	-	-	-
Physical Environment	-	-	-	-
Transportation	44,019	-	144,819	153,222
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	14,424	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	605,469	-	58,085	2,116,766
Total Expenditures	<u>1,456,042</u>	<u>-</u>	<u>202,904</u>	<u>2,269,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,169,680)</u>	<u>8,144</u>	<u>(178,961)</u>	<u>278,298</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	39,000	-	-	-
Transfers in	5,343,200	-	-	-
Transfers (out)	(58,647)	-	-	(905,558)
Total Other Financing Sources (Uses)	<u>5,323,553</u>	<u>-</u>	<u>-</u>	<u>(905,558)</u>
Net Change in Fund Balances	<u>4,153,873</u>	<u>8,144</u>	<u>(178,961)</u>	<u>(627,260)</u>
Fund Balances, Beginning of Year	<u>2,952,415</u>	<u>167,761</u>	<u>594,218</u>	<u>4,001,476</u>
Fund Balances, End of Year	<u>\$ 7,106,288</u>	<u>\$ 175,905</u>	<u>\$ 415,257</u>	<u>\$ 3,374,216</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	WSPP Parks and Recreation 2009-2010	WSPP Land Acquisition 2009-2010	Senior Recreation Center	Capital Improvement Revenue Bond 2010
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	80	9,701	1,299	1,548
Total Revenues	80	9,701	1,299	1,548
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	80	9,701	1,299	1,548
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	80	9,701	1,299	1,548
Fund Balances, Beginning of Year	1,644	199,798	26,735	37,080
Fund Balances, End of Year	\$ 1,724	\$ 209,499	\$ 28,034	\$ 38,628

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	Facilities Maintenance Recurring	Equipment Replacement	Roadway Resurfacing Program	Capital Improvement Revenue Bond Series 2014
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	28,000	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	91,949	-	199,310	22,363
Total Revenues	<u>91,949</u>	<u>-</u>	<u>227,310</u>	<u>22,363</u>
Expenditures				
Current:				
General Government	224,879	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	13,360	-	3,243,757	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>238,239</u>	<u>-</u>	<u>3,243,757</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(146,290)</u>	<u>-</u>	<u>(3,016,447)</u>	<u>22,363</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	60,000	-	2,000,000	-
Transfers (out)	-	-	(41,674)	-
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>-</u>	<u>1,958,326</u>	<u>-</u>
Net Change in Fund Balances	<u>(86,290)</u>	<u>-</u>	<u>(1,058,121)</u>	<u>22,363</u>
Fund Balances, Beginning of Year	<u>1,952,569</u>	<u>(100,795)</u>	<u>4,690,187</u>	<u>535,829</u>
Fund Balances, End of Year	<u>\$ 1,866,279</u>	<u>\$ (100,795)</u>	<u>\$ 3,632,066</u>	<u>\$ 558,192</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

	Capital Projects Funds			
	Capital Improvement Beazer Settlement	Capital Imp Revenue Note 2016B Add'l 5 Cent Gas Tax	Wild Spaces Public Places Sales Tax 2017-2022	Wild Spaces Public Places Joint Projects 2017-2022
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, Fees and Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	1,188	30,858	586,936	94,407
Total Revenues	<u>1,188</u>	<u>30,858</u>	<u>586,936</u>	<u>94,407</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	-	-	348,909	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	3,699,167	87,923
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,048,076</u>	<u>87,923</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,188</u>	<u>30,858</u>	<u>(3,461,140)</u>	<u>6,484</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	-
SBITAs	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	2,745,031
Transfers (out)	-	-	(2,745,031)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,745,031)</u>	<u>2,745,031</u>
Net Change in Fund Balances	<u>1,188</u>	<u>30,858</u>	<u>(6,206,171)</u>	<u>2,751,515</u>
Fund Balances, Beginning of Year	<u>24,454</u>	<u>739,406</u>	<u>13,648,054</u>	<u>2,270,052</u>
Fund Balances, End of Year	<u>\$ 25,642</u>	<u>\$ 770,264</u>	<u>\$ 7,441,883</u>	<u>\$ 5,021,567</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	Capital Projects Funds			
	Capital Improvement Revenue Note 2019	Wild Spaces Public Spaces Sales Tax 2023-2032	Infrastructure Sales Tax 2023-2032	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ 10,755,932	\$ 10,755,932	\$ 23,848,233
Permits, Fees and Special Assessments	-	-	-	3,843,690
Intergovernmental	-	-	-	18,364,730
Charges for Services	-	-	-	9,360,965
Fines and Forfeitures	-	-	-	311,720
Miscellaneous	114,708	1,038,964	884,661	7,291,432
Total Revenues	<u>114,708</u>	<u>11,794,896</u>	<u>11,640,593</u>	<u>63,020,770</u>
Expenditures				
Current:				
General Government	125,984	-	190,249	7,289,147
Public Safety	-	-	-	4,235,828
Physical Environment	-	-	-	50,598
Transportation	-	-	47,081	4,774,635
Economic Environment	-	-	-	11,395,575
Human Services	-	-	-	-
Culture and Recreation	-	714,650	-	1,284,436
Debt Service:				
Principal	-	-	-	15,975,314
Interest and Fiscal Charges	-	-	-	11,126,327
Capital Outlay	128,124	1,433,826	4,970,132	18,879,062
Total Expenditures	<u>254,108</u>	<u>2,148,476</u>	<u>5,207,462</u>	<u>75,010,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(139,400)</u>	<u>9,646,420</u>	<u>6,433,131</u>	<u>(11,990,152)</u>
Other Financing Sources (Uses)				
Proceeds from Financed Purchase	-	-	-	1,335,748
SBITAs	-	-	-	5,522
Sale of Capital Assets	-	-	-	39,000
Transfers in	-	-	-	35,435,578
Transfers (out)	-	-	-	(4,301,115)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,514,733</u>
Net Change in Fund Balances	<u>(139,400)</u>	<u>9,646,420</u>	<u>6,433,131</u>	<u>20,524,581</u>
Fund Balances, Beginning of Year	<u>2,929,720</u>	<u>18,087,629</u>	<u>15,618,798</u>	<u>125,588,049</u>
Fund Balances, End of Year	<u>\$ 2,790,320</u>	<u>\$ 27,734,049</u>	<u>\$ 22,051,929</u>	<u>\$ 146,112,630</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 2,325,205	\$ 1,386,147	\$ 939,058
Miscellaneous	17,466	1,280	16,186
Total Revenues	<u>2,342,671</u>	<u>1,387,427</u>	<u>955,244</u>
Expenditures			
Housing and Community Development	<u>2,328,181</u>	<u>4,617,159</u>	<u>2,288,978</u>
Total Expenditures	<u>2,328,181</u>	<u>4,617,159</u>	<u>2,288,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,490</u>	<u>(3,229,732)</u>	<u>3,244,222</u>
Other Financing Sources (Uses)			
Transfers (out)	<u>(55,010)</u>	<u>-</u>	<u>(55,010)</u>
Total Other Financing Sources (Uses)	<u>(55,010)</u>	<u>-</u>	<u>(55,010)</u>
Net Change in Fund Balances	<u>\$ (40,520)</u>	<u>\$ (3,229,732)</u>	<u>\$ 3,189,212</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
URBAN DEVELOPMENT ACTION GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Miscellaneous	9,679	-	9,679
Total Revenues	<u>9,679</u>	<u>-</u>	<u>9,679</u>
Expenditures			
Public Works	-	142,667	142,667
Total Expenditures	<u>-</u>	<u>142,667</u>	<u>142,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,679</u>	<u>(142,667)</u>	<u>152,346</u>
Net Change in Fund Balances	<u>\$ 9,679</u>	<u>\$ (142,667)</u>	<u>\$ 152,346</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
HOME GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 790,064	\$ 548,431	\$ 241,633
Miscellaneous	2,953	-	2,953
Total Revenues	<u>793,017</u>	<u>548,431</u>	<u>244,586</u>
Expenditures			
Housing and Community Development	<u>791,154</u>	<u>5,083,292</u>	<u>4,292,138</u>
Total Expenditures	<u>791,154</u>	<u>5,083,292</u>	<u>4,292,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,863</u>	<u>(4,534,861)</u>	<u>4,536,724</u>
Net Change in Fund Balances	<u>\$ 1,863</u>	<u>\$ (4,534,861)</u>	<u>\$ 4,536,724</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CULTURAL AFFAIRS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Services	\$ 84,300	\$ -	\$ 84,300
Miscellaneous	66,768	210,000	(143,232)
Total Revenues	<u>151,068</u>	<u>210,000</u>	<u>(58,932)</u>
Expenditures			
Recreations and Culture Affairs	180,195	210,000	29,805
Total Expenditures	<u>180,195</u>	<u>210,000</u>	<u>29,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,127)</u>	<u>-</u>	<u>(29,127)</u>
Other Financing Sources (Uses)			
Transfers (out)	(8,841)	-	(8,841)
Total Other Financing Sources (Uses)	<u>(8,841)</u>	<u>-</u>	<u>(8,841)</u>
Net Change in Fund Balances	<u>\$ (37,968)</u>	<u>\$ -</u>	<u>\$ (37,968)</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STATE LAW ENFORCEMENT CONTRABAND FORFEITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 6,000	\$ -	\$ 6,000
Fines and Forfeitures	183,710	-	183,710
Miscellaneous	50	-	50
Total Revenues	<u>189,760</u>	<u>-</u>	<u>189,760</u>
Expenditures			
Police	<u>39,755</u>	<u>186,856</u>	<u>147,101</u>
Total Expenditures	<u>39,755</u>	<u>186,856</u>	<u>147,101</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>150,005</u>	<u>(186,856)</u>	<u>336,861</u>
Net Change in Fund Balances	<u>\$ 150,005</u>	<u>\$ (186,856)</u>	<u>\$ 336,861</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE - DOJ
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 51,559	\$ -	\$ 51,559
Miscellaneous	74	-	74
Total Revenues	<u>51,633</u>	<u>-</u>	<u>51,633</u>
Expenditures			
Police	266,862	326,101	59,239
Total Expenditures	<u>266,862</u>	<u>326,101</u>	<u>59,239</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(215,229)</u>	<u>(326,101)</u>	<u>110,872</u>
Net Change in Fund Balances	<u>\$ (215,229)</u>	<u>\$ (326,101)</u>	<u>\$ 110,872</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
POLICE BILLABLE OVERTIME
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Charges for Services	\$ 1,381,131	\$ 1,371,255	\$ 9,876
Total Revenues	<u>1,381,131</u>	<u>1,371,255</u>	<u>9,876</u>
Expenditures			
Police	<u>1,202,088</u>	<u>1,371,255</u>	<u>169,167</u>
Total Expenditures	<u>1,202,088</u>	<u>1,371,255</u>	<u>169,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>179,043</u>	<u>-</u>	<u>179,043</u>
Net Change in Fund Balance	<u><u>\$ 179,043</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 179,043</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT CONTRABAND FORFEITURE - US TREASURY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ 95	\$ -	\$ 95
Total Revenues	<u>95</u>	<u>-</u>	<u>95</u>
Expenditures			
Police	1,621,587	1,661,180	39,593
Total Expenditures	<u>1,621,587</u>	<u>1,661,180</u>	<u>39,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,621,492)</u>	<u>(1,661,180)</u>	<u>39,688</u>
Other Financing Sources (Uses)			
Proceeds from Financed Purchase	1,335,748	1,335,748	-
Total Other Financing Sources (Uses)	<u>1,335,748</u>	<u>1,335,748</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (285,744)</u>	<u>\$ (325,432)</u>	<u>\$ 39,688</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
STREET, SIDEWALK, AND DITCH IMPROVEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 6,698	\$ -	\$ 6,698
Total Revenues	<u>6,698</u>	<u>-</u>	<u>6,698</u>
Expenditures			
Public Works	-	120,886	120,886
Total Expenditures	<u>-</u>	<u>120,886</u>	<u>120,886</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,698</u>	<u>(120,886)</u>	<u>127,584</u>
Net Change in Fund Balance	<u>\$ 6,698</u>	<u>\$ (120,886)</u>	<u>\$ 127,584</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 10,677	\$ -	\$ 10,677
Total Revenues	<u>10,677</u>	<u>-</u>	<u>10,677</u>
Expenditures			
Sustainable Development	5,020	94,558	89,538
Total Expenditures	<u>5,020</u>	<u>94,558</u>	<u>89,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,657</u>	<u>(94,558)</u>	<u>100,215</u>
Other Financing Sources (Uses)			
Transfers in	-	12,000	(12,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>12,000</u>	<u>(12,000)</u>
Net Change in Fund Balance	<u>\$ 5,657</u>	<u>\$ (82,558)</u>	<u>\$ 88,215</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS GRANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 2,287,788	\$ 2,151,681	\$ 136,107
Miscellaneous	29,875	417,250	(387,375)
Total Revenues	<u>2,317,663</u>	<u>2,568,931</u>	<u>(251,268)</u>
Expenditures			
City Manager	-	417,250	417,250
Financial Services	-	250,000	250,000
Fire Rescue	354,937	1,404,750	1,049,813
Housing and Community Development	-	10,000	10,000
Human Services	-	15,000	15,000
Parks, Recreation, and Cultural Affairs	-	1,005,209	1,005,209
Police	1,074,400	1,411,717	337,317
Public Works	6,633	2,938,467	2,931,834
Sustainable Development	49,779	180,405	130,626
Transportation	542,932	4,226,338	3,683,406
Total Expenditures	<u>2,028,681</u>	<u>11,859,136</u>	<u>9,830,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>288,982</u>	<u>(9,290,205)</u>	<u>9,579,187</u>
Other Financing Sources (Uses)			
Transfers in	-	211,535	(211,535)
Transfers (out)	(67,479)	(330,782)	263,303
Total Other Financing Sources (Uses)	<u>(67,479)</u>	<u>(119,247)</u>	<u>51,768</u>
Net Change in Fund Balance	<u>\$ 221,503</u>	<u>\$ (9,409,452)</u>	<u>\$ 9,630,955</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
WATER/WASTEWATER INFRASTRUCTURE SURCHARGE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 206,941	\$ 9,386	\$ 197,555
Total Revenues	<u>206,941</u>	<u>9,386</u>	<u>197,555</u>
Expenditures			
Housing and Community Development	837,370	3,213,039	2,375,669
Total Expenditures	<u>837,370</u>	<u>3,213,039</u>	<u>2,375,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(630,429)</u>	<u>(3,203,653)</u>	<u>2,573,224</u>
Net Change in Fund Balance	<u>\$ (630,429)</u>	<u>\$ (3,203,653)</u>	<u>\$ 2,573,224</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SUPPORTIVE HOUSING INVESTMENT PARTNERSHIP (SHIP)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,114,630	\$ 1,155,940	\$ (41,310)
Miscellaneous	158,612	217,652	(59,040)
Total Revenues	<u>1,273,242</u>	<u>1,373,592</u>	<u>(100,350)</u>
Expenditures			
Housing and Community	<u>1,684,632</u>	<u>4,409,962</u>	<u>2,725,330</u>
Total Expenditures	<u>1,684,632</u>	<u>4,409,962</u>	<u>2,725,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(411,390)</u>	<u>(3,036,370)</u>	<u>2,624,980</u>
Net Change in Fund Balance	<u>\$ (411,390)</u>	<u>\$ (3,036,370)</u>	<u>\$ 2,624,980</u>

**CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SMALL BUSINESS LOAN
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 958	\$ -	\$ 958
Total Revenues	<u>958</u>	<u>-</u>	<u>958</u>
Expenditures			
Nondepartmental	-	26,351	26,351
Total Expenditures	<u>-</u>	<u>26,351</u>	<u>26,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>958</u>	<u>(26,351)</u>	<u>27,309</u>
Net Change in Fund Balance	<u>\$ 958</u>	<u>\$ (26,351)</u>	<u>\$ 27,309</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
MISCELLANEOUS SPECIAL REVENUE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 70,885	\$ 298,979	\$ (228,094)
Charges for Services	193,380	236,555	(43,175)
Fines and Forfeitures	20,055	20,055	-
Miscellaneous	520,797	469,919	50,878
Total Revenues	<u>805,117</u>	<u>1,025,508</u>	<u>(220,391)</u>
Expenditures			
Current:			
City Manager	-	417,250	417,250
Financial Services	250,000	250,000	-
Fire Rescue	150,058	1,697,061	1,547,003
Housing and Community Development	890	55,798	54,908
Human Resources	17,816	18,217	401
Nondepartmental	6,461	-	(6,461)
Parks, Recreation, and Cultural Affairs	34,250	1,107,640	1,073,390
Police	59,278	1,667,004	1,607,726
Public Works	113,543	3,138,467	3,024,924
Sustainable Development	-	188,433	188,433
Transportation	1,368	231,992	230,624
Total Expenditures	<u>633,664</u>	<u>8,771,862</u>	<u>8,138,198</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>171,453</u>	<u>(7,746,354)</u>	<u>7,917,807</u>
Other Financing Sources (Uses)			
Transfers in	25,000	26,096	(1,096)
Transfers (out)	(10,065)	(10,065)	-
Total Other Financing Sources (Uses)	<u>14,935</u>	<u>16,031</u>	<u>(1,096)</u>
Net Change in Fund Balance	<u>\$ 186,388</u>	<u>\$ (7,730,323)</u>	<u>\$ 7,916,711</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
EVERGREEN CEMETERY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 70,442	\$ -	\$ 70,442
Miscellaneous	349,505	-	349,505
Total Revenues	<u>419,947</u>	<u>-</u>	<u>419,947</u>
Expenditures			
Cemetery	55,099	138,320	83,221
Total Expenditures	<u>55,099</u>	<u>138,320</u>	<u>83,221</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>364,848</u>	<u>(138,320)</u>	<u>503,168</u>
Other Financing Sources (Uses)			
Transfers (out)	(166,566)	(160,000)	(6,566)
Total Other Financing Sources (Uses)	<u>(166,566)</u>	<u>(160,000)</u>	<u>(6,566)</u>
Net Change in Fund Balance	<u>\$ 198,282</u>	<u>\$ (298,320)</u>	<u>\$ 496,602</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SCHOOL CROSSING GUARD
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 56,396	\$ -	\$ 56,396
Miscellaneous	<u>2,310</u>	<u>-</u>	<u>2,310</u>
Total Revenues	<u>58,706</u>	<u>-</u>	<u>58,706</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>58,706</u>	 <u>-</u>	 <u>58,706</u>
 Net Change in Fund Balance	 <u><u>\$ 58,706</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 58,706</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ART IN PUBLIC PLACES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ 1,954	\$ -	\$ 1,954
Total Revenues	<u>1,954</u>	<u>-</u>	<u>1,954</u>
Expenditures			
Culture and Recreation	<u>4,677</u>	<u>47,422</u>	<u>42,745</u>
Total Expenditures	<u>4,677</u>	<u>47,422</u>	<u>42,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,723)</u>	<u>(47,422)</u>	<u>44,699</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>42,899</u>	<u>(42,899)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>42,899</u>	<u>(42,899)</u>
Net Change in Fund Balance	<u>\$ (2,723)</u>	<u>\$ (4,523)</u>	<u>\$ 1,800</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
ARPA
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 7,923,625	\$ -	\$ 7,923,625
Total Revenues	<u>7,923,625</u>	<u>-</u>	<u>7,923,625</u>
Expenditures			
City Manager	6,128,927	10,261,203	4,132,276
Equity and Inclusion	111,142	164,563	53,421
Fire Rescue	111,879	841,824	729,945
Housing and Development	591,231	1,145,696	554,465
Nondepartmental	-	1,186,237	1,186,237
Police	18,531	18,531	-
Transportation	936,915	980,881	43,966
Debt Service:			
Principal	24,155	-	(24,155)
Interest	845	-	(845)
Total Expenditures	<u>7,923,625</u>	<u>14,598,935</u>	<u>6,675,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(14,598,935)</u>	<u>14,598,935</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (14,598,935)</u>	<u>\$ 14,598,935</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
OPIOID SETTLEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 161,073	\$ -	\$ 161,073
Miscellaneous	12,259	-	12,259
Total Revenues	<u>173,332</u>	<u>-</u>	<u>173,332</u>
Expenditures			
Fire Rescue	190,097	256,894	66,797
Police	-	50,000	50,000
Total Expenditures	<u>190,097</u>	<u>306,894</u>	<u>116,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,765)</u>	<u>(306,894)</u>	<u>290,129</u>
Net Change in Fund Balance	<u>\$ (16,765)</u>	<u>\$ (306,894)</u>	<u>\$ 290,129</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003A
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 2,524,744	\$ 2,524,744	\$ -
Total Revenues	<u>2,524,744</u>	<u>2,524,744</u>	<u>-</u>
Expenditures			
Debt Service:			
Principal	1,078,523	1,078,523	-
Interest	4,262,252	4,258,863	(3,389)
Total Expenditures	<u>5,340,775</u>	<u>5,337,386</u>	<u>(3,389)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,816,031)</u>	<u>(2,812,642)</u>	<u>(3,389)</u>
Other Financing Sources (Uses)			
Transfers in	2,816,031	2,812,642	3,389
Total Other Financing Sources (Uses)	<u>2,816,031</u>	<u>2,812,642</u>	<u>3,389</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
PENSION OBLIGATION BOND SERIES 2003B
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service:			
Principal	\$ 2,640,000	\$ 2,640,000	\$ -
Interest	1,584,266	1,584,266	-
Total Expenditures	<u>4,224,266</u>	<u>4,224,266</u>	<u>-</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(4,224,266)</u>	 <u>(4,224,266)</u>	 <u>-</u>
 Other Financing Sources (Uses)			
Transfers in	4,224,266	4,224,266	-
Total Other Financing Sources (Uses)	<u>4,224,266</u>	<u>4,224,266</u>	<u>-</u>
 Net Change in Fund Balance	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
REVENUE REFUNDING NOTE SERIES 2014
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service:			
Principal	\$ 1,603,836	\$ 1,603,836	\$ -
Interest	38,388	39,684	1,296
Total Expenditures	<u>1,642,224</u>	<u>1,643,520</u>	<u>1,296</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(1,642,224)</u>	 <u>(1,643,520)</u>	 <u>1,296</u>
 Other Financing Sources (Uses)			
Transfers in	<u>1,642,210</u>	<u>1,643,520</u>	<u>(1,310)</u>
Total Other Financing Sources (Uses)	<u>1,642,210</u>	<u>1,643,520</u>	<u>(1,310)</u>
 Net Change in Fund Balance	 <u><u>\$ (14)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (14)</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE BOND SERIES 2014
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service:			
Principal	\$ 641,625	\$ 641,625	\$ -
Interest	246,084	1,001,895	755,811
Total Expenditures	<u>887,709</u>	<u>1,643,520</u>	<u>755,811</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(887,709)</u>	 <u>(1,643,520)</u>	 <u>755,811</u>
 Other Financing Sources (Uses)			
Transfers in	<u>887,709</u>	<u>1,643,520</u>	<u>(755,811)</u>
Total Other Financing Sources (Uses)	<u>887,709</u>	<u>1,643,520</u>	<u>(755,811)</u>
 Net Change in Fund Balance	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
REVENUE REFUNDING NOTE SERIES 2016A
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service:			
Principal	\$ 1,144,902	\$ 1,144,902	\$ -
Interest	98,188	206,876	108,688
Total Expenditures	<u>1,243,090</u>	<u>1,351,778</u>	<u>108,688</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(1,243,090)</u>	 <u>(1,351,778)</u>	 <u>108,688</u>
 Other Financing Sources (Uses)			
Transfers in	<u>1,243,095</u>	<u>1,351,778</u>	<u>(108,683)</u>
Total Other Financing Sources (Uses)	<u>1,243,095</u>	<u>1,351,778</u>	<u>(108,683)</u>
 Net Change in Fund Balance	 <u><u>\$ 5</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 5</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE NOTE SERIES 2016B
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service:			
Principal	\$ 440,000	\$ 440,000	\$ -
Interest	86,518	86,960	442
Total Expenditures	<u>526,518</u>	<u>526,960</u>	<u>442</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(526,518)</u>	 <u>(526,960)</u>	 <u>442</u>
 Other Financing Sources (Uses)			
Transfers in	526,520	526,960	(440)
Total Other Financing Sources (Uses)	<u>526,520</u>	<u>526,960</u>	<u>(440)</u>
 Net Change in Fund Balance	 <u><u>\$ 2</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 2</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE NOTE 2019
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Expenditures			
Debt Service:			
Principal	\$ 545,000	\$ 545,000	\$ -
Interest	117,679	117,708	29
Total Expenditures	<u>662,679</u>	<u>662,708</u>	<u>29</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(662,679)</u>	 <u>(662,708)</u>	 <u>29</u>
 Other Financing Sources (Uses)			
Transfers in	<u>662,708</u>	<u>662,708</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>662,708</u>	<u>662,708</u>	<u>-</u>
 Net Change in Fund Balance	 <u><u>\$ 29</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 29</u></u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SPECIAL OBLIGATION REVENUE BONDS SERIES 2020
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actual	Budget	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 2,369,177	\$ -	\$ 2,369,177
Total Revenues	<u>2,369,177</u>	<u>-</u>	<u>2,369,177</u>
Expenditures			
Debt Service:			
Principal	6,795,000	6,795,000	-
Interest Expense	4,535,719	4,535,720	1
Total Expenditures	<u>11,330,719</u>	<u>11,330,720</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,961,542)</u>	<u>(11,330,720)</u>	<u>2,369,178</u>
Other Financing Sources (Uses)			
Transfers in	8,961,542	11,330,720	(2,369,178)
Total Other Financing Sources (Uses)	<u>8,961,542</u>	<u>11,330,720</u>	<u>(2,369,178)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE 2021
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures			
Debt Service:			
Principal	\$ 757,000	\$ 757,000	\$ -
Interest	155,749	155,785	36
Total Expenditures	<u>912,749</u>	<u>912,785</u>	<u>36</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(912,749)</u>	 <u>(912,785)</u>	 <u>36</u>
 Other Financing Sources (Uses)			
Transfers in	912,785	912,785	-
Total Other Financing Sources (Uses)	<u>912,785</u>	<u>912,785</u>	<u>-</u>
 Net Change in Fund Balance	 <u><u>\$ 36</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 36</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 of Gainesville, Florida (the City) maintains the following nonmajor Enterprise Funds:

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

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

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2025

	Regional Transit System Fund	Stormwater Management Utility Fund	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Nonmajor Enterprise Fund
Assets					
Cash and Cash Equivalents	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500
Equity in Pooled Cash and Investments	-	13,596,847	11,084,397	11,012,338	35,693,582
Receivables	4,757,179	863,215	-	500,812	6,121,206
Due from Other Funds	-	700,470	-	842,710	1,543,180
Inventories	1,371,677	-	-	-	1,371,677
Prepaid Expense	245	-	130	-	375
Total Current Assets	<u>6,131,601</u>	<u>15,160,532</u>	<u>11,084,527</u>	<u>12,355,860</u>	<u>44,732,520</u>
Capital Assets (Net of Accumulated Depreciation):					
Buildings	28,380,893	1,087,735	-	348,114	29,816,742
Improvements Other than Buildings	1,269,035	511	-	-	1,269,546
Machinery and Equipment	27,993,051	238,086	-	21,068	28,252,205
Infrastructure	-	24,207,119	-	-	24,207,119
Right-of-Use SBITAs	908,648	18,464	295,746	12,566	1,235,424
Capital Assets (not Depreciated):					
Land	4,690,877	4,438,850	-	19,731	9,149,458
Construction in Progress	<u>3,284,060</u>	<u>2,290,458</u>	<u>-</u>	<u>186,238</u>	<u>5,760,756</u>
Total Capital Assets	66,526,564	32,281,223	295,746	587,717	99,691,250
Net OPEB Asset	1,398,324	389,941	296,747	149,120	2,234,132
Net Pension Asset	<u>3,064,866</u>	<u>924,325</u>	<u>583,783</u>	<u>291,892</u>	<u>4,864,866</u>
Total Noncurrent Assets	<u>70,989,754</u>	<u>33,595,489</u>	<u>1,176,276</u>	<u>1,028,729</u>	<u>106,790,248</u>
Total Assets	<u>77,121,355</u>	<u>48,756,021</u>	<u>12,260,803</u>	<u>13,384,589</u>	<u>151,522,768</u>
Deferred Outflows of Resources					
Deferred Amounts Related to Pensions	1,341,635	404,620	255,549	127,775	2,129,579
Deferred Amounts Related to OPEB	<u>214,613</u>	<u>59,848</u>	<u>45,543</u>	<u>22,887</u>	<u>342,891</u>
Total Deferred Outflows of Resources	<u>1,556,248</u>	<u>464,468</u>	<u>301,092</u>	<u>150,662</u>	<u>2,472,470</u>
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	983,270	364,436	42,763	1,502,057	2,892,526
Due to Other Funds	718,036	188,864	103,656	54,890	1,065,446
Unearned Revenue	936,748	-	-	-	936,748
Current Portion of Long-Term Liabilities	<u>494,924</u>	<u>295,850</u>	<u>134,556</u>	<u>190,415</u>	<u>1,115,745</u>
Total Current Liabilities	<u>3,132,978</u>	<u>849,150</u>	<u>280,975</u>	<u>1,747,362</u>	<u>6,010,465</u>
Noncurrent Liabilities:					
Advances from Other Funds	23,041,661	4,315,479	2,364,921	1,259,278	30,981,339
SBITA Liability	450,908	7,382	227,285	5,024	690,599
Long-Term Liabilities	<u>218,916</u>	<u>268,271</u>	<u>61,220</u>	<u>1,172,168</u>	<u>1,720,575</u>
Total Noncurrent Liabilities	<u>23,711,485</u>	<u>4,591,132</u>	<u>2,653,426</u>	<u>2,436,470</u>	<u>33,392,513</u>
Total Liabilities	<u>26,844,463</u>	<u>5,440,282</u>	<u>2,934,401</u>	<u>4,183,832</u>	<u>39,402,978</u>
Deferred Inflows of Resources					
Deferred Amounts Related to Pensions	5,194,947	1,566,730	989,513	494,757	8,245,947
Deferred Amounts Related to OPEB	<u>1,494,175</u>	<u>416,671</u>	<u>317,088</u>	<u>159,342</u>	<u>2,387,276</u>
Total Deferred Inflows of Resources	<u>6,689,122</u>	<u>1,983,401</u>	<u>1,306,601</u>	<u>654,099</u>	<u>10,633,223</u>
Net Position					
Net Investment in Capital Assets	65,799,649	31,863,308	(4,875)	(738,948)	96,919,134
Restricted	-	-	8,325,768	-	8,325,768
Unrestricted	<u>(20,655,631)</u>	<u>9,933,498</u>	<u>-</u>	<u>9,436,268</u>	<u>(1,285,865)</u>
Total Net Position	<u>\$ 45,144,018</u>	<u>\$ 41,796,806</u>	<u>\$ 8,320,893</u>	<u>\$ 8,697,320</u>	<u>\$ 103,959,037</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Regional Transit System Fund	Stormwater Management Utility Fund	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Nonmajor Enterprise Fund
Operating Revenues					
Permits, Fees and Special Assessments	\$ -	\$ -	\$ 5,120,522	\$ -	\$ 5,120,522
Sales and Service Charges	15,516,958	11,292,280	-	14,680,200	41,489,438
Other Operating Revenues	702,901	41,347	2,564	6,543	753,355
Total Operating Revenues	<u>16,219,859</u>	<u>11,333,627</u>	<u>5,123,086</u>	<u>14,686,743</u>	<u>47,363,315</u>
Operating Expenses					
Operations and Maintenance	20,846,701	6,986,124	2,721,387	11,016,561	41,570,773
Administrative and General	4,025,462	1,550,339	532,630	620,791	6,729,222
Depreciation and Amortization	6,020,792	1,564,227	74,575	23,091	7,682,685
Total Operating Expenses	<u>30,892,955</u>	<u>10,100,690</u>	<u>3,328,592</u>	<u>11,660,443</u>	<u>55,982,680</u>
Operating Income (Loss)	<u>(14,673,096)</u>	<u>1,232,937</u>	<u>1,794,494</u>	<u>3,026,300</u>	<u>(8,619,365)</u>
Nonoperating Revenues (Expenses)					
Investment Income/(Loss)	-	600,970	528,543	503,982	1,633,495
Interest Expense	(23,244)	(11,377)	-	(45,858)	(80,479)
Gain (Loss) on Disposal of Capital Assets	107,806	-	-	-	107,806
Local Option Gas Tax	2,284,119	-	-	-	2,284,119
Operating Grants	7,443,733	671,224	-	204,457	8,319,414
Total Nonoperating Revenues (Expenses)	<u>9,812,414</u>	<u>1,260,817</u>	<u>528,543</u>	<u>662,581</u>	<u>12,264,355</u>
Income/(Loss) Before Capital Contributions and Transfers	<u>(4,860,682)</u>	<u>2,493,754</u>	<u>2,323,037</u>	<u>3,688,881</u>	<u>3,644,990</u>
Capital Grants and Transfers					
Capital Grants	3,762,313	-	-	-	3,762,313
Transfers in	814,930	67,479	-	-	882,409
Transfers (out)	(839,780)	(209,440)	(118,750)	(2,120,482)	(3,288,452)
Total Transfers	<u>3,737,463</u>	<u>(141,961)</u>	<u>(118,750)</u>	<u>(2,120,482)</u>	<u>1,356,270</u>
Change in Net Position	<u>(1,123,219)</u>	<u>2,351,793</u>	<u>2,204,287</u>	<u>1,568,399</u>	<u>5,001,260</u>
Net Position - Beginning of Year	<u>46,267,237</u>	<u>39,445,013</u>	<u>6,116,606</u>	<u>7,128,921</u>	<u>98,957,777</u>
Net Position - End of Year	<u>\$ 45,144,018</u>	<u>\$ 41,796,806</u>	<u>\$ 8,320,893</u>	<u>\$ 8,697,320</u>	<u>\$ 103,959,037</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Regional Transit System Fund	Stormwater Management Utility Fund	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Nonmajor Enterprise Fund
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 17,437,575	\$ 11,029,119	\$ 5,123,088	\$ 14,516,043	\$ 48,105,825
Cash Received from Other Governments	9,653,971	671,224	-	-	10,325,195
Cash Paid to Suppliers	(6,235,495)	(3,025,568)	114,282	(9,548,001)	(18,694,782)
Cash Paid for Interfund Services	(4,025,462)	(1,550,339)	(532,630)	(620,791)	(6,729,222)
Cash Paid to Employees	(16,755,538)	(4,763,813)	(3,270,554)	(1,624,083)	(26,413,988)
Net Cash Provided (Used) by Operating Activities	75,051	2,360,623	1,434,186	2,723,168	6,593,028
Cash Flows from Noncapital Financing Activities					
Interfund Borrowing	934,783	(88,809)	(97,266)	(65,929)	682,779
Transfers from Other Funds	814,930	67,444	-	-	882,374
Transfers to Other Funds	(839,780)	(209,440)	(118,750)	(2,120,482)	(3,288,452)
Net Cash Provided by (Used in) Noncapital Financing Activities	909,933	(230,805)	(216,016)	(2,186,411)	(1,723,299)
Cash Flows from Capital and Related Financing Activities					
Capital Grants and Contributions	3,762,313	-	-	204,457	3,966,770
Principal Paid on Long-Term Debt/SBITAs	(323,121)	(214,844)	(68,559)	(163,624)	(770,148)
Interest Paid on Long-Term Debt/SBITAs	(23,244)	(11,377)	-	(45,858)	(80,479)
Acquisition and Construction of Capital Assets	(4,527,669)	(21,474)	-	(186,242)	(4,735,385)
Proceeds from Sale of Capital Assets	125,237	-	-	-	125,237
Net Cash (Used) in Capital and Related Financing Activities	(986,484)	(247,695)	(68,559)	(191,267)	(1,494,005)
Cash Flows from Investing Activities					
Interest Received	-	600,970	528,544	503,982	1,633,496
Net Cash Provided by Investing Activities	-	600,970	528,544	503,982	1,633,496
Net Increase (Decrease) in Cash	(1,500)	2,483,093	1,678,155	849,472	5,009,220
Cash - Beginning of Year	4,000	11,113,754	9,406,242	10,162,866	30,686,862
Cash - End of Year	\$ 2,500	\$ 13,596,847	\$ 11,084,397	\$ 11,012,338	\$ 35,696,082

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	Regional Transit System Fund	Stormwater Management Utility Fund	Florida Building Code Enforcement Fund	Solid Waste Fund	Total Nonmajor Enterprise Fund
Cash and Cash Equivalents Classified as:					
Cash and Cash Equivalents	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500
Equity in Pooled Cash and Investments	-	13,596,847	11,084,397	11,012,338	35,693,582
Total	\$ 2,500	\$ 13,596,847	\$ 11,084,397	\$ 11,012,338	\$ 35,696,082
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (14,673,096)	\$ 1,232,937	\$ 1,794,494	\$ 3,026,300	\$ (8,619,365)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Intergovernmental Revenues	9,653,972	671,224	-	-	10,325,196
Depreciation and Amortization	6,020,792	1,564,227	74,575	23,091	7,682,685
(Increase)/Decrease in Receivables	1,217,716	(304,507)	-	(170,702)	742,507
(Increase)/Decrease in Inventories and Prepaids	(132,344)	-	338	-	(132,006)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	176,365	(203,920)	(22,471)	45,561	(4,465)
Increase/(Decrease) in Compensated Absences	(28,638)	(32,314)	(12,196)	5,311	(67,837)
Pension Expense Adjustment	(1,323,985)	(356,336)	(245,899)	(122,946)	(2,049,166)
OPEB Expense Adjustment	(835,731)	(210,688)	(154,655)	(83,447)	(1,284,521)
Net Cash Provided (Used) by Operating Activities	\$ 75,051	\$ 2,360,623	\$ 1,434,186	\$ 2,723,168	\$ 6,593,028
Noncash Capital and Related Financing Activities					
Assets Acquired under SBITAs	\$ 372,959	\$ 22,156	\$ 369,179	\$ 15,079	\$ 779,373

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 of Gainesville, Florida (the City) maintains the following Internal Service Funds:

