

Gainesville Regional Utilities

Financial Statements - Unaudited

For the Period Ended March 31, 2023



**Gainesville Regional Utilities
Financial Statements - Unaudited
For the Period Ended March 31, 2023**

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Overview and Basis of Accounting

Gainesville Regional Utilities Financial Statements - Unaudited For the Period Ended March 31, 2023

Overview

Gainesville Regional Utilities (GRU or the Utility) is a combined municipal utility system operating electric, water, wastewater, natural gas, and telecommunications (GRUCom) systems. GRU is a utility enterprise of the City of Gainesville, Florida (City) and is reported as an enterprise fund in the annual comprehensive financial report of the City.

We offer readers these unaudited utility system financial statements for the period ended March 31, 2023.

Basis of Accounting

GRU is required to follow the provisions in the Second Amended and Restated Utilities System Revenue Bond Resolution (Resolution) adopted by the City on September 21, 2017. GRU's electric and gas accounts are maintained substantially in accordance with the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC), as required by the Resolution, and in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting, including the application of regulatory accounting as described in Governmental Accounting Standards Board (GASB) Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GRU prepares its financial statements in accordance with GASB Statement No. 62, *paragraphs 476-500, Regulated Operations*, and records various regulatory assets and liabilities. 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, GRU could be required to expense its regulatory assets and liabilities. Management believes that GRU 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.

The Resolution specifies the flow of funds from revenues and the requirements for the use of certain restricted and unrestricted assets. Under the Resolution, rates are designed to cover operation and maintenance expenses, rate stabilization, debt service requirements, utility plant improvement fund contributions and for any other lawful purpose. The flow of funds excludes depreciation expense and other noncash revenue and expense items. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes. The effects of these differences are recognized in the determination of operating income in the period that they occur, in accordance with GRU's accounting policies.

Financial Statements

Gainesville Regional Utilities
Statements of Net Position - Unaudited
March 31, 2023 and 2022

	March 31, 2023	March 31, 2022	Change (\$)	Change (%)
Assets				
Current assets:				
Cash and investments	\$ 29,054,218	\$ 27,295,754	\$ 1,758,464	6.4%
Accounts receivable, net of allowance for uncollectible accounts of \$5,522,314 and \$6,196,548 respectively	58,204,928	47,587,899	10,617,029	22.3%
Inventories:				
Fuel	19,291,155	7,550,948	11,740,207	155.5%
Materials and supplies	34,273,538	20,897,471	13,376,067	64.0%
Fuel and purchased gas adjustment	6,090,555	15,313,772	(9,223,217)	(60.2%)
Other assets and regulatory assets	8,512,801	3,713,376	4,799,425	129.2%
Total current assets	155,427,195	122,359,220	33,067,975	27.0%
Restricted and internally designated assets:				
Utility deposits - cash and investments	9,050,208	8,650,785	399,423	4.6%
Debt service - cash and investments	50,755,574	49,483,555	1,272,019	2.6%
Debt defeasance - cash and investments	1,094,755	-	1,094,755	-
Fuel hedges - cash and investments	16,311,690	1,555,865	14,755,825	22.1%
Rate stabilization - cash and investments	44,578,391	66,755,701	(22,177,310)	(22.1%)
Construction fund - cash and investments	47,308,074	100,548,136	(53,240,062)	(82.3%)
Utility plant improvement fund - cash and investments	54,103,246	64,703,628	(10,600,382)	-
Total restricted and internally designated assets	223,201,938	291,697,670	(68,495,732)	(23.5%)
Noncurrent assets:				
Net costs recoverable in future years - regulatory assets	49,073,889	44,696,588	4,377,301	9.8%
Long-term lease receivable	20,180,491	-	20,180,491	-
Unamortized debt issuance costs - regulatory assets	9,320,568	9,796,528	(475,960)	(4.9%)
SWAP termination fees - regulatory asset	29,344,155	-	29,344,155	-
Fair value of derivative instruments - asset	30,876,464	-	30,876,464	-
Investment in The Energy Authority	7,731,043	6,530,130	1,200,913	18.4%
Pollution remediation - regulatory asset	5,787,889	6,872,367	(1,084,478)	(15.8%)
Other noncurrent assets and regulatory assets	10,665,466	8,880,461	1,785,005	20.1%
Pension regulatory asset	107,051,601	92,406,183	14,645,418	15.8%
Net pension asset - restricted	-	42,996,046	(42,996,046)	(100.0%)
Net other post employment benefits asset - restricted	-	3,308,962	(3,308,962)	(100.0%)
Total noncurrent assets	270,031,566	215,487,265	54,544,301	25.3%
Capital assets:				
Utility plant in service	3,073,180,892	2,965,181,247	107,999,645	3.6%
Right-of-use Asset	758,738	-	758,738	(0.1%)
Less: accumulated depreciation and amortization	(1,362,851,721)	(1,268,179,883)	(94,671,838)	-
Construction in progress	126,969,215	159,707,585	(32,738,370)	(20.5%)
Net capital assets	1,838,057,124	1,856,708,949	(18,651,825)	(1.0%)
Total assets	2,486,717,823	2,486,253,104	464,719	0.0%
Deferred outflows of resources:				
Unamortized loss on refunding of bonds	7,271,002	9,277,174	(2,006,172)	(21.6%)
Accumulated decrease in fair value of hedging derivative	14,919,324	24,474,852	(9,555,528)	(39.0%)
General Employees' Pension plan costs	77,722,261	4,297,375	73,424,886	1708.6%
Other post-employment benefits plan	7,207,036	875,006	6,332,030	723.7%
Total deferred outflows of resources	107,119,623	38,924,407	68,195,216	175.2%
Total assets and deferred outflows of resources	\$ 2,593,837,446	\$ 2,525,177,511	\$ 68,659,935	2.7%

