

# **Gainesville Regional Utilities**

**Interim Financial Statements - Unaudited**

**For the Period Ended June 30, 2015**



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Interim Financial Statements - Unaudited  
For the Period Ended June 30, 2015**

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# **Overview and Basis of Accounting**

**Gainesville Regional Utilities**  
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**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 comprehensive annual financial report of the City. GRU is required to follow the provisions in the Amended and Restated Utilities System Revenue Bond Resolution (Resolution) adopted by the City on January 30, 2003.

We offer readers these abbreviated unaudited utility system interim financial statements for the period ended June 30, 2015.

**Basis of Accounting**

GRU's electric 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 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 competition or regulatory action, 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 operating and maintenance expense, rate stabilization, debt service, and other revenue requirements, which exclude depreciation expense and other noncash expense items. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes. The effects of these differences are recognized in the determination of operating income in the period that they occur, in accordance with GRU's accounting policies.

# **Management's Discussion and Analysis**

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**Management's Discussion and Analysis**

We offer readers of GRU's financial statements this management's discussion and analysis of the financial activities of GRU for the period ended June 30, 2015. It should be read in conjunction with the unaudited interim financial statements that follow this section.

**Financial Highlights**

Overall

- In December 2014, GRU issued \$69 million in new utility system revenue bonds, retiring \$32.6 million of higher interest rate utility system revenue bonds issued in 2005 and 2008. Also in December 2014, the utility issued \$8 million in new commercial paper. The funds will be used in accordance with GRU's capital improvement plan.
- The combined systems added to rate stabilization \$7.2 million for the period ended June 30, 2015, in addition to budgeted transfers to and from rate stabilization.
- Accounts receivable decreased \$3.9 million due to normal cycle billings.
- Debt service cash and investments decreased \$16.1 million or 40.6% due to scheduled principal and interest payments on 10/1/2014 offset by monthly accruals.
- Construction fund cash and investments increased \$26 million or 89.7% due to a combination of increases for utilities system revenue bonds and commercial paper issued in December 2014 and decreases for capital projects construction.
- Utility plant improvement fund increased \$12.8 million or 32.5% due to scheduled contributions.
- Net costs recoverable in future years increased \$12.6 million and capital lease-current portion decreased by \$12.6 million due to capital lease transactional activity.
- Construction work in progress increased \$28.4 million due primarily to major projects such as the Paynes Prairie Sheetflow project yet to be capitalized.

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- Fuel adjustment levelization balance decreased \$6.3 million or 39.5% due to increased fuel costs and property tax payments related to the Gainesville Renewable Energy Center (GREC) biomass plant.

Electric System

- Residential sales were \$2.5 million or 7.3% less than the same period last year due to reductions in base rates offset by a 3% increase in usage.
- General service and large power sales were \$2.8 million or 6.1% less than the same period last year due to reductions in base rates.
- Fuel adjustment revenue increased \$16.9 million or 17% over the same period last year due to the GREC biomass plant in direct proportion to expenses incurred. Fuel adjustment revenue is matched to fuel expenses with amounts over collected deferred in the fuel adjustment levelization balance and amounts under collected drawn down from the fuel adjustment levelization balance.
- Other revenues increased \$4.9 million or 44.2% over the same period last year due to the dissolution of the Employees' Disability Pension Fund, the sale of the Energy System Control Center, revenue accruals and reimbursement of Crystal River Unit No. 3 operations & maintenance expenses.
- Retail and purchased power fuel expenses increased \$16.9 million or 17% over the same period last year due to GREC beginning production in December 2013 as well as a \$7.8 million payment of property taxes for the biomass plant in November 2014. Fuel expenses are matched to fuel revenue with amounts over collected deferred in the fuel adjustment levelization balance and amounts under collected drawn down from the fuel adjustment levelization balance.
- Other power generation expense was lower by \$1.2 million or 71.3% compared to the same period last year due to planned maintenance at the John R. Kelly Generating Station incurred in the prior year.
- The electric system contributed \$3.7 million to rate stabilization for the period ended June 30, 2015, in addition to budgeted transfers to and from rate stabilization.