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

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025

	General Insurance Fund	Employees Health and Accident Benefits Fund	Fleet Management Fund	Totals
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 800,000	\$ 143,900	\$ -	\$ 943,900
Equity in Pooled Cash and Investments	3,291,020	14,053,664	16,686,124	34,030,808
Receivables	15,269	3,078	5,289	23,636
Due from Other Funds	427,798	-	283,913	711,711
Inventories	-	-	366,570	366,570
Prepaid Expenses	-	-	1,517,126	1,517,126
Total Current Assets	4,534,087	14,200,642	18,859,022	37,593,751
Noncurrent Assets:				
Capital Assets (Net of Accumulated Depreciation):				
Buildings	-	-	2,342,905	2,342,905
Improvements Other than Buildings	-	-	545,281	545,281
Machinery and Equipment	-	-	12,597,719	12,597,719
Infrastructure	-	-	636,014	636,014
SBITAs	22,804	-	92,782	115,586
Capital Assets (Non-Depreciable):				
Land	-	-	631,563	631,563
Construction in Progress	-	-	20,023	20,023
Total Capital Assets	22,804	-	16,866,287	16,889,091
Net OPEB Asset	73,197	27,273	186,030	286,500
Net Pension Asset	369,146	94,653	482,730	946,529
Total Noncurrent Assets	465,147	121,926	17,535,047	18,122,120
Total Assets	4,999,234	14,322,568	36,394,069	55,715,871
Deferred Outflows of Resources				
Deferred Amounts Related to Pensions	161,593	41,434	211,313	414,340
Deferred Amounts Related to OPEB	11,234	4,186	28,552	43,972
Total Deferred Outflows of Resources	172,827	45,620	239,865	458,312
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	7,171,803	1,640,792	484,579	9,297,174
Current Portion of Long-Term Liabilities	67,247	10,263	145,271	222,781
Total Current Liabilities	7,239,050	1,651,055	629,850	9,519,955
Noncurrent Liabilities:				
SBITA Liabilities	24,113	-	-	24,113
Total Liabilities	7,263,163	1,651,055	629,850	9,544,068
Deferred Inflows of Resources				
Deferred Amounts Related to Pensions	625,703	160,437	818,227	1,604,367
Deferred Amounts Related to OPEB	78,215	29,143	198,782	306,140
Total Deferred Inflows of Resources	703,918	189,580	1,017,009	1,910,507
Net Position				
Net Investment in Capital Assets	(1,309)	-	16,797,264	16,795,955
Unrestricted	(2,793,711)	12,527,553	18,189,811	27,923,653
Total Net Position	\$ (2,795,020)	\$ 12,527,553	\$ 34,987,075	\$ 44,719,608

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Insurance Fund	Employees Health and Accident Benefits Fund	Fleet Management Fund	Totals
Operating Revenues				
Sales and Service Charges	\$ 7,305,512	\$ -	\$ 12,201,167	\$ 19,506,679
Employer Contributions	-	18,870,504	-	18,870,504
Employee Contributions	-	7,905,759	-	7,905,759
Other Operating Revenues	318,969	5,118,039	135,335	5,572,343
Total Operating Revenues	<u>7,624,481</u>	<u>31,894,302</u>	<u>12,336,502</u>	<u>51,855,285</u>
Operating Expenses				
Operations and Maintenance	5,669,226	378,415	6,451,046	12,498,687
Administrative and General	3,939,260	1,276,101	828,621	6,043,982
Depreciation and Amortization	53,154	-	3,795,580	3,848,734
Benefits Paid and Other Expenses	-	32,551,557	-	32,551,557
Total Operating Expenses	<u>9,661,640</u>	<u>34,206,073</u>	<u>11,075,247</u>	<u>54,942,960</u>
Operating Income (Losses)	<u>(2,037,159)</u>	<u>(2,311,771)</u>	<u>1,261,255</u>	<u>(3,087,675)</u>
Nonoperating Revenues (Expenses)				
Investment Income	104,351	671,881	710,624	1,486,856
Interest Expense	(2,799)	-	(4,941)	(7,740)
Gain (Loss) on Disposal of Capital Assets	-	-	138,528	138,528
Total Nonoperating Revenues	<u>101,552</u>	<u>671,881</u>	<u>844,211</u>	<u>1,617,644</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(1,935,607)</u>	<u>(1,639,890)</u>	<u>2,105,466</u>	<u>(1,470,031)</u>
Transfers				
Transfers in	-	-	214,907	214,907
Transfers (out)	(138,976)	(12,985)	(348,320)	(500,281)
Total Transfers	<u>(138,976)</u>	<u>(12,985)</u>	<u>(133,413)</u>	<u>(285,374)</u>
Change in Net Position	(2,074,583)	(1,652,875)	1,972,053	(1,755,405)
Net Position - Beginning of Year	<u>(720,437)</u>	<u>14,180,428</u>	<u>33,015,022</u>	<u>46,475,013</u>
Net Position - End of Year	<u>\$ (2,795,020)</u>	<u>\$ 12,527,553</u>	<u>\$ 34,987,075</u>	<u>\$ 44,719,608</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Insurance Fund	Employees Health and Accident Benefits Fund	Fleet Management Fund	Totals
Cash Flow from Operating Activities				
Cash Received for Interfund Services	\$ 7,372,874	\$ 26,773,185	\$ 12,195,878	\$ 46,341,937
Cash Received from Customers	318,967	5,118,037	135,333	5,572,337
Cash Paid to Suppliers	(3,090,778)	(32,373,971)	(4,736,050)	(40,200,799)
Cash Paid to Employees	(1,577,123)	(392,569)	(2,557,000)	(4,526,692)
Cash Paid for Interfund Services	(3,939,259)	(1,276,101)	(828,622)	(6,043,982)
Net Cash Provided (Used) by Operating Activities	<u>(915,319)</u>	<u>(2,151,419)</u>	<u>4,209,539</u>	<u>1,142,801</u>
Cash Flows from Noncapital and Related Financing Activities				
Interfund Borrowing	(217,640)	-	30,387	(187,253)
Transfers from Other Funds	-	-	214,907	214,907
Transfers to Other Funds	(138,976)	(12,985)	(348,320)	(500,281)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(356,616)</u>	<u>(12,985)</u>	<u>(103,026)</u>	<u>(472,627)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	-	-	(4,648,965)	(4,648,965)
Proceeds from Sale of Capital Assets	-	-	138,528	138,528
Interest Paid	(2,799)	-	(4,941)	(7,740)
Principal Paid on SBITAs	(51,834)	-	(70,288)	(122,122)
Net Cash Flows Used by Capital and Related Financing Activities	<u>(54,633)</u>	<u>-</u>	<u>(4,585,666)</u>	<u>(4,640,299)</u>
Cash Flows from Investing Activities				
Interest Received	<u>104,351</u>	<u>671,881</u>	<u>710,624</u>	<u>1,486,856</u>
Net Cash Provided by Investing Activities	<u>104,351</u>	<u>671,881</u>	<u>710,624</u>	<u>1,486,856</u>
Net Increase in Cash	(1,222,217)	(1,492,523)	231,471	(2,483,269)
Cash - Beginning of Year	<u>5,313,237</u>	<u>15,690,087</u>	<u>16,454,653</u>	<u>37,457,977</u>
Cash - End of Year	<u>\$ 4,091,020</u>	<u>\$ 14,197,564</u>	<u>\$ 16,686,124</u>	<u>\$ 34,974,708</u>

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	General Insurance Fund	Employees Health and Accident Benefits Fund	Fleet Management Fund	Totals
Cash and Cash Equivalents Classified as:				
Cash and Cash Equivalents	\$ 800,000	\$ 143,900	\$ -	\$ 943,900
Equity in Pooled Cash and Investments	3,291,020	14,053,664	16,686,124	34,030,808
Total	\$ 4,091,020	\$ 14,197,564	\$ 16,686,124	\$ 34,974,708
Reconciliation of Operating Income (Loss)				
<u>to Net Cash Provided (Used)</u>				
<u>by Operating Activities:</u>				
Operating Income (Loss)	\$ (2,037,159)	\$ (2,311,771)	\$ 1,261,255	\$ (3,087,675)
Adjustments to Reconcile Operating Income				
(Loss) to Net Cash Provided (Used) by				
Operating Activities:				
Depreciation and Amortization	53,154	-	3,795,580	3,848,734
(Increase)/Decrease in Receivables	67,362	(3,078)	(5,289)	58,995
(Increase)/Decrease in Prepaids	-	-	(522,868)	(522,868)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	1,127,735	186,893	(5,868)	1,308,760
Increase/(Decrease) in Compensated Absences	14,828	2,001	(27,587)	(10,758)
Pension Expense Adjustment	(100,689)	(13,693)	(185,600)	(299,982)
OPEB Expense Adjustment	(40,550)	(11,771)	(100,084)	(152,405)
Net Cash Provided (Used) by				
Operating Activities	\$ (915,319)	\$ (2,151,419)	\$ 4,209,539	\$ 1,142,801

FIDUCIARY FUNDS

TRUST FUNDS

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

The City of Gainesville, Florida (the City) maintains the following Trust Funds:

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

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

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OPEB TRUST FUNDS
SEPTEMBER 30, 2025

	Employees'	Police Officers' and Firefighters' Consolidated Retirement Fund	Other Post-Employment Benefits (OPEB) Fund	Totals
	Pension Fund	Fund	Fund	
Assets				
Cash and Cash Equivalents	\$ 10,543,342	\$ 10,859,814	\$ 1,675,350	\$ 23,078,506
Dividends and Interest Receivable	744,900	435,904	14,832	1,195,636
Due from City of Gainesville	2,190,135	6,789,855	913,197	9,893,187
Investments, at Fair Value:				
Equities	718,000,030	264,741,232	64,095,919	1,046,837,181
Limited Partnerships Units	-	38,406,407	-	38,406,407
Real Estate	12,187,260	50,091,292	6,540,092	68,818,644
Fixed Income:				
Government Bonds	6,704,725	-	759,981	7,464,706
Corporate Bonds	6,434,687	-	553,523	6,988,210
Mortgage and Asset Backed Securities	8,290,055	-	491,011	8,781,066
Total Investments, at Fair Value	751,616,757	353,238,931	72,440,526	1,177,296,214
Total Assets	765,095,134	371,324,504	75,043,905	1,211,463,543
Liabilities				
Accounts Payable and Accrued Liabilities	156,858	139,989	64	296,911
Total Liabilities	156,858	139,989	64	296,911
Net Position Restricted for Pension and OPEB Benefits	\$ 764,938,276	\$ 371,184,515	\$ 75,043,841	\$ 1,211,166,632

CITY OF GAINESVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OPEB TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Employees' Pension Fund	Police Officers' and Firefighters' Consolidated Retirement Fund	Other Post- Employment Benefits (OPEB) Fund	Totals
Additions				
Contributions:				
Employer Contributions	\$ 6,904,316	\$ 5,211,581	\$ 5,387,233	\$ 17,503,130
Employee Contributions	5,737,931	2,993,387	3,119,564	11,850,882
Total Contributions	12,642,247	8,204,968	8,506,797	29,354,012
Investment Income:				
Net Appreciation/(Depreciation) in Fair Value of Investments	58,608,449	32,528,419	7,961,879	99,098,747
Dividends and Interest	12,434,624	5,171,244	957,705	18,563,573
Total Investment Income	71,043,073	37,699,663	8,919,584	117,662,320
(Less Investment Expense)	(3,159,679)	(890,105)	(455,794)	(4,505,578)
Net Investment Income (Loss)	67,883,394	36,809,558	8,463,790	113,156,742
Total Additions	80,525,641	45,014,526	16,970,587	142,510,754
Deductions				
Benefit Payments	45,746,809	21,097,438	11,729,971	78,574,218
Refunds of Contributions	786,723	258,827	-	1,045,550
Administrative Expenses	834,731	613,356	63,113	1,511,200
Total Deductions	47,368,263	21,969,621	11,793,084	81,130,968
Change in Net Position	33,157,378	23,044,905	5,177,503	61,379,786
Net Position - Beginning of Year	731,780,898	348,139,610	69,866,338	1,149,786,846
Net Position - End of Year	\$ 764,938,276	\$ 371,184,515	\$ 75,043,841	\$ 1,211,166,632

Statistical

- Financial Trends Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information

*City of Gainesville, Florida
Fiscal Year 2025*

Photo: Citizens The Historic Thomas Center

STATISTICAL SECTION SUMMARY

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

Schedules	Page
Financial Trends	194
These schedules provide financial trend information, which shows how the City's financial performance has changed over time.	
Revenue Capacity	199
These schedules provide additional information about Property Tax and Utility Revenues, the City's most significant local revenue sources.	
Debt Capacity	207
These schedules provide detailed information about the City's current levels of outstanding debt and can help the financial statement user assess the City's ability to issue additional debt in the future.	
Demographic and Economic Information	210
These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.	
Operating Information	212
These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.	

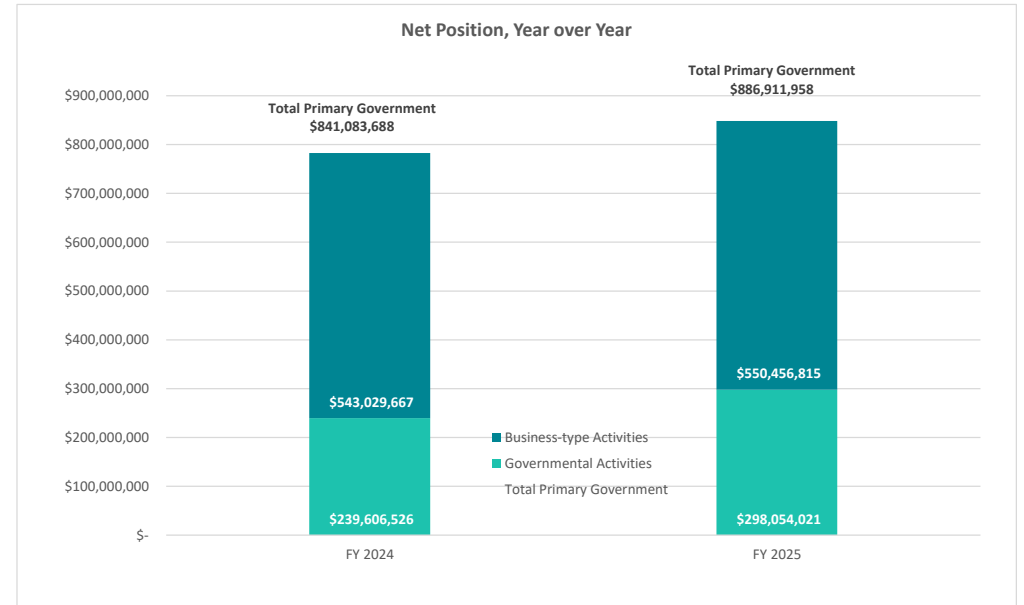
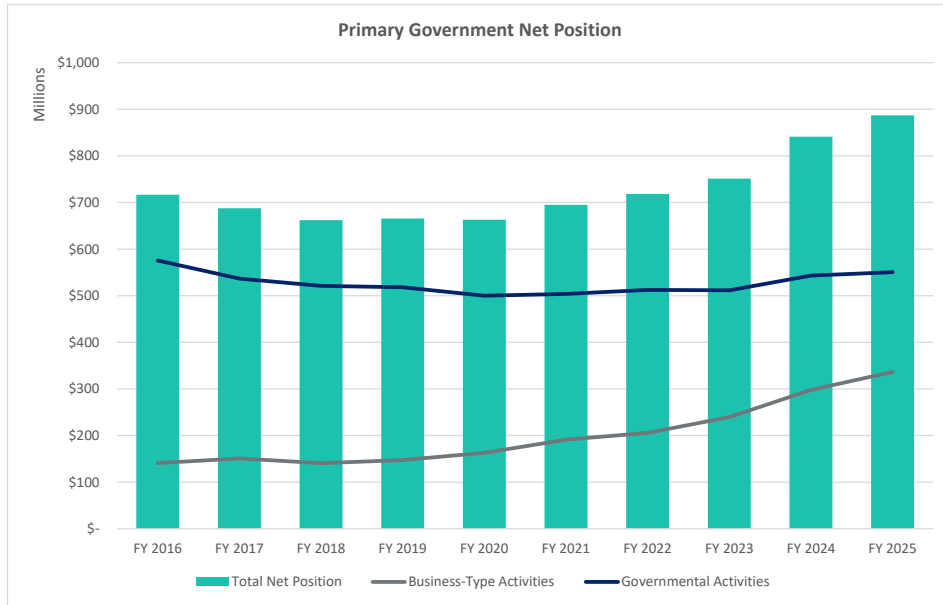
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Financial Trends Information



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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Governmental activities:										
Net Investment in Capital Assets	\$ 190,440,482	\$ 195,530,215	\$ 215,537,449	\$ 231,629,237	\$ 219,965,625	\$ 214,385,691	\$ 217,138,863	\$ 230,097,620	\$ 242,055,307	\$ 251,385,930
Restricted	41,905,152	47,526,431	37,526,544	39,962,136	46,097,158	54,659,462	60,767,196	76,435,947	95,379,288	124,727,953
Unrestricted	(91,445,398)	(92,364,875)	(112,356,716)	(124,221,701)	(102,962,956)	(77,744,025)	(71,973,806)	(66,927,041)	(39,380,574)	(39,658,740)
Total governmental activities net position	\$ 140,900,236	\$ 150,691,771	\$ 140,707,277	\$ 147,369,672	\$ 163,099,827	\$ 191,301,128	\$ 205,932,253	\$ 239,606,526	\$ 298,054,021	\$ 336,455,143
Business-type activities:										
Net Investment in Capital Assets	\$ 361,120,054	\$ 326,814,049	\$ 369,448,747	\$ 336,512,272	\$ 282,222,324	\$ 250,986,050	\$ 191,681,185	\$ 180,980,386	\$ 248,288,162	\$ 274,104,634
Restricted	82,756,292	60,698,691	44,988,255	57,389,249	86,837,857	146,684,233	81,578,000	100,466,728	99,026,922	105,738,510
Unrestricted	131,653,410	149,330,297	106,765,463	124,163,666	130,919,381	105,980,693	239,235,627	230,071,765	195,714,583	170,613,671
Total business-type activities net position	\$ 575,529,756	\$ 536,843,037	\$ 521,202,465	\$ 518,065,187	\$ 499,979,562	\$ 503,650,976	\$ 512,494,812	\$ 511,518,879	\$ 543,029,667	\$ 550,456,815
Total primary government:										
Net Investment in Capital Assets	\$ 551,560,536	\$ 522,344,264	\$ 584,986,196	\$ 568,141,509	\$ 502,187,949	\$ 465,371,741	\$ 408,820,048	\$ 411,078,006	\$ 490,343,469	\$ 525,490,564
Restricted	124,661,444	108,225,122	82,514,799	97,351,385	132,935,015	201,343,695	142,345,196	176,902,675	194,406,210	230,466,463
Unrestricted	40,208,012	56,965,422	(5,591,253)	(58,035)	27,956,425	28,236,668	167,261,821	163,144,724	156,334,009	130,954,931
Total primary government net position	\$ 716,429,992	\$ 687,534,808	\$ 661,909,742	\$ 665,434,859	\$ 663,079,389	\$ 694,952,104	\$ 718,427,065	\$ 751,125,405	\$ 841,083,688	\$ 886,911,958