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Gainesville Regional Utilities
Statements of Net Position - Unaudited (concluded)
March 31, 2023 and 2022

	March 31, 2023	March 31, 2022	Change (\$)	Change (%)
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 13,612,353	\$ 11,305,551	\$ 2,306,802	20%
Fuels payable	5,500,771	7,042,351	(1,541,580)	(21.9%)
Due to other funds	7,106,315	4,801,141	2,305,174	48%
Other liabilities and regulatory liabilities	981,649	1,958,032	(976,383)	(49.87%)
Total current liabilities	27,201,088	25,107,075	2,094,013	8.3%
Payable from restricted assets:				
Utility deposits	9,044,958	8,645,580	399,378	4.6%
Accounts payable and accrued liabilities	1,421,803	2,344,707	(922,904)	(39.4%)
Utility system revenue bonds - current	35,680,000	29,260,000	6,420,000	21.9%
Accrued interest payable	30,946,037	33,373,254	(2,427,217)	(7.3%)
Other liabilities and regulatory liabilities	14,672	9,075	5,597	61.7%
Total payable from restricted assets	77,107,470	73,632,616	3,474,854	4.7%
Long-term debt:				
Utility system revenue bonds	1,662,225,000	1,671,510,000	(9,285,000)	(0.6%)
Long-term liability - leases	357,168	-	357,168	-
Unamortized bond premium/discount	96,826,562	107,974,290	(11,147,728)	(10.3%)
Fair value of derivative instruments	-	25,199,416	(25,199,416)	(100.0%)
Total long-term debt	1,759,408,730	1,804,683,706	(45,274,976)	(2.5%)
Noncurrent liabilities:				
Reserve for insurance claims	1,960,000	3,337,000	(1,377,000)	(41.3%)
Reserve for environmental liability	708,000	708,000	-	0.0%
Net pension liability	80,909,530	-	80,909,530	-
Net other post-employment benefits liability	4,193,523	-	4,193,523	-
Due to other funds	102,159,843	102,186,631	(26,788)	(0.0%)
Other noncurrent liabilities and regulatory liabilities	2,390,348	1,791,107	599,241	33.5%
Total noncurrent liabilities	192,321,244	108,022,738	84,298,506	78.0%
Total liabilities	2,056,038,532	2,011,446,135	44,592,397	2.2%
Deferred inflows of resources:				
Rate stabilization	58,653,671	63,949,096	(5,295,425)	(8.3%)
Accumulated increase in fair value of hedging derivative	46,073,168	-	46,073,168	-
General Employees' Pension plan costs	45,300	36,022,306	(35,977,006)	(99.9%)
Other post-employment benefits plan	5,755,669	6,553,818	(798,149)	(12.2%)
Leases	21,373,099	-	21,373,099	-
Total deferred inflows of resources	131,900,907	106,525,220	25,375,687	23.8%
Net position				
Net investment in capital assets	101,913,556	162,310,473	(60,396,917)	(37.2%)
Restricted	59,828,081	129,928,828	(70,100,747)	(54.0%)
Unrestricted	244,156,370	114,966,855	129,189,515	112.4%
Total net position	405,898,007	407,206,156	(1,308,149)	(0.3%)
Total liabilities, deferred inflows of resources and net position	\$ 2,593,837,446	\$ 2,525,177,511	\$ 68,659,935	2.7%