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Water System

- Total revenues increased \$328,000 or 1.4% due to an increase in sales to general customers and the dissolution of the Employees' Disability Pension Fund offset by an increase to contributions to rate stabilization compared to the prior year.
- The water system contributed \$322,000 to rate stabilization for the period ended June 30, 2015, in addition to budgeted transfers to and from rate stabilization.

Wastewater System

- Total revenues increased \$1.2 million or 4.6% due primarily to an increase in wastewater billings and the dissolution of the Employees' Disability Pension Fund .
- The wastewater system contributed \$1.1 million to rate stabilization for the period ended June 30, 2015, in addition to budgeted transfers to and from rate stabilization.

Gas System

- Purchased gas adjustment (PGA) revenue was \$1.6 million or 16.9% lower this period than the same period last year due primarily to lower purchased gas prices that reduced PGA revenue. Lower purchased gas prices also resulted in a \$0.16 per therm decrease in the PGA rate effective May 1, 2015. PGA revenue is adjusted monthly based on purchased gas expenses for that month. If PGA revenue is greater than purchased gas expenses, the PGA revenue amounts over collected are deferred in the purchased gas levelization balance and, if PGA revenue is less than purchased gas expenses, amounts are drawn down from the purchased gas levelization balance.
- Other gas sales and manufactured gas plant (MGP) revenues increased \$596,000 or 64.9% over the same period last year due primarily to the sale of tax credits applicable to the MGP and a 10% increase in the MGP recovery rate in the current period.
- Other revenues increased \$446 thousand due to the dissolution of the Employees' Disability Pension Fund.

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- Purchased gas expense decreased \$1.6 million or 16.9% from the same period last year due primarily to lower purchased gas prices.
- The gas system contributed \$2.2 million to rate stabilization for the period ended June 30, 2015, in addition to budgeted transfers to and from rate stabilization.

Telecommunications (GRUCom) System

- Total revenues decreased \$894,000 or 9.5% due to a decrease in telecommunication revenue offset by an increase in tower lease rentals, internet access and the dissolution of the Employees' Disability Pension Fund in addition to a reduction in contributions from rate stabilization compared to the prior year.
- Operation and maintenance expenses increased \$344,000 compared to the same period last year. The increase is due to a shift in labor costs to operations from capital projects.
- The telecommunications system withdrew \$74,000 from rate stabilization for the period ended June 30, 2015, in addition to budgeted transfers to and from rate stabilization.