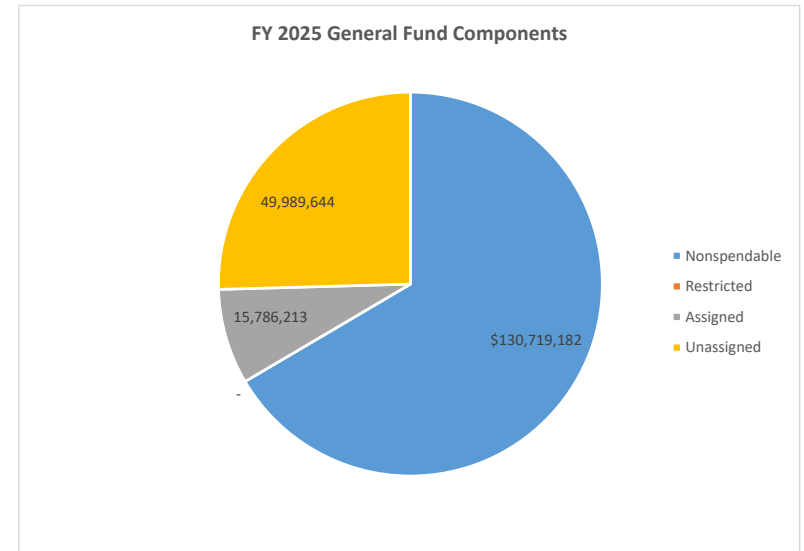
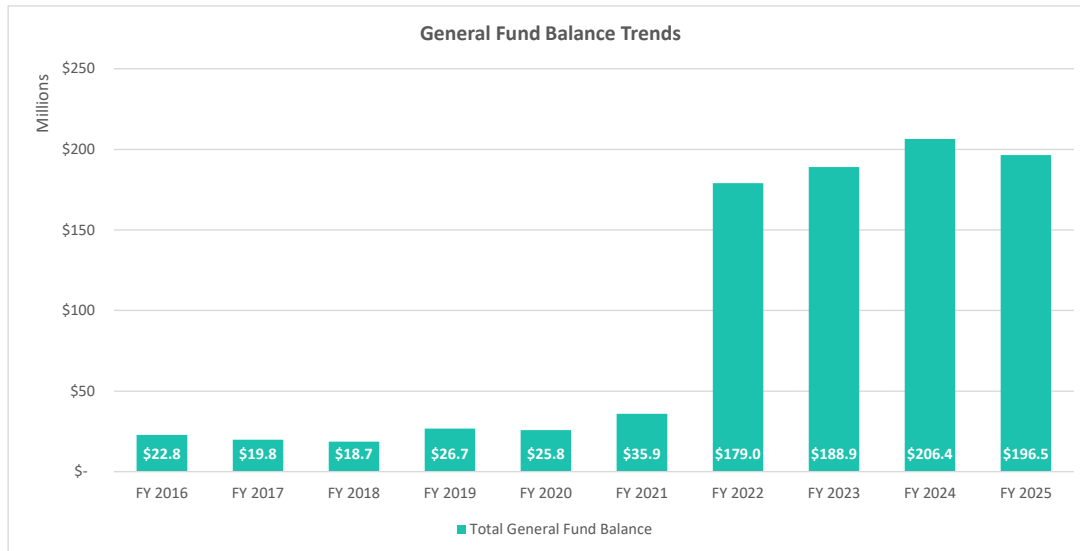
City of Gainesville
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Expenses					
Governmental activities:					
General government	\$ 23,812,563	\$ 13,257,529	\$ 22,040,757	\$ 25,208,259	\$ 24,762,040
Public safety	72,097,913	60,307,834	63,936,193	66,448,738	74,628,943
Physical environment	637,207	1,820,004	412,777	924,738	1,139,174
Transportation	5,723,450	17,941,779	19,259,842	20,935,955	21,368,976
Economic environment	1,393,939	8,879,794	5,756,671	6,355,726	5,794,136
Human services	7,397,884	1,340,199	1,758,977	2,085,523	2,324,313
Culture & recreation	7,113,163	17,049,901	12,182,553	12,885,544	14,609,745
Interest on long-term debt	8,802,512	6,374,794	7,309,426	6,677,648	8,082,573
Total governmental activities expenses	126,978,631	126,971,834	132,657,196	141,522,131	152,709,900
Business-type activities:					
Utility	418,084,794	434,590,255	392,206,012	394,817,611	374,456,672
Regional transit system	28,302,063	33,640,219	31,230,329	35,586,285	30,292,140
Stormwater management	7,504,695	8,877,317	8,902,706	10,209,606	8,940,956
Ironwood golf course	1,701,930	1,632,760	1,731,357	1,740,464	-
Florida building code enforcement	2,661,425	2,656,233	3,105,149	3,350,486	3,136,150
Solid waste	9,002,895	8,099,106	7,579,142	7,982,318	8,795,609
Total business-type activities expenses	467,257,802	489,495,890	444,754,695	453,686,770	425,621,527
Total primary government expenses	\$ 594,236,433	\$ 616,467,724	\$ 577,411,891	\$ 595,208,901	\$ 578,331,427
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 10,423,187	\$ 11,795,746	\$ 11,697,361	\$ 12,862,527	\$ 9,316,300
Public safety	8,464,495	7,640,035	11,390,344	11,191,303	12,960,704
Other charges for services	5,180,923	4,892,481	4,416,822	5,177,764	6,585,434
Operating grants and contributions	8,809,447	6,822,748	4,818,258	6,993,144	13,240,004
Capital grants and contributions	1,698,750	2,634,365	712,441	1,258,828	-
Total governmental activities program revenues	34,576,802	33,785,375	33,035,226	37,483,566	42,102,442
Business-type activities:					
Charges for services:					
Utility	379,830,526	401,190,960	383,202,896	407,803,956	390,570,096
Other charges for services	37,515,391	37,606,459	38,921,856	40,155,745	39,347,799
Operating grants and contributions	5,828,801	10,315,741	13,120,255	8,687,312	8,372,896
Capital grants and contributions	5,305,542	13,089,525	1,484,306	3,970,981	7,638,795
Total business-type activities program revenues	428,480,260	462,202,685	436,729,313	460,617,994	445,929,586
Total primary government program revenues	\$ 463,057,062	\$ 495,988,060	\$ 469,764,539	\$ 498,101,560	\$ 488,032,028
Net (Expense)/Revenue					
Governmental activities	\$ (92,401,829)	\$ (93,186,459)	\$ (99,621,970)	\$ (104,038,565)	\$ (110,607,458)
Business-type activities	(38,777,542)	(27,293,205)	(8,025,382)	6,931,224	20,308,059
Total primary government net revenue	\$ (131,179,371)	\$ (120,479,664)	\$ (107,647,352)	\$ (97,107,341)	\$ (90,299,399)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 29,161,493	\$ 31,116,558	\$ 34,925,769	\$ 35,133,195	\$ 36,693,311
Other taxes	21,670,989	22,105,551	31,468,891	34,820,642	34,677,577
State revenue sharing	4,316,493	4,648,650	4,841,716	5,055,719	4,691,438
Investment gain (loss)	4,176,684	443,618	1,797,724	2,963,042	743,962
Other revenues	3,567,795	8,127,699	4,584,282	2,983,670	4,825,168
Total governmental activities	62,893,454	66,442,076	77,618,382	80,956,268	81,631,456
Business-type activities:					
Interest	19,569,675	5,234,036	8,324,132	4,875,231	3,111,544
Other revenues	56,319,413	61,488,630	21,858,387	11,262,279	2,087,628
Total business-type activities	75,889,088	66,722,666	30,182,519	16,137,510	5,199,172
Total primary government	\$ 138,782,542	\$ 133,164,742	\$ 107,800,901	\$ 97,093,778	\$ 86,830,628
Changes in Net Position (including transfers) special items and extraordinary items)					
Governmental activities	\$ 6,000,706	\$ 9,791,535	\$ 15,242,097	\$ 15,833,297	\$ 9,977,076
Business-type activities	1,602,465	2,893,543	(15,088,548)	(15,846,860)	(13,445,847)
Total primary government	\$ 7,603,171	\$ 12,685,078	\$ 153,549	\$ (13,563)	\$ (3,468,771)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Expenses					
Governmental activities:					
General government	\$ 33,401,384	\$ 34,206,797	\$ 37,776,008	\$ 36,668,451	\$ 38,315,458
Public safety	57,252,077	78,662,604	92,663,944	80,905,687	84,275,398
Physical environment	1,172,294	843,607	503,338	439,756	566,110
Transportation	21,557,051	23,091,415	27,623,256	24,862,889	27,491,497
Economic environment	5,839,989	8,295,630	8,005,765	7,774,756	12,185,430
Human services	2,010,455	1,551,740	1,911,245	99,714	12,446
Culture & recreation	13,748,546	16,911,013	16,915,643	15,082,234	13,667,017
Interest on long-term debt	12,974,815	8,624,818	10,079,875	9,766,402	9,302,382
Total governmental activities expenses	147,956,611	172,187,624	195,479,074	175,599,889	185,815,738
Business-type activities:					
Utility	394,729,688	484,015,201	439,728,982	427,954,183	451,010,550
Regional transit system	29,470,397	35,431,614	35,951,154	35,435,128	31,683,062
Stormwater management	8,814,470	9,192,531	9,493,947	9,662,731	10,095,565
Ironwood golf course	-	-	-	-	-
Florida building code enforcement	3,223,568	3,531,883	3,688,910	3,736,898	3,381,177
Solid waste	8,061,218	8,439,044	10,350,949	11,059,377	11,729,112
Total business-type activities expenses	444,299,341	540,610,273	499,213,942	487,848,317	507,899,466
Total primary government expenses	\$ 592,255,952	\$ 712,797,897	\$ 694,693,016	\$ 663,448,206	\$ 693,715,204
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 13,950,858	\$ 14,245,809	\$ 14,626,375	\$ 14,324,048	\$ 13,618,490
Public safety	12,868,168	13,160,843	14,637,899	18,317,899	18,765,950
Other charges for services	9,729,260	9,180,236	11,509,198	7,826,985	10,475,129
Operating grants and contributions	9,746,460	10,941,568	19,746,557	17,263,179	20,660,549
Capital grants and contributions	1,149,563	13,105	11,936,353	6,437,937	1,999,133
Total governmental activities program revenues	47,444,309	47,541,561	72,456,382	64,170,048	65,519,251
Business-type activities:					
Charges for services:					
Utility	412,186,754	524,837,589	450,956,410	433,557,044	443,479,476
Other charges for services	39,840,340	40,916,428	42,126,681	46,598,145	47,363,315
Operating grants and contributions	22,834,988	13,067,426	17,196,619	16,550,531	8,319,414
Capital grants and contributions	4,686,013	10,231,283	616,501	14,079,119	10,460,850
Total business-type activities program revenues	479,548,095	589,052,726	510,896,211	510,784,839	509,623,055
Total primary government program revenues	\$ 526,992,404	\$ 636,594,287	\$ 583,352,593	\$ 574,954,887	\$ 575,142,306
Net (Expense)/Revenue					
Governmental activities	\$ (100,512,302)	\$ (124,646,063)	\$ (123,022,692)	\$ (111,429,841)	\$ (120,296,487)
Business-type activities	35,248,754	48,442,453	11,682,269	22,936,522	1,723,589
Total primary government net revenue	\$ (65,263,548)	\$ (76,203,610)	\$ (111,340,423)	\$ (88,493,319)	\$ (118,572,898)
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 38,926,311	\$ 42,573,635	\$ 47,389,007	\$ 62,832,569	\$ 68,392,748
Other taxes	40,470,545	41,864,374	50,430,672	54,375,120	55,071,547
State revenue sharing	5,482,673	6,939,061	7,617,096	7,379,198	7,489,174
Investment gain (loss)	1,069,500	(89,643)	9,407,462	15,042,061	12,370,336
Other revenues	2,833,335	7,608,759	5,785,905	5,185,103	4,462,537
Total governmental activities	88,782,364	98,896,186	120,630,142	144,814,051	147,786,342
Business-type activities:					
Interest	6,265,018	7,756,213	8,121,248	16,355,154	8,511,477
Other revenues	2,088,885	2,281,446	2,500,918	5,851,098	19,103,349
Total business-type activities	8,353,903	10,037,659	10,622,166	22,206,252	27,614,826
Total primary government	\$ 97,136,267	\$ 108,933,845	\$ 131,252,308	\$ 167,020,303	\$ 175,401,168
Changes in Net Position (including transfers, special items and extraordinary items)					
Governmental activities	\$ 28,201,305	\$ 11,372,734	\$ 34,730,061	\$ 47,016,196	\$ 38,401,122
Business-type activities	3,671,414	21,357,501	(14,818,176)	31,510,788	7,427,148
Total primary government	\$ 31,872,719	\$ 32,730,235	\$ 19,911,885	\$ 78,526,984	\$ 45,828,270

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund:										
Nonspendable	\$ 2,238,498	\$ 1,959,310	\$ 1,647,816	\$ 1,359,332	\$ 8,595,707	\$ 7,042,417	\$ 140,426,731	\$ 138,589,013	\$ 140,139,660	\$ 130,719,182
Restricted	-	-	-	-	-	-	1,350,000	1,350,000	-	-
Assigned	3,551,786	1,607,428	-	432,146	5,246,913	5,107,131	5,928,695	-	7,752,103	15,786,213
Unassigned	17,050,156	16,199,506	17,023,490	24,926,872	11,949,372	23,798,721	31,318,746	49,001,407	58,503,206	49,989,644
Total General Fund	\$ 22,840,440	\$ 19,766,244	\$ 18,671,306	\$ 26,718,350	\$ 25,791,992	\$ 35,948,269	\$ 179,024,172	\$ 188,940,420	\$ 206,394,969	\$ 196,495,039
All Other Governmental Funds:										
Nonspendable	\$ 973,501	\$ 973,501	\$ 973,501	\$ 973,501	\$ 138,494,121	\$ 135,134,047	\$ 973,501	\$ 2,120,223	\$ 1,826,848	\$ 1,217,449
Restricted	36,886,125	42,831,122	48,991,566	43,861,891	53,521,232	59,184,289	61,561,561	77,071,243	95,956,374	126,034,471
Committed	3,684,544	4,186,209	4,284,750	4,943,264	6,570,937	9,620,573	11,788,474	15,869,766	17,467,754	4,575,177
Assigned	29,243,195	25,434,776	13,929,331	12,550,970	17,774,857	14,891,310	17,475,639	17,025,371	11,485,178	16,030,934
Unassigned	(1,571,393)	(1,815,726)	(1,613,819)	(1,620,060)	(3,522,639)	(1,830,901)	(2,368,258)	(2,451,965)	(2,148,105)	(1,745,401)
Total All Other Governmental Funds	\$ 69,215,972	\$ 71,609,882	\$ 66,565,329	\$ 60,709,566	\$ 212,838,508	\$ 216,999,318	\$ 89,430,917	\$ 109,634,638	\$ 124,588,049	\$ 146,112,630



Note:

- Nonspendable fund balance in the General Fund increased in fiscal year 2022 due to long-term receivables from other funds, with the majority attributed to amounts due to governmental funds from enterprise funds for their portion of the Special Obligation Revenue Bonds Series 2020 and the Pension Obligation Bonds Series 2003.

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues										
Taxes	\$ 45,455,100	\$ 51,600,589	\$ 60,430,912	\$ 63,906,128	\$ 62,275,640	\$ 70,065,300	\$ 75,604,495	\$ 88,628,882	\$ 108,239,391	\$ 114,749,903
Licenses and permits	943,444	5,901,029	7,371,636	7,385,069	9,516,520	9,442,280	10,172,107	9,655,394	11,861,640	15,980,974
Intergovernmental	26,204,076	26,303,362	25,320,730	24,745,097	30,469,146	29,084,539	29,197,030	51,719,962	43,116,656	42,045,473
Charges for services	16,977,893	12,076,001	12,574,128	15,834,004	16,215,542	21,778,431	23,406,574	26,305,058	24,910,902	25,217,317
Fines and forfeitures	1,483,244	1,160,249	1,345,009	1,170,166	1,040,266	1,118,521	614,262	1,587,365	1,365,978	1,460,673
Miscellaneous	5,592,138	3,186,221	4,606,410	3,586,821	2,383,348	5,546,313	4,543,347	13,597,929	16,805,746	12,173,139
Total Revenues	96,655,895	100,227,451	111,648,825	116,627,285	121,900,462	137,035,384	143,537,815	191,494,590	206,300,313	211,627,479
Expenditures										
General government	\$ 16,769,826	\$ 17,882,912	\$ 18,721,311	\$ 20,828,242	\$ 38,474,266	\$ 34,464,013	\$ 28,564,772	\$ 31,629,984	\$ 35,294,818	\$ 37,167,469
Public safety	58,725,485	60,949,388	63,611,488	60,845,007	126,859,238	60,415,216	66,973,830	74,782,265	76,273,466	82,207,008
Physical environment	179,148	1,638,851	390,832	610,720	2,697,510	1,163,807	598,951	451,280	461,208	734,414
Transportation	14,357,357	13,506,968	12,199,626	13,101,026	21,726,970	14,483,574	15,526,002	28,958,078	18,920,933	21,064,344
Economic environment	6,110,015	8,449,753	5,592,127	5,600,703	6,754,563	5,878,907	7,974,885	9,418,882	7,720,364	11,411,060
Human services	1,354,828	1,342,820	1,725,801	2,020,873	2,315,594	2,186,925	1,507,679	1,790,091	100,792	12,672
Culture and recreation	10,795,803	9,697,565	9,266,636	10,437,575	17,340,821	12,296,510	14,166,883	14,511,211	13,225,956	12,800,638
Debt service:										
Principal	6,205,471	7,512,126	8,200,392	7,856,848	8,236,319	12,598,425	13,890,869	15,030,906	16,795,224	17,909,985
Interest	6,963,319	6,129,579	7,216,512	6,307,227	7,396,571	12,052,961	12,012,155	12,050,511	12,112,439	11,382,113
Advance refunding escrow	2,027,758	-	-	-	-	-	-	-	-	-
Bond issuance costs	78,691	-	-	-	1,211,583	45,227	-	-	-	-
Capital outlay	19,494,913	10,296,971	38,501,041	24,878,392	13,728,239	7,314,716	9,770,400	9,616,489	27,534,778	20,973,821
Total Expenditures	143,062,614	137,406,933	165,425,766	152,486,613	246,741,674	162,900,281	170,986,426	198,239,697	208,439,978	215,663,524
Excess of revenues under expenditures	(46,406,719)	(37,179,482)	(53,776,941)	(35,859,328)	(124,841,212)	(25,864,897)	(27,448,611)	(6,745,107)	(2,139,665)	(4,036,045)
Other Financing Sources (Uses)										
Debt issuance	18,600,000	-	10,365,000	-	214,615,000	11,473,000	124,157	133,862	7,398,975	3,385,055
Sale of capital assets	-	-	-	-	1,309,981	163,173	2,308,433	349,196	374,615	39,000
Bond premium/(discount)	-	-	-	-	-	-	-	-	-	-
Transfers in	63,795,920	59,041,563	75,105,237	77,418,056	78,209,629	72,597,995	71,843,111	72,487,919	50,204,800	44,301,460
Transfers out	(28,212,063)	(22,542,367)	(37,832,787)	(38,401,084)	(40,203,724)	(32,624,410)	(34,577,981)	(36,105,901)	(33,862,064)	(33,104,819)
Payments to refunded bond escrow agent	(11,925,145)	-	-	-	-	(11,427,773)	-	-	-	-
Total other financing sources (uses)	42,258,712	36,499,196	47,637,450	39,016,972	253,930,886	40,181,985	39,697,720	36,865,076	24,116,326	14,620,696
Net change in fund balances	\$ (4,148,007)	\$ (680,286)	\$ (6,139,491)	\$ 3,157,644	\$ 129,089,674	\$ 14,317,088	\$ 12,249,109	\$ 30,119,969	\$ 21,976,661	\$ 10,584,651

Debt service as a percentage of noncapital expenditures	10.84%	10.73%	12.15%	11.10%	6.74%	15.85%	16.07%	14.36%	15.98%	15.05%
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Revenue Capacity Information