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Gainesville Regional Utilities
Statements of Revenues, Expenses, and Changes in Net Position - Unaudited
For the Periods Ended March 31, 2023 and 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Operating revenues:		
Sales and service charges	\$ 215,818,018	\$ 209,912,365
Transfer from (to) rate stabilization	(5,117,841)	1,863,721
Amounts to be recovered from future revenue	1,773,190	2,703,962
Other operating revenue	6,672,290	8,155,344
Total operating revenues	<u>219,145,657</u>	<u>222,635,392</u>
Operating expenses:		
Operation and maintenance	115,993,720	108,630,850
Administrative and general	20,092,999	18,667,049
Depreciation and amortization	51,299,361	48,841,548
Total operating expenses	<u>187,386,080</u>	<u>176,139,447</u>
Operating income	<u>31,759,577</u>	<u>46,495,945</u>
Non-operating income (expense):		
Interest income	1,489,855	588,628
Interest expense	(30,560,787)	(31,823,876)
Other interest related income, BABs	2,456,213	2,511,474
Other income (expense)	(1,877,154)	219,975
Total non-operating income (expense)	<u>(28,491,873)</u>	<u>(28,503,799)</u>
Income before capital contributions and transfer	<u>3,267,704</u>	<u>17,992,146</u>
Capital contributions:		
Contributions from third parties	190,137	8,409,690
Reduction of plant costs recovered through contributions	(15,202)	(14,957)
Net capital contributions	<u>174,935</u>	<u>8,394,733</u>
General fund transfer		
Transfer to City of Gainesville General Fund	(17,141,500)	(18,141,500)
Total general fund transfer	<u>(17,141,500)</u>	<u>(18,141,500)</u>
Change in net position	(13,698,861)	8,245,379
Net position - beginning of year	419,596,868	398,960,777
Net position - end of period	<u>\$ 405,898,007</u>	<u>\$ 407,206,156</u>

Gainesville Regional Utilities
Combined Utility Systems
Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues:				
Electric system:				
Sales of electricity	\$ 94,436,358	\$ 93,605,619	\$ 830,739	0.9
Fuel adjustment	55,279,271	47,693,494	7,585,777	15.9
Sales for resale	-	4,299,237	(4,299,237)	(100.0)
Transfer from (to) rate stabilization	(1,878,254)	761,834	(2,640,088)	(346.5)
Other revenue	1,815,321	3,230,635	(1,415,314)	(43.8)
Other income	680,766	673,421	7,345	1.1
Build America Bonds	1,342,522	1,375,974	(33,452)	(2.4)
Total electric system revenues	151,675,984	151,640,214	35,770	0.0
Water system:				
Sales of water	17,289,657	17,568,026	(278,369)	(1.6)
Transfer from (to) rate stabilization	(1,520,767)	(340,488)	(1,180,279)	(346.6)
Other revenue	1,450,224	1,352,265	97,959	7.2
Other income	149,197	95,392	53,805	56.4
Build America Bonds	384,922	392,893	(7,971)	(2.0)
Total water system revenues	17,753,233	19,068,088	(1,314,855)	(6.9)
Wastewater system:				
Sales of services	23,659,216	22,417,755	1,241,461	5.5
Transfer from (to) rate stabilization	(1,718,820)	898,726	(2,617,546)	(291.3)
Other revenue	2,703,876	2,231,539	472,337	21.2
Other income	140,292	82,716	57,576	69.6
Build America Bonds	447,106	454,038	(6,932)	(1.5)
Total wastewater system revenues	25,231,670	26,084,774	(853,104)	(3.3)
Gas system:				
Sales of gas	8,652,250	9,469,379	(817,129)	(8.6)
Purchased gas adjustment	9,119,151	8,850,489	268,662	3.0
Transfer from (to) rate stabilization	-	543,649	(543,649)	(100.0)
Other revenue	195,893	237,612	(41,719)	(17.6)
Other income	112,472	54,480	57,992	106.4
Build America Bonds	281,664	288,568	(6,904)	(2.4)
Total gas system revenues	18,361,430	19,444,177	(1,082,747)	(5.6)
Telecommunications system:				
Sales of services	7,382,114	6,008,366	1,373,748	22.9
Other revenue	18,169	34,963	(16,794)	(48.0)
Other income	42,452	32,025	10,427	32.6
Total telecommunications system revenues	7,442,735	6,075,354	1,367,381	22.5
Total revenues	220,465,052	222,312,607	(1,847,555)	(0.8)