# **Financial Statements**

**Gainesville Regional Utilities**  
**Combined Utilities Funds**  
**Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
				<b>REVENUES:</b>				
\$ 83,615	\$ 88,148	\$ (4,533)	(5.1)	Total Native Load Sales of Electricity	\$ 83,615	\$ 125,394	\$ 126,007	66.7
1,973	2,068	(95)	(4.6)	Interchange Sales	1,973	600	-	328.8
115,716	98,864	16,852	17.0	Fuel Adjustment	115,716	160,325	161,313	72.2
13,489	8,548	4,941	57.8	Other Revenues	13,489	7,525	7,295	179.3
3,879	(5,535)	9,414	170.1	Rate Stabilization Fund Transfer From/(To)	3,879	5,171	1,352	75.0
598	1,754	(1,156)	(65.9)	Interest Income	598	940	1,119	63.6
<b>219,270</b>	<b>193,847</b>	<b>25,423</b>	<b>13.1</b>	<b>Total Electric Revenues</b>	<b>219,270</b>	<b>299,955</b>	<b>297,086</b>	<b>73.1</b>
22,771	22,106	665	3.0	Sales of Water	22,771	32,146	30,394	70.8
1,985	1,202	783	65.1	Other Water Revenues	1,985	2,598	2,318	76.4
(1,560)	(454)	(1,106)	(243.6)	Rate Stabilization Fund Transfer From/(To)	(1,560)	(2,080)	(1,473)	75.0
55	69	(14)	(20.3)	Interest Income	55	113	110	48.7
<b>23,251</b>	<b>22,923</b>	<b>328</b>	<b>1.4</b>	<b>Total Water Revenues</b>	<b>23,251</b>	<b>32,777</b>	<b>31,349</b>	<b>70.9</b>
27,335	26,626	709	2.7	Wastewater Billings	27,335	37,599	37,095	72.7
1,879	1,125	754	67.0	Other Wastewater Revenues	1,879	2,277	2,517	82.5
(1,349)	(1,134)	(215)	(19.0)	Rate Stabilization Fund Transfer From/(To)	(1,349)	(1,800)	(1,714)	74.9
73	84	(11)	(13.1)	Interest Income	73	196	136	37.2
<b>27,938</b>	<b>26,701</b>	<b>1,237</b>	<b>4.6</b>	<b>Total Wastewater Revenues</b>	<b>27,938</b>	<b>38,272</b>	<b>38,034</b>	<b>73.0</b>
11,361	10,508	853	8.1	Sales of Gas	11,361	12,731	13,397	89.2
7,996	9,622	(1,626)	(16.9)	Purchased Gas Adjustment	7,996	11,325	10,229	70.6
1,082	636	446	70.1	Other Revenue	1,082	1,258	1,658	86.0
(226)	(273)	47	17.2	Rate Stabilization Fund Transfer From/(To)	(226)	(301)	(1,325)	75.1
82	35	47	134.3	Interest Income	82	166	148	49.4
<b>20,295</b>	<b>20,528</b>	<b>(233)</b>	<b>(1.1)</b>	<b>Total Gas Revenues</b>	<b>20,295</b>	<b>25,179</b>	<b>24,107</b>	<b>80.6</b>
8,203	8,667	(464)	(5.4)	Sales of GRUCom Services	8,203	11,814	10,972	69.4
121	714	(593)	(83.1)	Rate Stabilization Fund Transfer From/(To)	121	161	164	75.2
42	56	(14)	(25.0)	Interest Income	42	111	(237)	37.8
177	-	177	-	Miscellaneous Revenue	177	-	93	-
<b>8,543</b>	<b>9,437</b>	<b>(894)</b>	<b>(9.5)</b>	<b>Total GRUCom Revenues</b>	<b>8,543</b>	<b>12,086</b>	<b>10,992</b>	<b>70.7</b>
<b>299,297</b>	<b>273,436</b>	<b>25,861</b>	<b>9.5</b>	<b>TOTAL REVENUES</b>	<b>299,297</b>	<b>408,269</b>	<b>401,568</b>	<b>73.3</b>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
				Electric Fund:				
				Fuel Expense:				
115,716	98,864	16,852	17.0	Retail and Purchased Power	115,716	160,325	161,313	72.2
1,626	1,430	196	13.7	Interchange	1,626	500	-	325.2
<b>117,342</b>	<b>100,294</b>	<b>17,048</b>	<b>17.0</b>	<b>Total Fuel Expenses</b>	<b>117,342</b>	<b>160,825</b>	<b>161,313</b>	<b>73.0</b>
26,254	26,775	(521)	(1.9)	Operation & Maintenance Expense	26,254	39,253	38,567	66.9
13,894	14,900	(1,006)	(6.8)	Administrative & General Expense	13,894	20,846	19,780	66.7
<b>157,490</b>	<b>141,969</b>	<b>15,521</b>	<b>10.9</b>	<b>Total Electric Fund Expenses</b>	<b>157,490</b>	<b>220,924</b>	<b>219,660</b>	<b>71.3</b>

(Dollar Amounts in Thousands)  
BABs interest income reclassified from other revenues to debt service

**Gainesville Regional Utilities**  
**Combined Utilities Funds**  
**Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