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

Fiscal Year Ended September 30	Tax Year	Real Property	Personal Property	Centrally Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2016	2015	\$ 10,470,875,230	\$ 2,874,527,289	\$ 2,251,700	\$ 7,578,125,546	\$ 5,769,528,673	4.5079	\$ 13,347,654,219	43.23%
2017	2016	10,703,714,054	3,131,399,275	2,303,808	7,818,781,757	6,018,635,380	4.5079	13,837,417,137	43.50%
2018	2017	11,228,542,921	3,015,426,727	2,335,112	7,743,555,435	6,502,749,325	4.7474	14,246,304,760	45.65%
2019	2018	11,896,134,467	3,047,796,037	2,424,391	8,245,149,844	6,701,205,051	4.7474	14,946,354,895	44.84%
2020	2019	12,387,697,214	3,009,637,656	2,337,700	8,198,661,369	7,201,765,633	5.2974	15,400,427,002	46.76%
2021	2020	12,859,374,661	3,001,584,771	2,577,939	8,238,028,592	7,625,508,779	5.2974	15,863,537,371	48.07%
2022	2021	13,354,152,416	2,949,971,567	2,839,279	8,259,912,702	8,047,050,560	5.5000	16,306,963,262	49.35%
2023	2022	14,301,405,924	3,017,341,241	2,786,225	8,355,540,946	8,965,992,444	5.5000	17,321,533,390	51.76%
2024	2023	15,430,896,766	3,231,816,746	2,768,318	8,557,178,741	10,108,303,089	6.4297	18,665,481,830	54.16%
2025	2024	16,370,863,857	3,188,713,390	2,818,123	8,565,876,746	10,996,518,624	6.4297	19,562,395,370	56.21%

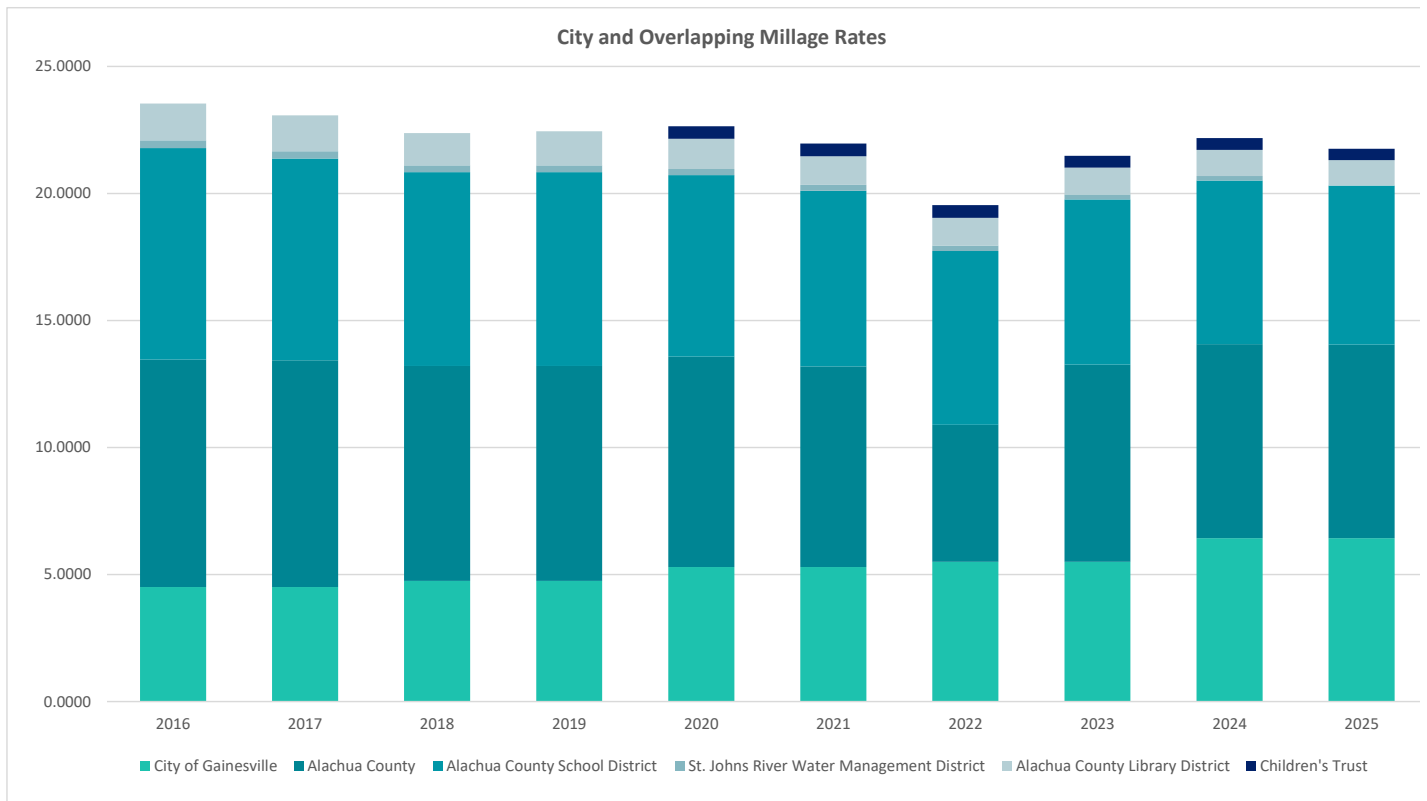
Notes:

(1) Total assessed values less exemptions

Source: Alachua County Property Appraiser, www.acpaf.org

City of Gainesville
Property Tax Rates - City and Overlapping Governments
Last Ten Fiscal Years

			Overlapping Rates					
			St. Johns River Water Management District					
Fiscal Year	Tax Year	City of Gainesville	Alachua County	Alachua County School District	Management District	Alachua County Library District	Children's Trust	Overlapping Rates
2016	2015	4.5079	8.9545	8.3240	0.3023	1.4538	0.0000	23.5425
2017	2016	4.5079	8.9290	7.9360	0.2885	1.4121	0.0000	23.0735
2018	2017	4.7474	8.4648	7.6250	0.2724	1.2655	0.0000	22.3751
2019	2018	4.7474	8.4648	7.6250	0.2724	1.3371	0.0000	22.4467
2020	2019	5.2974	8.2829	7.1440	0.2414	1.1825	0.5000	22.6482
2021	2020	5.2974	7.8935	6.9150	0.2287	1.1289	0.5000	21.9635
2022	2021	5.5000	5.3900	6.8430	0.2189	1.0856	0.5000	19.5375
2023	2022	5.5000	7.7662	6.4980	0.1974	1.0565	0.4612	21.4793
2024	2023	6.4297	7.6414	6.4320	0.1793	1.0339	0.4612	22.1775
2025	2024	6.4297	7.6180	6.2610	0.1793	1.0000	0.4500	21.9380



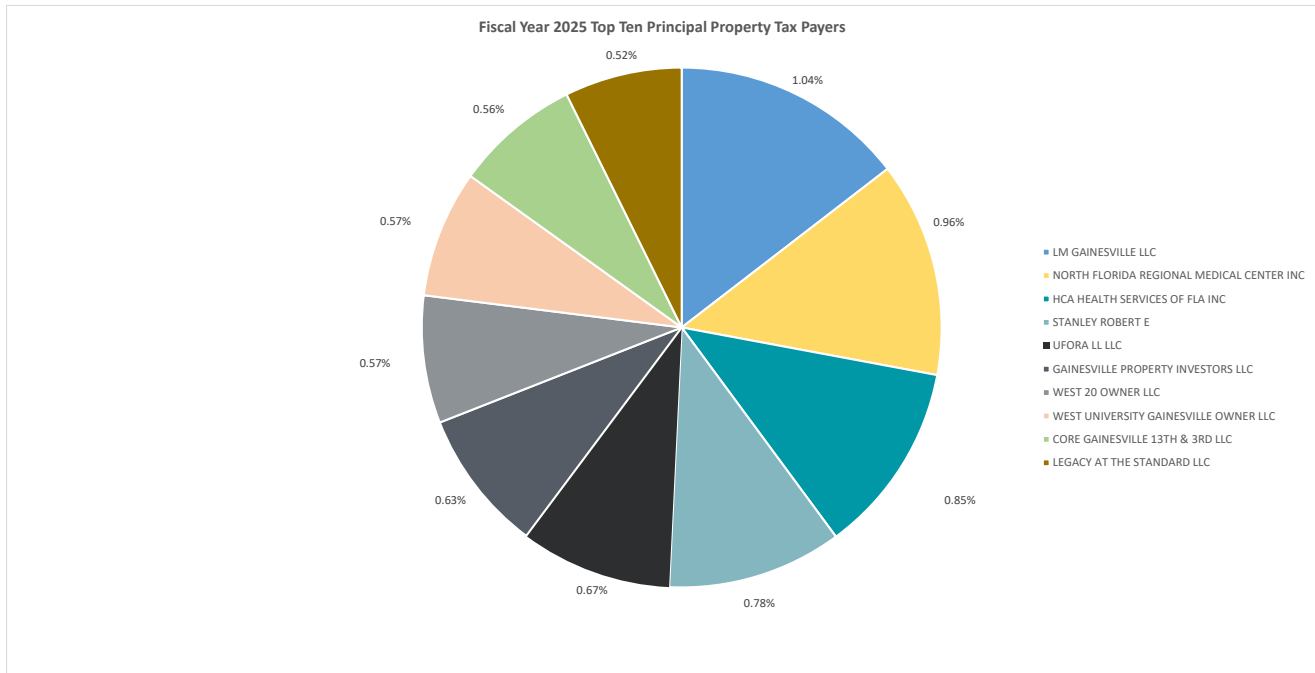
Notes:

- Millage rate is per \$1,000 assessed property value.
- Overlapping rates include those rates of other local and county governments that apply to property owners within the City.
- The City is serviced by two water management districts: St. Johns River Water Management (95%) and Suwannee River Water Management (5%). The millage rates for FY 2025 for each district were 0.1793 and 0.2936, respectively.
- The City's property tax rate is limited to a maximum millage rate of 10.0000.

Source: Alachua County Property Appraiser

City of Gainesville
Top Ten Principal Property Tax Payers in City Limits
Reporting Fiscal Year (FY 2025) and Ten Years Ago (FY 2016)

Fiscal Year 2025					Fiscal Year 2016				
Tax Payer	Total Taxable		% of Total Taxable		Tax Payer	Total Taxable Value		% of Total Assessed Value	
	Value								
LM GAINESVILLE LLC	\$	114,203,868	1	1.04%	GAINESVILLE RENEWABLE ENERGY CENTER LLC	\$	354,433,640		6.14%
NORTH FLORIDA REGIONAL MEDICAL CENTER INC		105,019,637	2	0.96%	OAKS MALL GAINESVILLE LTD		124,739,113		2.16%
HCA HEALTH SERVICES OF FLA INC		93,819,934	3	0.85%	HCA HEALTH SERVICES OF FLA INC		77,218,582		1.34%
STANLEY ROBERT E		85,407,881	4	0.78%	OAK HAMMOCK AT THE UNIVERSITY OF FL INC		69,369,600		1.20%
UFORA LL LLC		74,025,800	5	0.67%	AT&T MOBILITY LLC		58,492,672		1.01%
GAINESVILLE PROPERTY INVESTORS LLC		69,382,400	6	0.63%	NORTH FLORIDA REGIONAL MEDICAL CENTER INC		53,391,740		0.93%
WEST 20 OWNER LLC		62,295,200	7	0.57%	DUKE ENERGY FLORIDA INC		34,767,352		0.60%
WEST UNIVERSITY GAINESVILLE OWNER LLC		62,134,200	8	0.57%	COXCOM LLC		34,617,520		0.60%
CORE GAINESVILLE 13TH & 3RD LLC		61,211,258	9	0.56%	S CLARK BUTLER PROPERTIES LAND TRUST		33,036,748		0.57%
LEGACY AT THE STANDARD LLC		57,302,807	10	0.52%	LSH 1601 SW 51ST TERRACE LP		32,138,000		0.56%
Total Top Ten Principal Property Tax Payers					\$	784,802,985		\$	872,204,967
Total Taxable Value					\$	10,996,518,624		\$	5,769,528,673



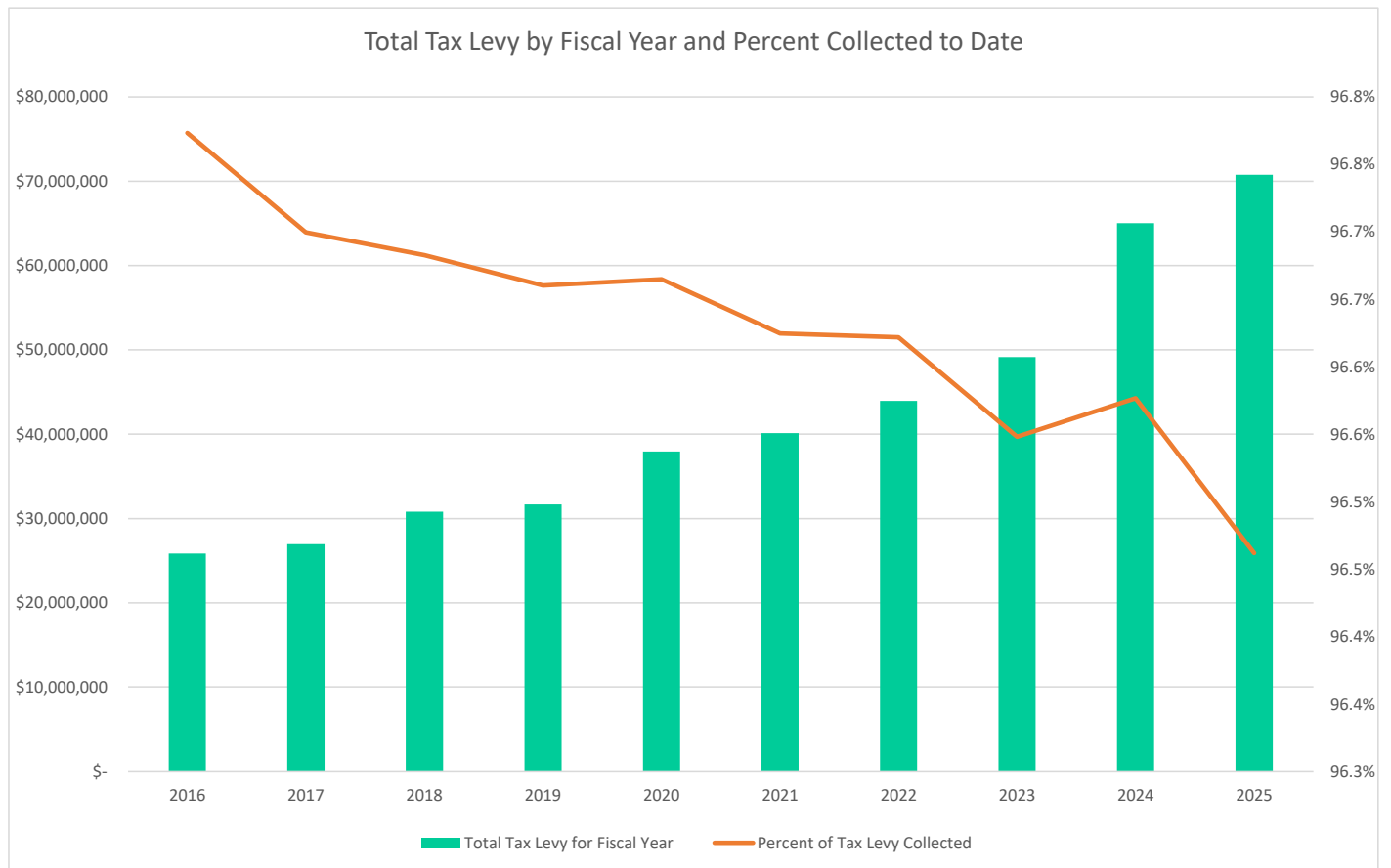
Source: Alachua County Property Appraiser, www.acpaf1.org

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

Fiscal Year Ended September 30	Collected Within the Fiscal Year of the Levy				Total Collections to Date		
	Total Tax Levy for Fiscal Year	Amount	Percent of Levy		Collections in Subsequent Years	Amount	Percent of Tax Levy Collected
2016	\$ 25,839,116	\$ 24,924,172	96.5%		\$ 81,175	\$ 25,005,347	96.8%
2017	26,975,053	26,030,596	96.5%		54,178	26,084,774	96.7%
2018	30,805,283	29,766,402	96.6%		16,974	29,783,376	96.7%
2019	31,681,830	30,675,142	96.8%		(51,406)	30,623,736	96.7%
2020	37,960,620	36,636,996	96.5%		57,577	36,694,573	96.7%
2021	40,111,271	38,831,631	96.8%		(74,273)	38,757,358	96.6%
2022	43,951,001	42,571,948	96.9%		(105,697)	42,466,251	96.6%
2023	49,157,296	47,430,049	96.5%		30,408	47,460,457	96.5%
2024	65,028,936	62,766,053	96.5%		36,769	62,802,822	96.6%
2025	70,777,446	68,273,261	96.5%		N/A	68,273,261	96.5%

Source: Alachua County Tax Collector

Note: The tax roll can get corrected and adjusted due to Value Adjustment Board decisions and new information received by the Property Appraiser's office for a period of up to 3 years.

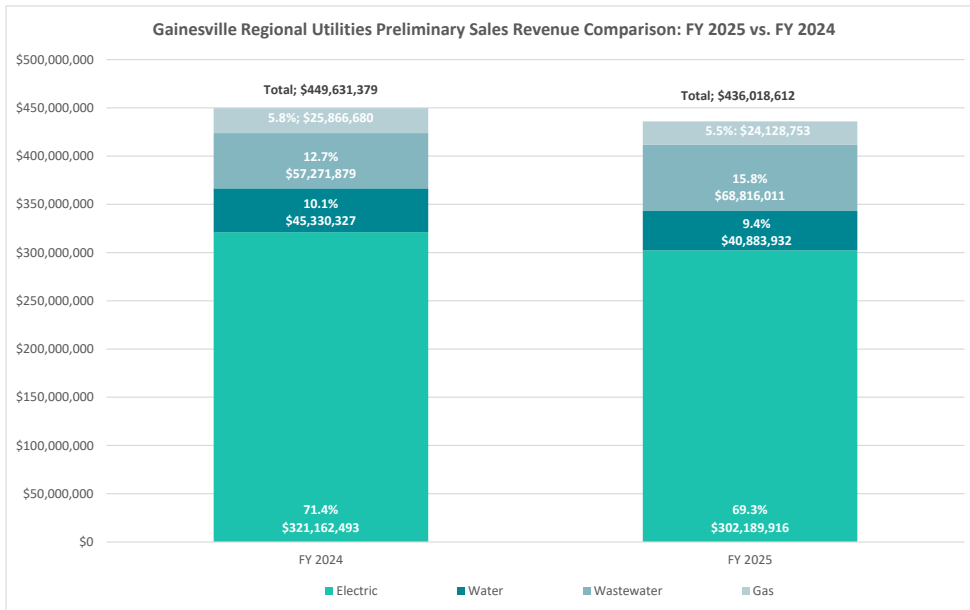


Source: Alachua County Tax Collector

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

Number of Customers	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Electric	94,795	96,272	98,172	98,161	100,156	101,672	101,708	102,200	104,678	104,678
Water	71,546	72,136	73,043	73,078	73,896	74,805	74,712	74,789	75,844	75,712
Wastewater	64,781	65,591	66,483	66,638	67,388	68,566	66,641	66,623	67,790	67,543
Natural Gas	34,496	34,942	35,389	35,622	36,094	36,795	36,769	36,947	37,440	37,473

Sales	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Electric - Residential (gigawatt hours)	819	797	822	844	845	843	853	826	857	903
Electric - Non-Residential (gigawatt hours)	978	963	989	1,151	1,088	1,091	1,030	947	969	982
Water - gallons (millions)	6,837	7,211	6,922	7,096	7,114	6,881	7,155	7,094	7,376	7,574
Wastewater - gallons (millions)	4,510	4,657	4,969	4,692	4,614	4,958	5,053	4,974	5,202	5,368
Natural Gas therms (millions)	20	20	23	21	21	22	22	20	22	23



Preliminary Sales Revenue			
	FY 2024		FY 2025
Electric	\$ 321,162,493	\$	302,189,916
Water	45,330,327		40,883,932
Wastewater	57,271,879		68,816,011
Gas	25,866,680		24,128,753
Total	\$ 449,631,379	\$	436,018,612

	FY 2024	FY 2025
Electric	100.0%	100.0%
Water	14.1%	13.5%
Wastewater	17.8%	22.8%
Gas	8.1%	8.0%
Total	140.00%	144.29%

Notes:

- Number of customers represents all utility customers both inside and outside City limits.
- Preliminary Sales Revenue excludes telecommunications and includes fuel.