**Sales for resale in FY23 are included with fuel adjustment

Gainesville Regional Utilities
Combined Utility Systems
Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022
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	March 31, 2023	March 31, 2022	Change (\$)	Change (%)
Operation, maintenance, and administrative expenses:				
Electric system:				
Fuel expenses	55,279,271	47,693,494	7,585,777	15.9
Operation and maintenance	30,473,477	33,146,456	(2,672,979)	(8.1)
Administrative and general	13,024,306	13,564,585	(540,279)	(4.0)
Total electric system expenses	98,777,054	94,404,535	4,372,519	4.6
Water system:				
Operation and maintenance	6,211,731	5,427,386	784,345	14.5
Administrative and general	3,068,011	2,558,463	509,548	19.9
Total water system expenses	9,279,742	7,985,849	1,293,893	16.2
Wastewater system:				
Operation and maintenance	8,519,563	7,560,235	959,328	12.7
Administrative and general	3,115,467	2,787,346	328,121	11.8
Total wastewater system expenses	11,635,030	10,347,581	1,287,449	12.4
Gas system:				
Fuel expense - purchased gas	9,119,151	8,850,489	268,662	3.0
Operation and maintenance	1,433,011	1,133,475	299,536	26.4
Administrative and general	1,818,505	1,330,959	487,546	36.6
Total gas system expenses	12,370,667	11,314,923	1,055,744	9.3
Telecommunications system:				
Operation and maintenance	4,305,303	4,064,148	241,155	5.9
Administrative and general	424,550	525,353	(100,803)	(19.2)
Total telecommunications system expenses	4,729,853	4,589,501	140,352	3.1
Total expenses	136,792,346	128,642,389	8,149,957	45.7
Net revenues in accordance with bond resolution				
Total electric system	52,898,930	57,235,679	(4,336,749)	(7.6)
Total water system	8,473,491	11,082,239	(2,608,748)	(23.5)
Total wastewater system	13,596,640	15,737,193	(2,140,553)	(13.6)
Total gas system	5,990,763	8,129,254	(2,138,491)	(26.3)
Total telecommunications system	2,712,882	1,485,853	1,227,029	82.6
Total net revenues in accordance with bond resolution	83,672,706	93,670,218	(9,997,512)	(10.7)
Less transfer to other funds:				
Debt service	51,727,774	50,294,258	1,433,516	2.9
UPIF contributions	23,103,105	22,881,279	221,826	1.0
Transfer to City of Gainesville General Fund	17,141,500	18,141,500	(1,000,000)	(5.5)
Transfer from City of Gainesville General Fund for county streetlights	(400,000)	-	(400,000)	-
Transfer to debt defeasance	2,336,795	2,335,597	1,198	0.1
Net impact to rate stabilization - addition (reduction)	\$ (10,236,468)	\$ 17,584	\$ (10,254,052)	(58,314.7)

Gainesville Regional Utilities
Electric Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022

	March 31, 2023	March 31, 2022	Change (\$)	Change (%)
Revenues:				
Residential	\$ 37,094,651	\$ 36,972,273	\$ 122,378	0.3
Non-residential	45,493,110	44,202,998	1,290,112	2.9
Fuel adjustment	55,279,271	47,693,494	7,585,777	15.9
Sales for resale	-	4,299,237	(4,299,237)	(100.0)
Utility surcharge	2,133,822	2,117,856	15,966	0.8
Other electric sales	9,714,775	10,312,492	(597,717)	(5.8)
Total sales of electricity	149,715,629	145,598,350	4,117,279	2.8
Transfer from (to) rate stabilization	(1,878,254)	761,834	(2,640,088)	(346.5)
Other revenue	1,815,321	3,230,635	(1,415,314)	(43.8)
Other income	680,766	673,421	7,345	1.1
Build America Bonds	1,342,522	1,375,974	(33,452)	(2.4)
Total revenues	151,675,984	151,640,214	35,770	0.0
Operation, maintenance, and administrative expenses:				
Fuel expenses	55,279,271	47,693,494	7,585,777	15.9
Power production	22,263,211	25,123,837	(2,860,626)	(11.4)
Transmission and distribution	8,210,266	8,022,619	187,647	2.3
Administrative and general	13,024,306	13,564,585	(540,279)	(4.0)
Total operation, maintenance, and administrative expenses	98,777,054	94,404,535	4,372,519	4.6
Total net revenues in accordance with bond resolution	52,898,930	57,235,679	(4,336,749)	(7.6)
Less transfer to other funds:				
Debt service	37,011,884	36,332,436	679,448	1.9
UPIF contributions	13,674,671	12,385,345	1,289,326	10.4
Transfer to City of Gainesville General Fund	11,155,688	11,694,185	(538,497)	(4.6)
Transfer from City of Gainesville General Fund for county streetlights	(400,000)	-	(400,000)	-
Transfer to debt defeasance	1,856,846	1,855,988	858	0.0
Net impact to rate stabilization - addition (reduction)	\$ (10,400,159)	\$ (5,032,275)	\$ (5,367,884)	(106.7)