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Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
5,564	5,508	56	1.0	Water Fund:	5,564	8,737	8,390	63.7
3,840	3,454	386	11.2	Operation & Maintenance Expense	3,840	5,812	5,594	66.1
<u>9,404</u>	<u>8,962</u>	<u>442</u>	<u>4.9</u>	Administrative & General Expense	<u>9,404</u>	<u>14,549</u>	<u>13,984</u>	<u>64.6</u>
				<b>Total Water Fund Expenses</b>				
6,058	6,163	(105)	(1.7)	Wastewater Fund:	6,058	8,944	9,133	67.7
3,665	3,568	97	2.7	Operation & Maintenance Expense	3,665	5,880	5,534	62.3
<u>9,723</u>	<u>9,731</u>	<u>(8)</u>	<u>(0.1)</u>	Administrative & General Expense	<u>9,723</u>	<u>14,824</u>	<u>14,667</u>	<u>65.6</u>
				<b>Total Wastewater Fund Expenses</b>				
7,996	9,622	(1,626)	(16.9)	Gas Fund:	7,996	11,325	10,229	70.6
971	900	71	7.9	Fuel Expense - Purchased Gas	971	1,534	1,428	63.3
2,984	2,813	171	6.1	Operation & Maintenance Expense	2,984	4,182	4,339	71.4
<u>11,951</u>	<u>13,335</u>	<u>(1,384)</u>	<u>(10.4)</u>	Administrative & General Expense	<u>11,951</u>	<u>17,041</u>	<u>15,996</u>	<u>70.1</u>
				<b>Total Gas Fund Expenses</b>				
3,006	2,662	344	12.9	GRUCom Fund:	3,006	4,274	3,711	70.3
1,779	1,610	169	10.5	Operation & Maintenance Expense	1,779	1,773	1,940	100.3
<u>4,785</u>	<u>4,272</u>	<u>513</u>	<u>12.0</u>	Administrative & General Expense	<u>4,785</u>	<u>6,047</u>	<u>5,651</u>	<u>79.1</u>
				<b>Total GRUCom Fund Expenses</b>				
<u>193,353</u>	<u>178,269</u>	<u>15,084</u>	<u>8.5</u>	<b>TOTAL EXPENSES</b>	<u>193,353</u>	<u>273,385</u>	<u>269,958</u>	<u>70.7</u>
				<b>NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION:</b>				
61,433	51,240	10,193	19.9	Electric - Retail & Wholesale	61,433	78,931	77,426	77.8
347	638	(291)	(45.6)	Electric - Interchange	347	100	-	347.0
<u>61,780</u>	<u>51,878</u>	<u>9,902</u>	<u>19.1</u>	<b>Total Electric Fund</b>	<u>61,780</u>	<u>79,031</u>	<u>77,426</u>	<u>78.2</u>
13,847	13,961	(114)	(0.8)	<b>Total Water Fund</b>	13,847	18,228	17,365	76.0
18,215	16,970	1,245	7.3	<b>Total Wastewater Fund</b>	18,215	23,448	23,367	77.7
8,344	7,193	1,151	16.0	<b>Total Gas Fund</b>	8,344	8,138	8,111	102.5
<u>3,758</u>	<u>5,165</u>	<u>(1,407)</u>	<u>(27.2)</u>	<b>Total GRUCom Fund</b>	<u>3,758</u>	<u>6,039</u>	<u>5,341</u>	<u>62.2</u>
<u>105,944</u>	<u>95,167</u>	<u>10,777</u>	<u>11.3</u>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>105,944</u>	<u>134,884</u>	<u>131,610</u>	<u>78.5</u>
				<b>LESS:</b>				
43,533	42,502	1,031	2.4	Debt Service	43,533	62,351	60,679	69.8
(2,673)	(2,675)	2	0.1	Debt Service - BABs	(2,673)	(5,265)	(5,264)	50.8
(1,013)	(7,050)	6,037	85.6	Debt Service - UPIF	(1,013)	(1,350)	(1,350)	75.0
32,705	32,161	544	1.7	UPIF Contributions	32,705	43,606	42,734	75.0
26,170	28,576	(2,406)	(8.4)	Transfer to General Government	26,170	34,892	34,661	75.0
-	-	-	-	Working Capital Reserve	-	650	150	-
<u>\$ 7,222</u>	<u>\$ 1,653</u>	<u>\$ 5,569</u>	<u>336.9</u>	<b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>	<u>\$ 7,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Dollar Amounts in Thousands)