Source: Gainesville Regional Utilities

**City of Gainesville
Gainesville Regional Utility Rates
Last Ten Fiscal Years**

			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Electric: subject to taxes/surcharges and/or franchise fees												
Residential Service - Standard												
Customer Charge	per month		\$14.25	\$14.25	\$14.25	\$14.25	\$15.00	\$15.00	\$16.00	\$16.50	\$17.00	\$17.00
Energy Charge - Includes 6.5 mills/kWh of fuel	per kWh											
0-250 kWh												
250-750 kWh												
over 750 kWh												
Beginning in FY2016												
0-850 kWh			0.04300	0.04300	0.04400	0.07020	0.07450	0.07450	0.07970	0.08210	0.08460	N/A
over 850 kWh			0.06400	0.06400	0.06600	0.09300	0.09870	0.09870	0.10560	0.10880	0.11210	N/A
Beginning in 1/1/25												
0-1000 kWh												0.08460
over 1000 kWh												0.12130
Fuel Adjustment per kWh											.0500 / Subject to change monthly	Subject to change monthly
Residential Service - Peak Periods												
Customer Charge	per month		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Charge - Includes 6.5 mills/kWh of fuel	per kWh											
On-Peak			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Off-Peak			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
General Service Non-Demand & Demand < 50 kW												
Customer Charge	per month		\$29.50	\$29.50	\$29.50	\$29.50	\$31.00	\$31.00	\$33.00	\$34.00	\$35.00	\$35.00
Energy Charge - Includes 6.5 mills/kWh of fuel	per kWh											
0-1500 kWh			0.06900	0.06900	0.07000	0.09260	0.09840	0.09840	0.10530	0.10850	0.11180	0.11180
over 1500 kWh			0.10000	0.10000	0.10300	0.12320	0.13090	0.13090	0.14010	0.14430	0.14860	0.14860
Fuel Adjustment per kWh											.0500 / Subject to change monthly	.0350 / Subject to change monthly
General Service Demand - 50kW > Demand < 1000 kW												
Customer Charge	per month		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$105.00	\$108.00	\$111.00	\$111.00
Demand Charge	per kW		8.50	8.50	8.50	9.50	10.15	10.15	10.85	11.20	11.55	11.55
Energy Charge - Includes 6.5 mills/kWh of fuel	per kWh		0.04000	0.04000	0.04120	0.06170	0.06530	0.06530	0.06990	0.07200	0.07420	0.07420
Fuel Adjustment per kWh											.0500 / Subject to change monthly	.0350 / Subject to change monthly
Large Power Service - Demand > 1000 kW												
Customer Charge	per month		\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$375.00	\$385.00	\$395.00	\$395.00
Demand Charge	per kW		8.50	8.50	8.50	9.75	10.30	10.30	11.00	11.35	11.70	11.70
Energy Charge - Includes 6.5 mills/kWh of fuel	per kWh		0.03600	0.03600	0.03700	0.05770	0.06110	0.06110	0.06540	0.06740	0.06940	0.06940
Fuel Adjustment per kWh											.0500 / Subject to change monthly	.0350 / Subject to change monthly
Water:												
Residential Service												
Customer Charge (per month) Based on	per month	\$	9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45
Meter Size of .625" or .75" Larger sizes vary												
Usage Charge ³	per kGal											
1,000 - 4,000			2.45	2.45	2.45	2.47	2.47	2.47	2.47	2.47	2.47	2.47
5,000 - 16,000			3.75	3.75	3.75	3.77	3.77	3.87	3.87	3.87	3.87	3.87
Over 17,000			6.00	6.00	6.00	6.04	6.04	6.04	6.04	6.04	6.04	6.04
Non-Residential Service												
Customer Charge - Based on Meter Size of .625" or .75" Larger sizes vary	per month	\$	9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45
Usage Charge	per kGal		3.85	3.85	3.85	3.87	3.87	3.87	3.87	3.87	3.87	3.87
Irrigation Service												
Customer Charge - Based on Meter Size of .625" or .75" Larger sizes vary	per month	\$	9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45
Usage Charge	per kGal											
1,000 - 12,000			3.75	3.75	3.75	3.77	3.77	3.87	3.87	3.87	3.87	3.87
13,000 or more			6.00	6.00	6.00	6.04	6.04	6.04	6.04	6.04	6.04	6.04
Non-residential			4.60	4.60	4.60	4.62	4.62	4.62	4.62	4.62	4.62	4.62
University of Florida												
Customer Charge - Based on Meter Size of .625" or .75" Larger sizes vary	per month	\$	9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45
Usage Charge	per kGal											
On-Campus			2.84	2.29	2.43	2.53	2.65	2.34	2.48	2.91	2.91	3.16
Off-Campus			3.67	2.83	3.21	3.56	3.23	2.67	3.08	3.71	3.71	3.77
City of Alachua												
Customer Charge - Based on Meter Size of .625" or .75" Larger sizes vary	per month	\$	9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45	\$ 9.45
Usage Charge	per kGal		1.62	1.62	1.62	1.62	1.62	2.67	2.67	2.67	2.67	2.67
Wastewater - Subject to surcharges												
Residential Service												
Customer Charge	per month	\$	9.10	\$ 9.10	\$ 9.10	\$ 9.10	\$ 9.10	\$ 9.50	\$ 10.00	\$ 10.50	\$ 10.50	\$ 10.50
Usage Charge	per kGal		6.30	6.30	6.30	6.33	6.33	6.65	7.00	7.35	7.35	7.35
Residential not connected, but required to be by ordinance												
			40.60	40.60	40.60	40.75	40.75	42.75	45.00	47.25	47.25	47.25
Residential, on wells, flat rate												
	per month		40.60	40.60	40.60	40.75	40.75	42.75	45.00	47.25	47.25	47.25
Multi-family												
Customer Charge	per month	\$	9.10	\$ 9.10	\$ 9.10	\$ 9.10	\$ 9.10	\$ 9.50	\$ 10.00	\$ 10.50	\$ 10.50	\$ 10.50
Usage Charge	per month	\$	31.50	\$ 31.50	\$ 31.50	\$ 31.65	\$ 31.65	\$ 33.25	\$ 35.00	\$ 36.75	\$ -	\$ -
Usage Charge	per kGal	\$	-	-	-	-	-	-	-	-	7.35	7.35
Nonresidential Service												
Customer Charge	per month	\$	9.10	\$ 9.10	\$ 9.10	\$ 9.10	\$ 9.10	\$ 9.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50
Usage Charge	per kGal		6.30	6.30	6.30	6.33	6.33	6.65	7.35	7.35	7.35	7.35

**City of Gainesville
Gainesville Regional Utility Rates
Last Ten Fiscal Years
(Concluded)**

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Natural Gas - subject to taxes/surcharges &/or franchise fees											
Residential Service											
Customer Charge	<i>per month</i>	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75	\$9.75
Non-Fuel Energy Charge - Includes \$0.06906/therm of fuel	<i>per therm</i>	0.54	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
MGP	<i>per therm</i>	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560 / .0500 /	0.05560 / .0350 /
Purchased Gas Adjustment (per therm)	<i>per therm</i>									Subject to change monthly	Subject to change monthly
General Firm Service											
Customer Charge	<i>per month</i>	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00
Non-Fuel Energy Charge - Includes \$0.06906/therm of fuel	<i>per therm</i>	0.38	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
MGP	<i>per therm</i>	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560 / .0500 /	0.05560 / .0350 /
Purchased Gas Adjustment	<i>per therm</i>									Subject to change monthly	Subject to change monthly
Large Volume Interruptible Service											
Customer Charge	<i>per month</i>	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Non-Fuel Energy Charge - Includes \$0.06906/therm of fuel	<i>per therm</i>	0.23	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
MGP	<i>per therm</i>	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560	0.05560 / .0500 /	0.05560 / .0350 /
Purchased Gas Adjustment	<i>per therm</i>									Subject to change monthly	Subject to change monthly
Liquid Propane (LP) Service											
Customer Charge	<i>per month</i>	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75
Non-Fuel Energy Charge - Includes \$0.06906/therm of fuel	<i>per therm</i>										
3-yr recovery		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5-yr recovery		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7-yr recovery		\$ 0.70476	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
> 7-yr recovery		\$ 0.65976	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Basic (no recovery)		\$ 0.62976	\$ 0.71976	\$ 0.71976	\$ 0.71976	\$ 0.72376	\$ 0.72376	\$ 0.72376	\$ 0.72376	\$ 0.72376	\$ 0.72376
										\$1.4260	1.4070
										Subject to change monthly	Subject to change monthly
Purchased Gas Adjustment	<i>per therm</i>										

Source: Gainesville Regional Utilities

City of Gainesville
Principal Utility Revenue Contributors
Reporting Fiscal Year 2025 and Ten Years Ago

Customer	Fiscal Year 2025			Fiscal Year 2016		
	Total Payments	Rank	% of Total Utility Revenue	Total Payments	Rank	% of Total Utility Revenue
University of Florida	\$ 10,906,965	1	2.45%	\$ 4,136,862	6	2.25%
Gainesville Regional Utilities	10,534,876	2	2.36%	N/A		2.24%
Shands Teaching Hospital and Clinics	9,519,346	3	2.13%	5,002,467	3	1.49%
Alachua County Public Schools	7,504,767	4	1.68%	6,094,184	2	1.54%
North Florida Regional Medical Center	6,908,129	5	1.55%	4,785,070	4	1.83%
VA Medical Center	6,616,291	6	1.48%	N/A	1	1.63%
City of Gainesville	6,595,445	7	1.48%	9,592,255		1.32%
Publix Supermarkets	5,137,643	8	1.15%	4,761,257	5	1.32%
Alachua County Board of County Commissioners	3,917,636	9	0.88%	2,763,278	7	1.20%
Santa Fe College	2,621,821	10	0.59%	N/A		0.70%
Total	<u>\$ 70,262,919</u>		<u>15.75%</u>	<u>\$ 37,135,373</u>		<u>15.51%</u>

Source: GRU Annual Reports

Debt Capacity Information



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

Debt Presented by Governmental and Business-Type Activities									
Fiscal Year	Governmental Activities			Business-Type Activities			Total		
	Bonds	Notes	Lease/SBITA/ Fin. Purchase	Bonds	Notes	Lease/SBITA	Primary Government	% of Personal	
								Income	Per Capita
2016	\$ 93,276,839	\$ 38,508,036	\$ 173,550	\$ 907,065,208	\$ 65,189,668	\$ 959,678,852	\$ 2,063,892,153	67.13%	\$ 16,047
2017	88,616,606	35,650,967	78,141	888,442,387	64,254,397	941,269,071	2,018,311,569	55.29%	15,547
2018	84,326,481	42,091,460	-	1,618,098,385	93,000,000	-	1,837,516,326	59.54%	14,004
2019	81,461,956	37,907,275	-	1,791,495,621	2,778,714	-	1,913,643,566	56.39%	14,381
2020	301,381,768	41,335,977	-	1,758,567,902	1,716,197	-	2,103,001,844	60.96%	15,567
2021	300,141,053	41,495,634	-	1,847,953,432	1,564,495	-	2,191,154,614	55.31%	15,234
2022	282,734,377	33,864,300	430,413	1,834,443,923	1,322,651	503,033	2,153,298,697	48.35%	14,761
2023	271,008,877	29,550,377	2,051,092	1,943,020,120	1,075,463	6,327,736	2,253,033,665	37.71%	15,237
2024	257,973,547	25,148,269	7,369,462	1,862,856,283	822,467	5,902,731	2,160,072,759	47.91%	14,348
2025	244,629,169	20,656,367	7,414,124	1,719,514,124	565,215	4,865,821	1,997,644,820	47.67%	13,164

Debt Presented by City Government and Gainesville Regional Utilities							
Fiscal Year	City Government			Gainesville Regional Utilities			
	City Government	Gainesville Regional Utilities	Primary Government	% of Personal		% Of Personal	
				Income**	Per Capita	Income**	Per Capita
2016	\$ 131,958,425	\$ 1,931,933,728	\$ 2,063,892,153	4.29%	\$ 1,026	30.42%	\$ 7,273
2017	124,345,714	1,893,965,855	2,018,311,569	3.41%	958	24.38%	6,855
2018	126,417,941	1,711,098,385	1,837,516,326	4.09%	963	26.64%	6,266
2019	123,962,557	1,789,681,008	1,913,643,565	3.65%	932	25.66%	6,544
2020	346,166,189	1,756,835,654	2,103,001,843	10.03%	2,562	24.79%	6,330
2021	344,848,174	1,846,306,439	2,191,154,613	8.71%	2,398	23.78%	6,550
2022	320,319,696	1,832,979,000	2,153,298,696	7.19%	2,196	21.41%	6,536
2023	305,921,627	1,947,112,038	2,253,033,665	5.12%	2,069	17.07%	6,897
2024	293,423,816	1,860,542,826	2,153,966,642	6.53%	1,955	21.75%	6,513
2025	275,564,911	1,715,820,755	1,991,385,666	6.60%	1,822	21.77%	6,012

Notes:

- Details regarding the City's outstanding debt may be found in the Notes to the Financial Statements.
- The debt ratios for the primary government include both General Government and Gainesville Regional Utilities. These ratios are shown separately as well to provide more meaningful information.
- ** Restating in FY25 based on US Census Data . Previously used Personal Income for Gainesville Metropolitan area and not City of Gainesville. Per Capita Personal Income for 2025 not available - Estimated using average of past 10 years

Sources:

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

City of Gainesville
Direct and Overlapping Governmental Activities Debt
As of September 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Alachua County Board of County Commissioners			
Capital Improvement Revenue Note, 2015A	\$ 419,000	47.56%	\$ 199,276
Pubic Improvement Revenue Refunding Note, 2015B	2,972,000	47.56%	1,413,483
Pubic Improvement Revenue Refunding Note, 2016	4,010,000	47.56%	1,907,156
Public Improvement Revenue Note, 2017	372,000	47.56%	176,923
Local Option Gas Tax Revenue Note, 2018	3,595,000	47.56%	1,709,782
Capital Improvement Revenue Note, 2020A	1,950,000	47.56%	927,420
Capital Improvement Revenue Note, 2020C	7,140,000	47.56%	3,395,784
Tourist Development Tax Revenue Note, 2021AB	29,535,000	47.56%	14,046,846
Capital Improvement Revenue Note, 2022	31,465,000	47.56%	14,964,754
Capital Improvement Revenue Note, 2023	7,480,000	47.56%	3,557,488
Public Improvement Revenue Note, 2025	85,500,000	47.56%	40,663,800
School Board of Alachua County			
Certificates of Participation	72,376,065	42.10%	30,470,323
Qualified School Construction Bonds	11,211,997	42.10%	4,720,251
Build America Bonds	1,535,291	42.10%	646,358
Subtotal, Overlapping Debt			\$ 118,799,644
City Governmental Activities Direct Debt			\$ 265,285,536
City Total Direct and Overlapping Governmental Activities Debt			\$ 384,085,180

City of Gainesville
Pledged Revenue Coverage
Last Ten Fiscal Years

State Guaranteed Entitlement Revenue Bonds						Gainesville Regional Utilities Revenue Bonds								
State Guaranteed Entitlement Revenue (see note 3)			Debt Service			Revenues (see note 1)		Less: Operating Expenses (see note 2)		Net Available Revenues		Debt Service		
Fiscal Year			Principal	Interest	Coverage							Principal	Interest	Coverage
2016	\$	1,100,340	\$ 935,000	\$ 104,088	1.0589	\$ 453,177,915	\$ 280,634,777	\$ 172,543,138	\$ 16,805,000	\$ 21,544,385	4.4992			
2017		1,100,340	1,000,000	55,000	1.0430	473,426,619	331,097,206	142,329,413	23,135,000	38,892,441	2.2946			
2018		1,095,000	255,146	839,854	1.0000	409,003,588	293,014,320	115,989,268	24,020,000	46,618,627	1.6420			
2019		1,095,000	240,265	854,735	1.0000	411,774,937	394,817,611	16,957,326	22,105,000	68,990,672	0.1861			
2020		1,095,000	226,260	868,740	1.0000	398,764,397	210,926,728	187,837,669	27,495,000	69,215,070	1.9423			
2021		1,095,000	213,065	881,935	1.0000	418,669,672	230,997,175	187,672,497	25,685,000	66,522,499	2.0353			
2022		1,095,000	200,637	894,363	1.0000	532,546,655	313,542,492	219,004,163	30,580,000	69,352,764	2.1915			
2023		1,095,000	188,931	906,069	1.0000	462,902,068	277,401,330	185,500,738	39,140,000	70,537,918	1.6913			
2024		1,095,000	177,916	917,084	1.0000	452,982,711	250,187,695	202,795,016	74,915,000	73,605,421	1.3654			
2025		-	-	-	N/A	455,116,955	272,622,522	182,494,433	66,140,000	68,316,958	1.3573			

Notes:

(1) Gainesville Regional Utilities revenues include electric, gas, water, wastewater, and telecommunications charges to customers, other utilities revenues (including fees for connection, installation and backflow prevention), rate stabilization transfers, and interest income (excluding interest income earned on construction funds).

(2) Operating expenses exclude depreciation and debt service charges.