**Sales for resale in FY23 are included with fuel adjustment

Gainesville Regional Utilities
Water Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues:				
Residential	\$ 10,502,672	\$ 10,805,792	\$ (303,120)	(2.8)
Non-residential	5,553,181	5,437,525	115,656	2.1
Utility surcharge	1,233,804	1,324,709	(90,905)	(6.9)
Total sales of water	<u>17,289,657</u>	<u>17,568,026</u>	<u>(278,369)</u>	<u>(1.6)</u>
Transfer from (to) rate stabilization	(1,520,767)	(340,488)	(1,180,279)	(346.6)
Other revenue	1,450,224	1,352,265	97,959	7.2
Other income	149,197	95,392	53,805	56.4
Build America Bonds	384,922	392,893	(7,971)	(2.0)
Total revenues	<u>17,753,233</u>	<u>19,068,088</u>	<u>(1,314,855)</u>	<u>(6.9)</u>
Operation, maintenance, and administrative expenses:				
Transmission and distribution	1,502,526	1,390,240	112,286	8.1
Treatment	4,709,205	4,037,146	672,059	16.6
Administrative and general	3,068,011	2,558,463	509,548	19.9
Total operation, maintenance, and administrative expenses	<u>9,279,742</u>	<u>7,985,849</u>	<u>1,293,893</u>	<u>16.2</u>
Total net revenues in accordance with bond resolution	<u>8,473,491</u>	<u>11,082,239</u>	<u>(2,608,748)</u>	<u>(23.5)</u>
Less transfer to other funds:				
Debt service	4,599,833	4,340,825	259,008	6.0
UPIF contributions	3,185,656	3,382,812	(197,156)	(5.8)
Transfer to City of Gainesville General Fund	2,022,697	2,213,109	(190,412)	(8.6)
Transfer to debt defeasance	160,103	159,957	146	0.1
Net impact to rate stabilization - addition (reduction)	<u>\$ (1,494,798)</u>	<u>\$ 985,536</u>	<u>\$ (2,480,334)</u>	<u>(251.7)</u>

Gainesville Regional Utilities
Wastewater Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues:				
Residential	\$ 15,512,389	\$ 14,957,338	\$ 555,051	3.7
Non-residential	6,472,051	5,810,326	661,725	11.4
Utility surcharge	1,674,776	1,650,091	24,685	1.5
Total sales of services	23,659,216	22,417,755	1,241,461	5.5
Transfer from (to) rate stabilization	(1,718,820)	898,726	(2,617,546)	(291.3)
Other revenue	2,703,876	2,231,539	472,337	21.2
Other income	140,292	82,716	57,576	69.6
Build America Bonds	447,106	454,038	(6,932)	(1.5)
Total revenues	25,231,670	26,084,774	(853,104)	(3.3)
Operation, maintenance, and administrative expenses:				
Collection	3,261,216	2,751,399	509,817	18.5
Treatment	5,258,347	4,808,836	449,511	9.3
Administrative and general	3,115,467	2,787,346	328,121	11.8
Total operation, maintenance, and administrative expenses	11,635,030	10,347,581	1,287,449	12.4
Total net revenues in accordance with bond resolution	13,596,640	15,737,193	(2,140,553)	(13.6)
Less transfer to other funds:				
Debt service	6,427,850	6,260,519	167,331	2.7
UPIF contributions	3,812,580	4,157,132	(344,552)	(8.3)
Transfer to City of Gainesville General Fund	2,420,380	2,673,401	(253,021)	(9.5)
Transfer to debt defeasance	181,401	181,287	114	0.1
Net impact to rate stabilization - addition (reduction)	\$ 754,429	\$ 2,464,854	\$ (1,710,425)	(69.4)