BABs interest income reclassified from other revenues to debt service

**Gainesville Regional Utilities**  
**Electric Revenue Fund**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
				<b>REVENUES:</b>				
\$ 31,663	\$ 34,153	\$ (2,490)	(7.3)	Residential Sales	\$ 31,663	46,741	\$ 45,422	67.7
43,258	46,071	(2,813)	(6.1)	General Service and Large Power Sales	43,258	64,158	62,938	67.4
1,973	2,068	(95)	(4.6)	Interchange Sales	1,973	600	-	328.8
2,120	2,259	(139)	(6.2)	Utility Surcharge	2,120	3,208	2,979	66.1
6,574	5,665	909	16.0	Other Electric Sales	6,574	11,287	14,668	58.2
<b>85,588</b>	<b>90,216</b>	<b>(4,628)</b>	<b>(5.1)</b>	<b>Total Sales of Electricity prior to Fuel Adjustment</b>	<b>85,588</b>	<b>125,994</b>	<b>126,007</b>	<b>67.9</b>
115,716	98,864	16,852	17.0	Fuel Adjustment	115,716	160,325	161,313	72.2
<b>201,304</b>	<b>189,080</b>	<b>12,224</b>	<b>6.5</b>	<b>Total Sales of Electricity</b>	<b>201,304</b>	<b>286,319</b>	<b>287,320</b>	<b>70.3</b>
13,489	8,548	4,941	57.8	Other Revenues	13,489	7,525	7,295	179.3
3,879	(5,535)	9,414	170.1	Rate Stabilization Fund Transfer From/(To)	3,879	5,171	1,352	75.0
598	1,754	(1,156)	(65.9)	Interest Income	598	940	1,119	63.6
<b>219,270</b>	<b>193,847</b>	<b>25,423</b>	<b>13.1</b>	<b>Total Revenues</b>	<b>219,270</b>	<b>299,955</b>	<b>297,086</b>	<b>73.1</b>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
				Power Production Expenses:				
				Fuel Expenses:				
115,716	98,864	16,852	17.0	Retail and Purchased Power	115,716	160,325	161,313	72.2
1,626	1,430	196	13.7	Interchange	1,626	500	-	325.2
<b>117,342</b>	<b>100,294</b>	<b>17,048</b>	<b>17.0</b>	<b>Total Fuel Expenses</b>	<b>117,342</b>	<b>160,825</b>	<b>161,313</b>	<b>73.0</b>
17,151	15,945	1,206	7.6	Steam Power Generation Expense	17,151	25,967	26,227	66.0
-	26	(26)	(100.0)	Nuclear Power Generation Expense	-	-	-	-
479	1,669	(1,190)	(71.3)	Other Power Generation Expense	479	430	568	111.4
880	979	(99)	(10.1)	System Control & Load Dispatching	880	1,149	1,025	76.6
<b>18,510</b>	<b>18,619</b>	<b>(109)</b>	<b>(0.6)</b>	<b>Total Power Production Expenses</b>	<b>18,510</b>	<b>27,546</b>	<b>27,820</b>	<b>67.2</b>
				Transmission & Distribution Expenses:				
1,134	1,191	(57)	(4.8)	Transmission Expenses	1,134	1,640	1,579	69.1
6,610	6,965	(355)	(5.1)	Distribution Expenses	6,610	10,067	9,168	65.7
<b>7,744</b>	<b>8,156</b>	<b>(412)</b>	<b>(5.1)</b>	<b>Total Transmission &amp; Distribution Expenses</b>	<b>7,744</b>	<b>11,707</b>	<b>10,747</b>	<b>66.1</b>
				Administrative & General Expenses:				
2,155	2,349	(194)	(8.3)	Customer Accounts & Sales Expense	2,155	4,166	3,791	51.7
11,739	12,551	(812)	(6.5)	Administrative & General Expense	11,739	16,680	15,989	70.4
<b>13,894</b>	<b>14,900</b>	<b>(1,006)</b>	<b>(6.8)</b>	<b>Total Administrative &amp; General Expenses</b>	<b>13,894</b>	<b>20,846</b>	<b>19,780</b>	<b>66.7</b>
<b>157,490</b>	<b>141,969</b>	<b>15,521</b>	<b>10.9</b>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<b>157,490</b>	<b>220,924</b>	<b>219,660</b>	<b>71.3</b>