(3) State Guaranteed Entitlement Revenue Bond - GERB Series 94 matured in FY24

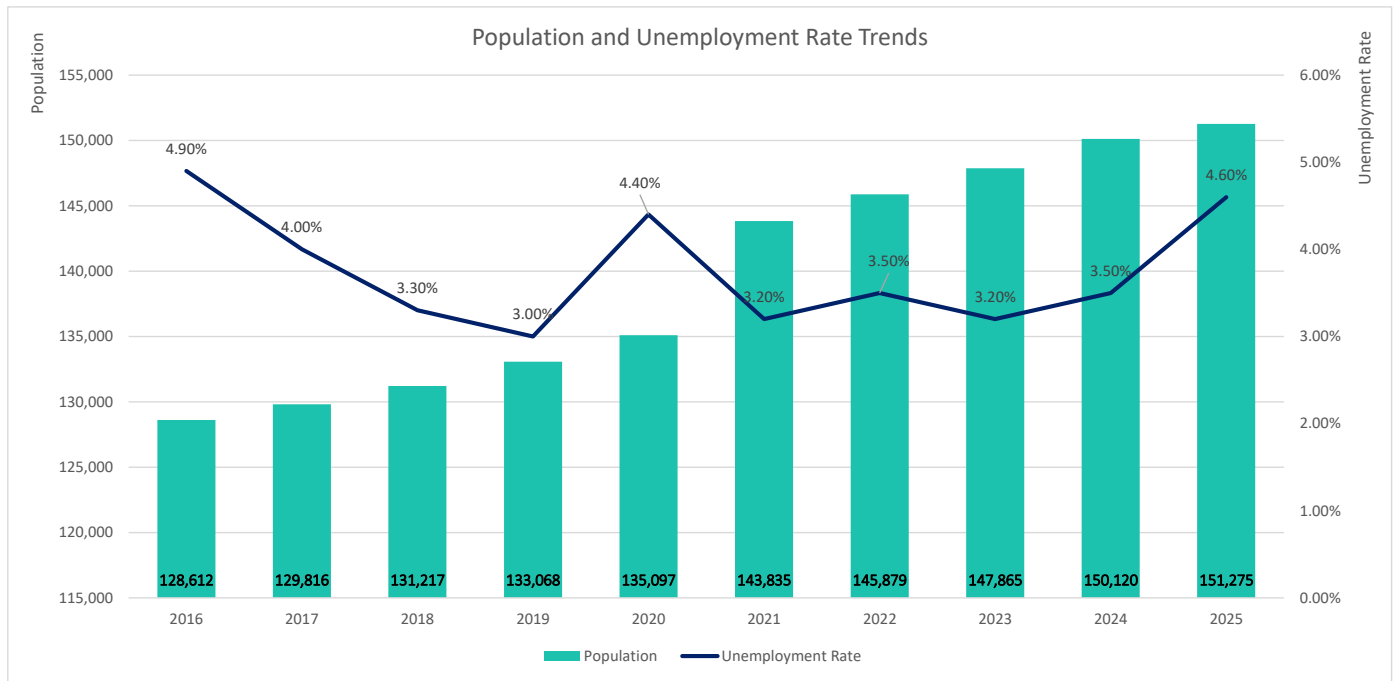
Source: Gainesville Regional Utilities Financial Statements

Demographic and Economic Information



City of Gainesville
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income *	Per Capita Personal Income **	Median Age (Alachua County)	Public School Enrollment (Alachua County)	Unemployment Rate
2016	128,612	\$ 3,074,598,472	\$ 23,906	25.7	27,343	4.90%
2017	129,816	3,650,296,104	28,119	26.6	26,881	4.00%
2018	131,217	3,086,223,840	23,520	31.3	28,836	3.30%
2019	133,068	3,393,633,204	25,503	33.2	29,460	3.00%
2020	135,097	3,449,836,992	25,536	31.7	29,845	4.40%
2021	143,835	3,961,503,570	27,542	31.6	29,727	3.20%
2022	145,879	4,453,831,749	30,531	32.1	31,104	3.50%
2023	147,865	5,975,224,650	40,410	26.8	28,820	3.20%
2024	150,120	4,496,094,000	29,950	26.0	29,000	3.50%
2025	151,275	4,177,761,675	27,617	26.5	26,000	4.60%



* restating in FY25 based on updated source of Per Capita Income

** Restating in FY25. Previously used Personal Income for Gainesville Metropolitan area and not City of Gainesville. 2025 not available - Estimated using average of past 10 years

Sources:

Population: University of Florida Bureau of Economic and Business Research (calendar year basis)

Personal Income: Population x Per Capita Personal Income

Per Capita Personal Income: US Census Data (data.census.gov - DP03 Estimate + MoE)

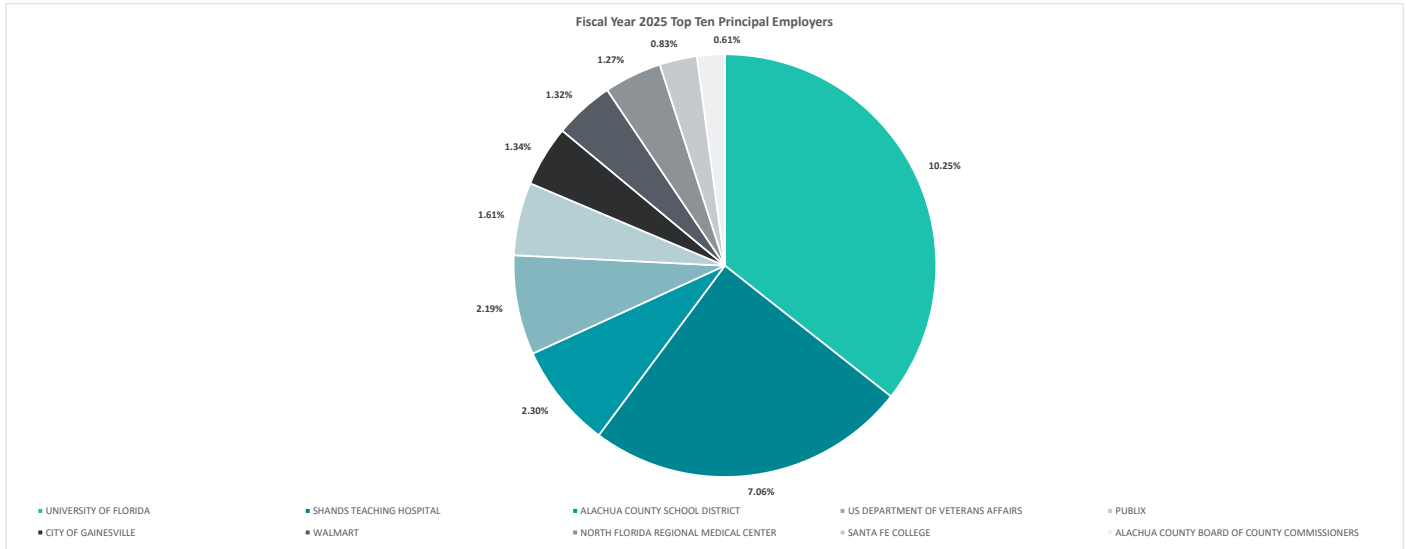
Median Age: Neilsberg Research [<https://www.neilsberg.com/insights/gainesville-fl-population-by-age/>]

Public School Enrollment: <https://www.alachuaschools.net/> [Alachua County School Board website]

City of Gainesville - County of Alachua
Top Ten Principal Employers
Reporting Fiscal Year (FY 2025) and Ten Years Ago (FY 2016)

Customer	Fiscal Year 2025			Customer	Fiscal Year 2016		
	Number of Employees		% of Total Labor Force		Number of Employees		% of Total Labor Force
UNIVERSITY OF FLORIDA	17,867	1	10.25%	University of Florida	27,600	1	17.18%
SHANDS TEACHING HOSPITAL	12,317	2	7.06%	UF Health Shands Hospital	12,705	2	7.91%
ALACHUA COUNTY SCHOOL DISTRICT	4,007	3	2.30%	VA Medical Center	6,127	3	3.81%
US DEPARTMENT OF VETERANS AFFAIRS	3,820	4	2.19%	Alachua County School Board	3,904	4	2.43%
PUBLIX	2,801	5	1.61%	City of Gainesville	2,072	5	1.29%
CITY OF GAINESVILLE	2,334	6	1.34%	North Florida Regional Medical Ctr.	2,000	6	1.25%
WALMART	2,296	7	1.32%	Gator Dining Services	1,200	7	0.75%
NORTH FLORIDA REGIONAL MEDICAL CENTER	2,214	8	1.27%	Nationwide Insurance	970	8	0.60%
SANTA FE COLLEGE	1,439	9	0.83%	Alachua County (1)	900	9	0.56%
ALACHUA COUNTY BOARD OF COUNTY COMMISSIONERS	1,062	10	0.61%	Publix Supermarkets	831	10	0.52%
Total of Top Ten Principal Employers			50,157	58,309			36.30%
Total Labor Force			174,385	160,612			

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



Notes:
Source of top employers in Alachua County published by FL Commerce in the floridajobs.org database.

Operating Information



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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Charter Offices										
City Attorney's Office	17.00	17.00	16.00	16.00	16.00	15.00	15.00	15.00	14.00	14.00
City Auditor's Office	4.50	5.50	5.50	6.00	7.00	7.00	7.00	7.00	6.00	6.00
City Clerk	5.00	5.00	6.00	9.00	10.00	11.00	11.00	11.00	10.00	9.00
City Commission	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager	1,315.05	1,353.25	1,382.62	1,469.75	1,494.75	1,519.50	1,529.00	1,559.50	1,447.00	1,413.75
Equity and Inclusion, Office of	9.00	8.00	8.00	8.50	11.00	11.00	11.00	13.00	12.00	12.00
General Manager for Utilities	892.75	877.75	886.25	892.25	930.25	932.25	932.25	932.25	905.25	877.25
Total Full-time Equivalent	2,250.30	2,273.50	2,311.37	2,408.50	2,476.00	2,502.75	2,512.25	2,544.75	2,401.25	2,339.00
% General Government	60.3%	61.4%	61.7%	63.0%	62.4%	62.8%	62.9%	63.4%	62.3%	62.5%
The City Manager oversees the following Functions/Programs:										
General Government										
Administrative Services	3.70	3.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Budget & Finance	36.50	38.50	40.50	42.50	40.50	42.50	43.50	44.00	53.50	45.50
City Manager's Office	6.35	10.35	10.35	10.00	9.00	8.00	8.00	12.00	10.00	10.00
Communications and Engagement	4.00	5.00	13.90	8.50	9.50	12.50	12.50	11.00	9.50	9.00
Human Resources	16.00	25.00	25.00	27.00	27.00	27.00	27.00	27.00	23.00	21.00
Office of Management and Budget [1]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	6.00
Risk Management	16.50	16.50	16.50	16.50	16.50	17.50	17.50	17.50	16.00	17.00
Strategic Initiatives [2]	0.00	0.00	0.00	8.00	8.00	9.00	9.00	33.00	0.00	0.00
Technology and Innovation	0.00	0.00	5.00	10.00	12.00	18.00	18.00	0.00	10.00	9.00
Public Safety										
Police										
Sworn Officers	307.00	308.00	303.00	297.00	295.00	286.00	286.00	282.00	280.00	281.00
Civilians	86.00	89.00	94.00	104.00	111.00	118.75	118.75	122.75	106.25	100.75
Fire Rescue										
Sworn Officers	166.00	167.00	169.00	188.00	189.00	188.00	190.00	194.00	191.00	191.00
Civilians	8.00	7.00	10.00	9.00	9.00	12.00	13.50	15.00	19.00	22.50
Physical Environment										
Codes Enforcement	16.30	16.30	16.70	18.70	18.70	18.00	18.00	24.00	15.00	14.00
Planning & Development Services	41.50	49.50	51.00	51.00	51.50	57.00	57.00	60.00	56.00	56.00
Public Works	158.75	159.00	164.00	155.00	166.50	165.00	165.50	169.50	181.50	182.50
Facilities Management	22.00	23.00	24.00	31.00	31.00	31.00	31.00	31.00	28.00	26.00
Transportation										
Fleet Management	25.00	26.00	26.00	29.00	29.00	29.00	29.00	29.00	29.00	30.00
Regional Transit System	296.50	298.50	304.25	303.00	307.00	307.00	307.00	307.50	267.00	239.00
Transportation & Mobility	0.00	0.00	0.00	26.00	27.00	27.00	27.00	31.50	13.50	13.00
Economic Environment										
Housing and Community Development	1.57	1.57	1.13	1.13	1.13	1.13	1.13	1.13	4.18	3.95
Community Development Block Grant	8.13	8.13	8.17	8.17	8.17	10.87	10.87	9.87	6.82	7.05
Gainesville Community Reinvestment Area	11.00	11.00	11.00	11.00	11.00	11.00	11.00	9.00	9.00	10.00
Economic Development	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office of Capital Asset Planning and Economic Resilience	0.00	0.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	0.00
Culture & Recreation										
Parks, Recreation and Cultural Affairs	83.25	89.25	88.13	115.25	117.25	120.25	124.75	128.75	118.75	118.75
Wild Spaces Public Places	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00

Notes:

[1] Previous years included with Budget & Finance

[2] Strategic Initiatives was dissolved in FY23 and positions were reallocated to Office of Management & Budget (x13), Technology & Innovation (x10), City Manager (x3), Police (Civilians) (x5), Planning & Development Services (x1) and Public Works (x1)

Sources: Office of Management Budget (Susan Boyd) and Gainesville Regional Utilities (GRU number, cell Q14, provided by Philpot, Elin <PhilpotE1@gru.com>)

Effective Date for FY 2025: 10/1/2024 (beginning of Fiscal Year)

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Budget & Finance Department - Purchasing										
Dollar amount of purchasing card expenditures	\$4,491,334	\$4,364,407	\$4,308,507	\$5,377,610	\$5,401,950	\$4,341,652	\$4,833,695	\$2,237,101	\$1,085,431	\$1,241,295
Number of purchasing card transactions	17,341	16,227	16,011	17,716	14,707	12,369	13,675	7,637	3,703	3,975
Average number of days for a formal bid process	45	45	45	45	45	45	45	45	45	40
Fire & Rescue Department - Fire & EMS										
Total incidents per 1,000 population served	147.79	143.43	145.70	142.50	136.29	147.00	150.00	147.07	137.68	156.30
Total Non-EMS incidents per 1,000 population served	28.34	26.37	24.18	24.00	22.95	24.50	40.00	35.34	36.82	39.16
Total arson incidents per 10,000 population served	1.02	0.77	1.16	0.15	0.11	0.02	0.92	1.15	2.23	0.93
90th percentile Turnout Time for Fire Apparatus to EMS Incidents (minutes : seconds)	1:15	1:20	1:21	1:13	1:12	1:13	1:15	1:13	1:20	1:18
90th percentile Turnout Time for Fire Apparatus to Building Fires (minutes : seconds)	1:31	1:32	1:31	1:22	1:24	1:20	1:14	1:20	1:15	1:14
90th percentile Travel Time for Fire Apparatus to EMS Incidents (minutes : seconds)	6:50	6:40	6:38	6:40	6:45	6:43	7:03	6:43	7:06	7:24
90th percentile Travel Time for First Arriving at Building Fires (minutes : seconds)	5:26	5:21	5:22	5:51	5:25	6:06	7:04	6:06	6:14	7:13
Housing and Community Development Department										
Homes purchased or constructed (see Note 1)	14	15	13	12	0	8	20	20	17	9
Heartwood Subdivision - New Construction	n/a	n/a	n/a	n/a	n/a	11	n/a	n/a	n/a	n/a
Properties rehabilitated (see Note 1)	13	16	22	30	14	6	46	45	47	28
Families served through housing programs	164	263	203	292	143	245	323	95	156	207
Coronavirus Relief Fund (CRF) Utility, Rent and Mortgage Program	n/a	n/a	n/a	n/a	n/a	220	n/a	n/a	n/a	n/a
GNVCares Utility, Rent and Mortgage Program	n/a	n/a	n/a	n/a	423	n/a	n/a	n/a	n/a	n/a
Police Department										
Police 911 calls received	162,375	161,201	160,867	92,762	89,542	93,728	93,237	98,905	92,998	95,551
Part I violent crimes reported per 1,000 population	7.00	7.33	6.88	6.98	7.71	8.37	7.08	8.18	6.66	5.76
% of Part I violent crimes cleared	66.9%	55.5%	65.7%	42.7%	45.6%	42.2%	74.3%	58.7%	57.1%	75.2%
Part I property crimes reported per 1,000 population	38.51	36.81	36.97	35.41	31.81	28.49	31.72	35.54	41.61	25.74
% of Part I property crimes cleared	32.6%	20.7%	29.2%	26.6%	18.2%	14.0%	28.5%	38.9%	13.6%	34.3%
Injury-producing traffic accidents per 1,000 population	7.63	8.07	9.23	12.63	14.67	16.50	15.43	5.48	9.69	10.81
Traffic fatalities per 1,000 population	0.12	0.12	0.11	0.12	0.10	0.12	0.19	0.13	0.12	0.05
Moving violation citations issued per 1,000 population	117.31	179.89	153.75	56.26	58.22	54.32	77.36	41.69	46.19	44.59
Driving Under the Influence (DUI) arrests per 1,000 population	1.40	1.76	1.83	0.84	0.59	0.39	0.74	0.50	0.31	0.38
Public Works Department - Sanitation: Refuse & Recycling										
Average accounts served per on-route hour	134	101	126	100	109	123	112	114	127	130
Tons of refuse collected & disposed	20,679	20,688	20,679	19,751	24,174	22,121	20,485	21,110	20,032	20,372
Tons yard waste collected & composted	9,886	8,612	9,176	8,471	11,255	8,880	8,162	7,873	8,052	7,827
Tons recycling materials collected	4,833	4,964	4,912	5,056	5,390	4,796	4,144	3,585	3,629	3,590
Complaints per 1,000 accounts	156	156	138	149	176	341	322	151	149	145
Transportation & Mobility Department - Fleet Operations										
Average age of police vehicles (months)	54	58	46	45	59	60	65	64	68	71
Average age of fire apparatus (months)	101	95	99	112	103	118	114	117	129	123
Hours billed as a percentage of hours available	86.0%	84.0%	85.0%	78.6%	74.5%	77.6%	83.3%	90.1%	88.1%	85.4%
No. of work orders completed - police vehicles	1,246	1,179	1,195	1,618	1,411	781	1,014	889	992	996
No. of work orders completed - fire apparatus	217	236	214	360	305	186	249	284	318	315
Total vehicle and heavy equipment work orders	7,937	7,720	7,973	7,559	6,667	3,868	5,149	5,337	6,487	6,981
Public Works Department - Highway and Road Maintenance										
Number of potholes repaired	1,358	1,279	2,835	1,478	583	1,891	1,677	1,465	2,780	2,131
% lane miles assessed as satisfactory or better	73.7%	73.7%	73.7%	75.0%	73.0%	N/A	N/A	N/A	N/A	93.1%
Number of linear miles swept	13,894	3,473	14,042	4,007	4,427	3,917	3,622	3,280	3,461	3,688
Gainesville Regional Utilities										
Electric - Residential customers	85,229	86,952	86,952	86,917	88,214	89,482	90,309	90,812	93,109	93,170
Electric - Commercial & Industrial customers	11,043	11,220	11,220	11,244	11,942	12,190	11,399	11,388	11,570	11,508
Water customers	72,136	73,043	73,043	73,078	73,896	74,805	74,712	74,789	75,844	75,712
Wastewater customers	65,591	66,483	66,483	66,638	67,388	68,566	66,641	66,623	67,790	67,543
Natural Gas customers	34,942	35,389	35,389	35,622	36,094	36,795	36,769	36,947	37,440	37,473

Notes:

(1) Due to the impacts of the COVID-19 pandemic, many Housing and Community Development funding sources were reallocated to emergency assistance programs, such as the GNVCAres About Neighbors and CRF Utility Assistance programs. As a result of the reassignment of funding and staffing within the Housing and Community Development Division to meet these program needs, the annual housing program numbers were lower than typical for Fiscal Year 2020 and 2021.