Gainesville Regional Utilities
Gas Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues:				
Residential	\$ 4,746,171	\$ 5,251,736	\$ (505,565)	(9.6)
Non-residential	2,845,003	3,040,995	(195,992)	(6.4)
Purchased gas adjustment	9,119,151	8,850,489	268,662	3.0
Utility surcharge	327,459	353,725	(26,266)	(7.4)
Other gas sales	733,617	822,923	(89,306)	(10.9)
Total sales of gas	<u>17,771,401</u>	<u>18,319,868</u>	<u>(548,467)</u>	<u>(3.0)</u>
Transfer from (to) rate stabilization	-	543,649	(543,649)	(100.0)
Other revenue	195,893	237,612	(41,719)	(17.6)
Other income	112,472	54,480	57,992	106.4
Build America Bonds	281,664	288,568	(6,904)	(2.4)
Total revenues	<u>18,361,430</u>	<u>19,444,177</u>	<u>(1,082,747)</u>	<u>(5.6)</u>
Operation, maintenance, and administrative expenses:				
Fuel expense - purchased gas	9,119,151	8,850,489	268,662	3.0
Operation and maintenance	1,433,011	1,133,475	299,536	26.4
Administrative and general	1,818,505	1,330,959	487,546	36.6
Total operation, maintenance, and administrative expenses	<u>12,370,667</u>	<u>11,314,923</u>	<u>1,055,744</u>	<u>9.3</u>
Total net revenues in accordance with bond resolution	<u>5,990,763</u>	<u>8,129,254</u>	<u>(2,138,491)</u>	<u>(26.3)</u>
Less transfer to other funds:				
Debt service	2,483,173	2,370,566	112,607	4.8
UPIF contributions	1,751,840	2,381,211	(629,371)	(26.4)
Transfer to City of Gainesville General Fund	915,356	899,898	15,458	1.7
Transfer to debt defeasance	81,774	81,732	42	0.1
Net impact to rate stabilization - addition (reduction)	<u>\$ 758,620</u>	<u>\$ 2,395,847</u>	<u>\$ (1,637,227)</u>	<u>(68.3)</u>

Gainesville Regional Utilities
Telecommunications System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2023 and 2022

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues:				
Telecommunications	\$ 3,644,099	\$ 3,574,637	\$ 69,462	1.9
Trunking radio	2,653,062	1,308,922	1,344,140	102.7
Tower leasing	1,084,953	1,124,807	(39,854)	(3.5)
Total sales of services	7,382,114	6,008,366	1,373,748	22.9
Other revenue	18,169	34,963	(16,794)	(48.0)
Other income	42,452	32,025	10,427	32.6
Total revenues	7,442,735	6,075,354	1,367,381	22.5
Operation, maintenance, and administrative expenses:				
Operation and maintenance	4,305,303	4,064,148	241,155	5.9
Administrative and general	424,550	525,353	(100,803)	(19.2)
Total operation, maintenance, and administrative expenses	4,729,853	4,589,501	140,352	3.1
Total net revenues in accordance with bond resolution	2,712,882	1,485,853	1,227,029	82.6
Less transfer to other funds:				
Debt service	1,205,034	989,912	215,122	21.7
UPIF contributions	678,358	574,779	103,579	18.0
Transfer to City of Gainesville General Fund	627,379	660,907	(33,528)	(5.1)
Transfer to debt defeasance	56,671	56,633	38	0.1
Net impact to rate stabilization - addition (reduction)	\$ 145,440	\$ (796,378)	\$ 941,818	118.3

Supplementary Data

Gainesville Regional Utilities
Fuel Adjustment Levelization
For the Period Ended March 31, 2023

	<u>Actual</u>
Fuel Revenues	\$ 70,636,346
Fuel Expenses	55,279,271
To (From) Fuel Adjustment Levelization	<u>\$ 15,357,075</u>
Fuel Adjustment Beginning Balance	\$ (21,118,305)
To (From) Fuel Adjustment Levelization	15,357,075
Fuel Adjustment Ending Balance	<u>\$ (5,761,230)</u>

Gainesville Regional Utilities
Purchased Gas Adjustment (PGA) Levelization
For the Period Ended March 31, 2023

	<u>Actual</u>
Purchased Gas Revenues	\$ 11,491,499
Purchased Gas Expenses	<u>9,119,151</u>
To (From) PGA Levelization	<u>\$ 2,372,348</u>
PGA Beginning Balance	\$ (2,701,673)
To (From) PGA Levelization	<u>2,372,348</u>
PGA Ending Balance	<u>\$ (329,325)</u>