(Dollar Amounts in Thousands)

BABs interest income reclassified from other revenues to debt service

Gainesville Regional Utilities  
 Electric Revenue Fund  
 Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited  
 For the Period Ended June 30, 2015

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Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
61,780	51,878	9,902	19.1	TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION	61,780	79,031	77,426	78.17
				LESS:				
27,153	27,589	(436)	(1.6)	Debt Service	27,153	38,246	37,348	71.0
(1,480)	(1,482)	2	0.1	Debt Service - BABs	(1,480)	(2,916)	(2,915)	50.8
-	(6,375)	6,375	100.0	Debt Service - UPIF	-	-	-	-
17,779	18,589	(810)	(4.4)	UPIF Contributions	17,779	23,706	23,756	75.0
14,622	15,969	(1,347)	(8.4)	Transfer to General Government	14,622	19,495	19,237	75.0
-	-	-	-	Working Capital Reserve	-	500	-	-
<u>\$ 3,706</u>	<u>\$ (2,412)</u>	<u>\$ 6,118</u>	<u>253.6</u>	NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ 3,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Dollar Amounts in Thousands)

BABs interest income reclassified from other revenues to debt service

**Gainesville Regional Utilities**  
**Water Revenue Fund**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
				<b>REVENUES:</b>				
\$ 19,783	\$ 19,130	\$ 653	3.4	General Customers	\$ 19,783	28,119	\$ 26,448	70.4
1,359	1,333	26	2.0	University of Florida	1,359	1,757	1,749	77.3
1,629	1,643	(14)	(0.9)	Utility Surcharge	1,629	2,270	2,197	71.8
<u>22,771</u>	<u>22,106</u>	<u>665</u>	<u>3.0</u>	<b>Total Sales</b>	<u>22,771</u>	<u>32,146</u>	<u>30,394</u>	<u>70.8</u>
1,985	1,202	783	65.1	Other Revenues	1,985	2,598	2,318	76.4
(1,560)	(454)	(1,106)	(243.6)	Rate Stabilization Fund Transfer From/(To)	(1,560)	(2,080)	(1,473)	75.0
55	69	(14)	(20.3)	Interest Income	55	113	110	48.7
<u>23,251</u>	<u>22,923</u>	<u>328</u>	<u>1.4</u>	<b>Total Revenues</b>	<u>23,251</u>	<u>32,777</u>	<u>31,349</u>	<u>70.9</u>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
3,879	3,905	(26)	(0.7)	Water Treatment Expense	3,879	6,258	5,622	62.0
1,685	1,603	82	5.1	Water Transmission & Distribution Expense	1,685	2,479	2,768	68.0
926	926	-	-	Customer Accounts & Sales Expense	926	1,439	1,311	64.4
2,914	2,528	386	15.3	Administrative & General Expense	2,914	4,373	4,283	66.6
<u>9,404</u>	<u>8,962</u>	<u>442</u>	<u>4.9</u>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<u>9,404</u>	<u>14,549</u>	<u>13,984</u>	<u>64.6</u>
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>				
<u>13,847</u>	<u>13,961</u>	<u>(114)</u>	<u>(0.8)</u>		<u>13,847</u>	<u>18,228</u>	<u>17,365</u>	<u>76.0</u>
				<b>LESS:</b>				
4,202	4,093	109	2.7	Debt Service	4,202	6,062	6,123	69.3
(415)	(415)	-	-	Debt Service - BABs	(415)	(817)	(817)	50.8
-	-	-	-	Debt Service - UPIF	-	-	-	-
5,518	4,827	691	14.3	UPIF Contributions	5,518	7,357	6,435	75.0
4,220	4,811	(591)	(12.3)	Transfer to General Government	4,220	5,626	5,624	75.0
-	-	-	-	Working Capital Reserve	-	-	-	-
<u>\$ 322</u>	<u>\$ 645</u>	<u>\$ (323)</u>	<u>(50.1)</u>	<b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>	<u>\$ 322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Dollar Amounts in Thousands)