Sources: City Departments and Gainesville Regional Utilities

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Fire Department - Fire & EMS										
Total number of fire apparatus	17	21	21	24	22	24	24	24	25	25
Average age of fire apparatus (in months)	101	95	95	112	113	118	114	117	129	113
Average annual mileage per fire apparatus	7,306	7,053	7,106	4,811	5,932	6,386	5,950	5,722	7,003	6,773
Number of fire stations	9	9	9	9	9	9	9	8	8	8
Parks and Recreation Department										
Park acres per 1,000 population	36.95	39.10	39.22	37.06	37.57	40.00	40.57	43.77	43.77	43.77
Total park acres (see note 1)	3,481	3,321	3,346	3,591	3,596	3,596	3,596	3,378	3,378	3,378
Number of Recreation/community centers	8	8	8	10	10	10	10	17	17	17
Number of Athletic fields	24	24	24	31	31	31	31	31	32	32
Number of Play structures	96	96	96	96	97	97	97	97	96	97
Number of Tennis courts	23	23	23	23	23	23	21	21	21	21
Number of Basketball courts	23	23	23	25	29	20	24	24	32	32
Number of Swimming pools	3	3	3	3	3	3	3	3	3	3
Miles of bike, walking, and hiking trails (see note 2)	52.4	31.4	31.4	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Police Department										
Number of police vehicles - marked	250	265	265	251	245	239	235	248	243	247
Average age of police vehicles (in months)	54	58	58	45	53	60	65	58	66	71
Average annual mileage per police vehicle	7,764	7,070	7,268	6,960	6,684	6,979	6,791	6,809	7,924	7,395
Transportation & Mobility Department - Fleet Operations										
<i>Light vehicles:</i>										
Number	1,330	1,314	1,314	972	987	909	944	872	844	851
Number using alternative fuel	301	309	309	11	11	11	11	17	18	22
Average age (in months)	96	106	106	111	108	111	122	122	122	123
<i>Medium-duty vehicles:</i>										
Number	172	178	176	206	212	58	55	241	246	246
Average age (in months)	112	121	116	137	133	95	99	104	100	101
<i>Heavy-duty vehicles:</i>										
Number	58	46	46	132	122	128	124	117	119	124
Average age (in months)	95	112	112	129	132	132	132	116	114	121
<i>Heavy equipment:</i>										
Number	17	23	20	20	30	220	204	105	106	108
Average age (in months)	145	138	136	108	104	144	130	120	119	124
Transportation & Mobility Department - Highway and Road Maintenance										
Total paved lane miles maintained	789	789	789	789	789	810	822	840	840	840
Traffic Signals within City Limits	175	177	180	180	181	181	181	186	184	207
Transportation & Mobility Department - Regional Transit System										
Number of buses	128	131	131	136	136	134	135	118	116	116
Number of buses using alternative fuel	0	0	0	0	0	4	4	4	4	4
Average age of buses (in months)	106	130	123	123	132	126	127	104	90	94
Gainesville Regional Utility										
<i>Electricity:</i>										
Combined system net capability (megawatts)	521	525	525	598	635	635	635	635	640	642
Distribution - overhead (circuit miles)	560	558	562	562	552	553	556	556	555	553
Distribution - underground (circuit miles)	866	871	857	857	898	902	907	898	1,003	1,027
Number of Distribution substations	11	10	10	10	10	11	11	11	11	11
<i>Natural Gas:</i>										
Distribution mains (miles)	781	789	774	774	805	814	823	830	836	845
Number of Delivery points (see note 3)	7	7	7	7	7	7	7	7	7	7
<i>Water:</i>										
FDEP permitted treatment capacity (mgd)	54	54	54	54	54	54	54	54	54	54
Storage capacity (million gallons)	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Consumptive Use Permit (mgd)	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Distribution mains (miles)	1,141	1,169	1,145	1,145	1,145	1,170	1,188	1,188	1,188	1,188
Number of Supply wells	16	16	16	15	15	15	15	15	15	15
<i>Wastewater:</i>										
Gravity mains (miles)	636	661	634	634	673	673	694	694	694	694
Force mains (miles)	142	153	141	141	153	153	163	163	163	163
Number of Lift stations	168	170	168	168	170	170	173	173	173	176
Treatment capacity (million gallons per day)	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
<i>GRUCom:</i>										
Fiber optic cable (miles)	513	528	528	526	559	583	531	533	533	541
Maximum bandwidth (2.5 gigabits/second)*10gbs	OC-192	OC-192	OC-192	OC-192	OC-192	OC-192	10 Gbps	10 Gbps	10Gbps	100Gbps
Number of On-net locations	625	752	752	752	752	767	955	987	987	999

Notes:

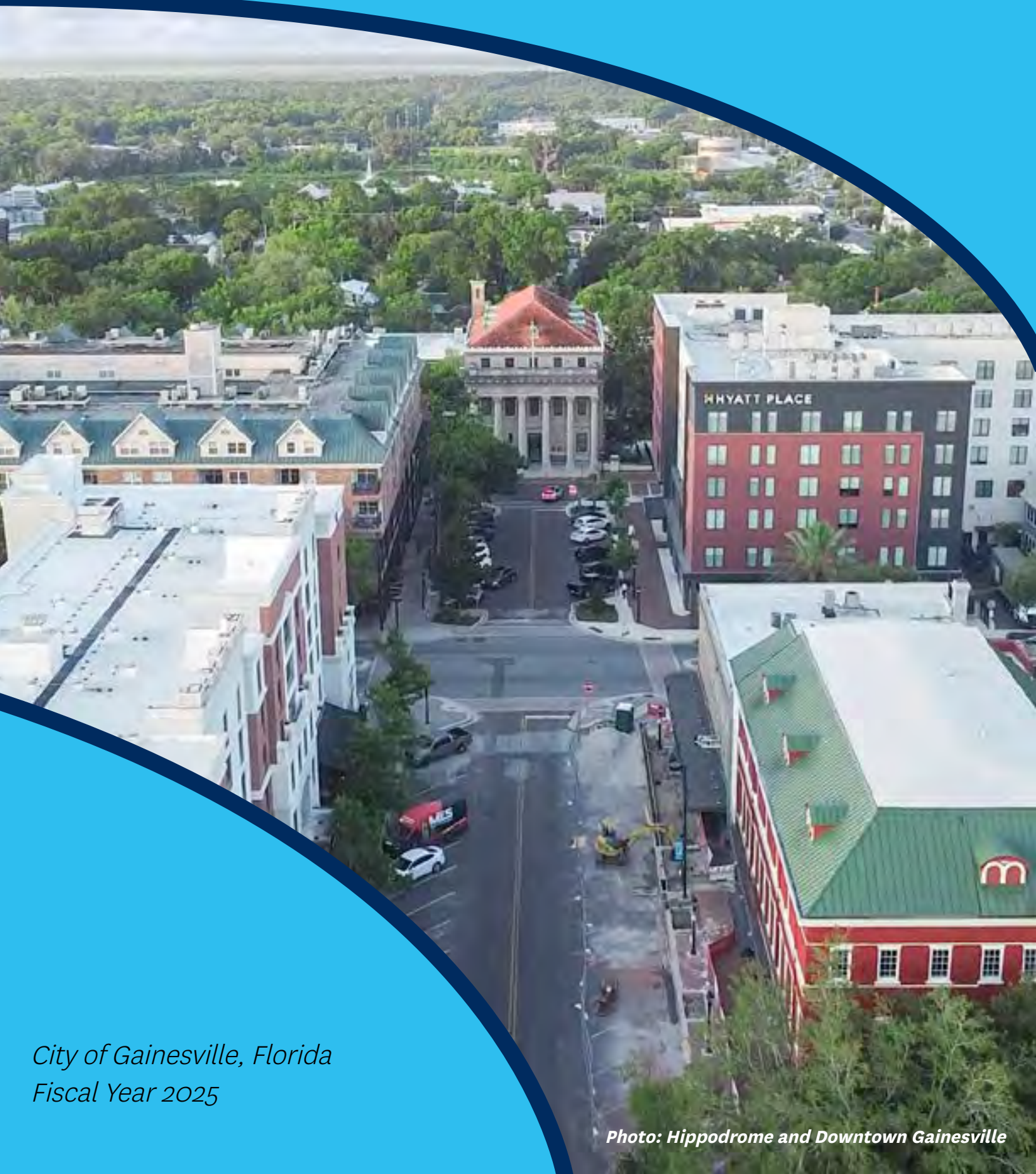
(1) Park acreage changes: In 2017, Park acreage decreased by 200 acres due to the Wacahoota property disposition, increased by 36 acres with the addition of Colclough Pond and increased 3.5 acres due to the addition of 29th Road. In 2018, acreage increased by 23.39 and 2.16 acres with addition of Forest Park and Northside Park, respectively. In 2019, acreage increased by 245 acres due to addition of Four Creeks Preserve. In 2020, acreage increased by 4.64 acres due to the addition of Smokey Bear Park.

(2) Miles of trail does not include approximately 71 miles of paved multi-use trails within the City.

(3) Number of Delivery points was adjusted from "6" to "7" for Fiscal Year 2023.

Sources: City Departments and Gainesville Regional Utility

Single Audit



*City of Gainesville, Florida
Fiscal Year 2025*

Photo: Hippodrome and Downtown Gainesville

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and City Commissioners
City of Gainesville, Florida

We have examined the City of Gainesville's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management of the City is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025.

This report is intended solely for the information and use of the Honorable Mayor and City Commissioners, management, and the State of Florida Auditor General, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 17, 2026
Gainesville, Florida

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**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gainesville, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2026. Our report includes a reference to other auditors who audited the financial statements of the Utility, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Honorable Mayor and City Commissioners
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**INDEPENDENT AUDITOR'S 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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

March 17, 2026
Gainesville, Florida

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Program Title	Assistance Listing Number	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development						
Community Development Block Grant - Entitlement Program	14.218	B-18/24/MC-12-0007	\$ 2,181,313			\$ 253,613
COVID-19 Community Development Block Grant	14.218	B-20-MW-12-0007	169,668	\$ 2,350,981		
HOME Investment Partnership Grant	14.239	M-17/24-MC-12-0206	760,337			71,000
COVID-19 HOME ARP Grant - Administrative	14.239	M-21-MP-12-0206	33,904	794,241		
U.S. Department of Justice						
Law Enforcement Assistance Narcotics and Dangerous Drugs						
Laboratory Analysis	16.001	N/A	73,493			
Juvenile Justice and Delinquency Prevention	16.540	N9233-2020	12,910			
Missing Children's Assistance:						
2015 HERO Child Rescue - Enhancing Forensic Capacity	16.543	2015-MC-FX-K011	147,919			
2018 Internet Crimes Against Children	16.543	2018-MC-FX-K050	365,018	512,937		
Juvenile Mentoring Program	16.726	15PJDP-23-GG-00849-MENT	17,579			
Juvenile Mentoring Program	16.726	15PJDP-24-GG-01664-MENT	16,604	34,183		
Edward Byrne Memorial Justice Assistance:						
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-22-GG-02239-JAGX	57,543			
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-23-GG-03296-JAGX	91,008			
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-24-GG-05218-JAGX	68,214			
Passed Through Florida Department of Law Enforcement:						
Edward Byrne Memorial Justice Assistance	16.738	6N232/15PBJA-23-GG-02972-MUMU	21,295	238,060		
Federal Equitable Sharing Proceeds	16.922	N/A	552,700			

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

Federal Grantor/Program Title	Assistance Listing Number	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
U.S. Department of Transportation						
Federal Transit Formula Grants:						
FY18 Urbanized Area Formula Grant	20.507	FL-2018-009-00	\$ 260			
FY19 Urbanized Area Formula Grant	20.507	FL-2019-091-00	25,864			
FY20 Urbanized Area Formula Grant	20.507	FL-2020-108-00	36,027			
FY22 Urbanized Area Formula Grant	20.507	FL-2022-065-00	93,644			
FY21 Urbanized Area Formula Grant	20.507	FL-2021-069-00	549,678			
FY23 Urbanized Area Formula Grant	20.507	FL-2023-004-00	45,539			
FY23 Urbanized Area Formula Grant	20.507	FL-2023-021-00	950,975			
FY23 Urbanized Area Formula Grant	20.507	FL-2023-055-00	2,837,705			
FY24 Urbanized Area Formula Grant	20.507	FL-2024-065-00	3,339,653	\$ 7,879,345		
Buses and Bus Facilities Formula Program:						
FY23 - Section 5339 Capital Assistance	20.526	FL-2023-048-00	267,486			
FY24 - Section 5339 Capital Assistance	20.526	FL-2024-065-00	1,800			
FY25 - Section 5339 Capital Assistance	20.526	FL-2025-010-00	10,200	279,486		
Total Federal Transit Cluster (20.507, 20.526)					\$ 8,158,831	
Passed Through Florida Department of Transportation:						
Highway Planning and Construction	20.205	G2830/D221 007 B	3,937			
Highway Planning and Construction	20.205	G2A73/ D221 113 B	16,430			
Highway Planning and Construction	20.205	G2S52/ D223-091-B	250			
Highway Planning and Construction	20.205	G2U44/ D223-090-B	344,927			
Highway Planning and Construction	20.205	G2X54/ D224-099-B	48	365,592		
Formula Grants for Rural Areas and Tribal Transit Program:						
Formula Grants for Rural Areas and Tribal Transit Program	20.509	G2S68 / 1001-2023-3	263,494			
FDOT 5311 Formula Grants for Rural Areas	20.509	G3726 / 1001-2024-30	24,999	288,493		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G2W08 / FL-2023-095-00	105,398			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G2A50 / 1001-2024-6	60,519			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G2X76 / 1001-2024-6	118,572	284,489		
State and Community Highway Safety:						
FY20 Distracted Driver Program Protection	20.600	G1D72/DD-20-04-06	68,949			

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Continued)

Federal Grantor/Program Title	Assistance Listing Number	Contract/Grant No.	Expenditures	Program Total	Cluster Total	Federal Amount Provided to Subrecipients
U.S. Department of the Treasury						
Direct:						
COVID-19 - American Rescue Plan Act	21.027	1505-0271	\$ 9,109,862			\$ 6,046,017
Passed Through Florida Housing Finance Corporation:						
COVID-19 Resilient Florida Program - COG Updated Vulnerability Study	21.027	23PLN37/SLFRP0125	346,500			
COVID-19 Wastewater Lift Station/Force Main Resiliency SSO Resolution	21.027	22FRP80	3,633,926			
COVID-19 Main Street Water Reclamation (MSWRF) Enhanced Biological Nutrient Removal & Expansion Project	21.027	WG109	19,743,379	\$ 32,833,667		
U.S. Department of Energy						
Renewable Energy Research and Development	81.087	DE-EE0010305	204,457			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SE0000475	115,520			
Executive Office of the President - Office of National Drug Policy						
High Intensity Drug Trafficking Areas (HIDTA) Program:						
Passed Through St. Johns County Sheriff Office:						
Highway Interdiction	95.001	G15/16NF0001A	21,617			
Passed Through Alachua County Sheriff's Office:						
Cadet Initiative	95.001	G15NF001A / G16 / G17	102,293	123,910		
Department of Homeland Security - Federal Emergency Management Agency						
Passed Through State of Florida, Division of Emergency Management:						
Disaster Grants - Public Assistance						
Hurricane Irma Disaster Declaration	97.036	DR-4680	260,313			
Hurricane Irma Disaster Declaration	97.036	DR-4734	558,057			
Hurricane Hermine Disaster Declaration	97.036	Z4005 - DR4734	3,687			
Hurricane Hermine Disaster Declaration	97.036	Z4496 - DR4828	740,356	1,562,413		
Hazard Mitigation Grant	97.039	H1036/ FEMA-DR-4337-FL	11,625			
Department of Homeland Security						
Homeland Security Grant Program:						
2019 State Homeland Security Grant Program	97.044	EMW-2023-FG-05538	94,115			
Passed Through Florida Department of Emergency Management:						
HazMat Sustainment and Maintenance Equipment	97.067	EMW-2022-SS-00029-S01	31,550			
HazMat Sustainment and Maintenance Equipment	97.067	EMW-2023-SS-00058-S01	41,689	167,354		
Total Expenditures of Federal Awards			<u>\$ 48,754,805</u>			

CITY OF GAINESVILLE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

State Grantor/Program Title	State CSFA Number	Contract/Grant No.	Expenditures	Program Total
Florida Department of Environmental Protection				
SRWMD Groundwater Recharge Wetland Project	37.100	WS004/19/20-47	\$ 214,050	
Florida Housing Finance Corporation				
SHIP 2021-2025	40.901	N/A	1,684,632	
Florida Department of Agriculture				
Mosquito Control Research	42.003	FDACS #31841	67,479	
Department of State				
Historic Preservation Grants	45.031	25.h.sm.100.114	49,779	
Acquisition, Restoration of Historic Properties	45.032	25.h.sc.100.069	7,857	
Department of Transportation				
FDOT Public Transit Block Grant G3528	55.010	G3528/411757-1-84-25	2,065,764	
Public Transit Service Development Program:				
FY19/20 - Route 150, Yr. 01 UK24	55.012	G1K01/445967-1-84-20	6,861	
FY19/20 - RTS Connect	55.012	G1O60/445133-1-84-19	10,273	
FDOT - Pedestrian Amenities at Bus Stop Shelters	55.012	G2J35/427681-3-94-23	105,092	
FDOT - Public Transit Service Development Program	55.012	G2J34/427681-2-94-23	273,075	395,301
Department of Children and Families				
Passed Through LSF Health Systems:				
State Opioid Settlement Trust Fund Services	60.355	PO158	20,990	
Florida Department of Law Enforcement				
Drone Replacement Program	71.092	3X034	149,999	
Total Expenditures of State Awards			<u>\$ 4,655,851</u>	

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
CITY OF GAINESVILLE, FLORIDA**

Note 1 - Significant Accounting Policies

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 (the City) and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* 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. The schedule is prepared using the modified accrual basis of accounting. During the year ended September 30, 2025, the Federal Emergency Management Agency approved \$1,562,413 of eligible expenditures that were incurred in a prior year and are included in the accompanying schedule of expenditures of federal awards and state financial assistance.

Note 2 - Subrecipients

The City provided federal awards to subrecipients as follows:

	Federal Assistance Listing No.	
Community Development Block Grant – Entitlement Program	14.218	\$ 253,613
Subrecipients:		
Center for Independent Living, Inc.		45,988
Elder Care of Alachua County, Inc.		20,000
Florida, Inc. – Critical and Emergency Repair		103,000
Family Promise of Gainesville, Florida		23,625
Neighborhood Housing & Development Corporation		12,000
Rebuilding Together North Central Florida		39,000
The Hutchinson Foundation, Inc		10,000
HOME Investment Partnership Program	14.239	91,566
Subrecipients:		
The Hutchinson Foundation, Inc.		71,000
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	6,046,019
Subrecipients:		
Alachua County Coalition for the Homeless & Hungry		1,606,997
Bright Community Trust Inc		323,907
Community Impact Corporation		36,134
DMJ Media LLC		9,070
Dream on Purpose Inc		16,678
Gainesville Housing Authority		1,566,297
Hippodrome State Theatre		4,499
Neighborhood Housing & Development Corporation		200,000
Shands Teaching Hospital and Clinics Inc		2,267,668
University of Florida		14,769

Note 3 - Indirect Costs

The City has not elected to use the 15% de minimis cost rate as covered in the 200.414 indirect (F&A) costs.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Commissioners
City of Gainesville, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Gainesville, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2025. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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Honorable Mayor and City Commissioners
City of Gainesville, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Honorable Mayor and City Commissioners
City of Gainesville, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

March 17, 2026
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
CITY OF GAINESVILLE, FLORIDA**

Part I – Summary of Auditor’s Results

- 1) The auditor’s report on the basic financial statements contained unmodified opinions.
- 2) The audit disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- 3) No instances of noncompliance considered material to the financial statements were disclosed by the audit.
- 4) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the major federal programs and state projects.
- 5) The auditor’s report on compliance for the major federal programs and state projects was unmodified.
- 6) The audit did not disclose findings relative to the major federal programs and major state projects.
- 7) The City of Gainesville, Florida’s (the City) major programs/projects were:

<u>Federal Programs</u>	<u>Assistance Listing No.</u>
Coronavirus Aid, State, and Local Fiscal Recovery Funds (ARPA)	21.027
<u>State Projects</u>	<u>CSFA No.</u>
Public Transit Block Grant Program	55.010
Public Transit Development Fund	55.012

- 8) A threshold of \$1,462,644 was used to distinguish between Type A and Type B programs for federal programs and \$750,000 was used for state projects.
- 9) The City did qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

Part II – Financial Statement Findings

None reported.

Part III – Findings and Questioned Costs – Federal Programs and State Projects

None reported.

MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Gainesville, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Gainesville, Florida (the City) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 17, 2026. Our report on the basic financial statements included a reference to the report of other auditors who audited the financial statements of the Utility, as described in our report on the City's financial statements.

Auditor's Responsibility

We conducted our audit 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 17, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is included in Note 1 to the financial statements.

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MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i).5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year. The City has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 17, 2026
Gainesville, Florida

City of
Gainesville

City of Gainesville, Florida

Post Office Box 490

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Photo: Depot Park