BABs interest income reclassified from other revenues to debt service



**Gainesville Regional Utilities**  
**Wastewater Revenue Fund**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
\$ 25,433	\$ 24,670	\$ 763	3.1	<b>REVENUES:</b>	\$ 25,433	35,049	\$ 34,549	72.6
1,902	1,956	(54)	(2.8)	Wastewater Billings	1,902	2,550	2,546	74.6
1,879	1,125	754	67.0	Utility Surcharge	1,879	2,277	2,517	82.5
(1,349)	(1,134)	(215)	(19.0)	Other Revenues	(1,349)	(1,800)	(1,714)	74.9
73	84	(11)	(13.1)	Rate Stabilization Fund Transfer From/(To)	73	196	136	37.2
<u>27,938</u>	<u>26,701</u>	<u>1,237</u>	<u>4.6</u>	Interest Income	<u>27,938</u>	<u>38,272</u>	<u>38,034</u>	<u>73.0</u>
				<b>Total Revenue</b>				
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
2,304	2,437	(133)	(5.5)	Wastewater Collection Expense	2,304	3,464	3,476	66.5
3,754	3,726	28	0.8	Wastewater Treatment Expense	3,754	5,480	5,657	68.5
604	664	(60)	(9.0)	Customer Accounts & Sales Expense	604	997	848	60.6
3,061	2,904	157	5.4	Administrative & General Expense	3,061	4,883	4,686	62.7
<u>9,723</u>	<u>9,731</u>	<u>(8)</u>	<u>(0.1)</u>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<u>9,723</u>	<u>14,824</u>	<u>14,667</u>	<u>65.6</u>
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>18,215</u>	<u>23,448</u>	<u>23,367</u>	<u>77.7</u>
				<b>LESS:</b>				
5,399	4,988	411	8.2	Debt Service	5,399	7,920	7,779	68.2
(468)	(468)	-	-	Debt Service - BABs	(468)	(922)	(922)	50.8
-	-	-	-	Debt Service - UPIF	-	-	-	-
6,701	6,025	676	11.2	UPIF Contributions	6,701	8,934	8,934	75.0
5,524	5,666	(142)	(2.5)	Transfer to General Government	5,524	7,366	7,426	75.0
-	-	-	-	Working Capital Reserve	-	150	150	-
<u>\$ 1,059</u>	<u>\$ 759</u>	<u>\$ 300</u>	<u>39.5</u>	<b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>	<u>\$ 1,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Dollar Amounts in Thousands)

BABs interest income reclassified from other revenues to debt service

**Gainesville Regional Utilities**  
**Gas Revenue Fund**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
				<b>Revenues:</b>				
\$ 6,021	\$ 5,833	\$ 188	3.2	Residential	\$ 6,021	7,316	\$ 7,423	82.3
3,448	3,422	26	0.8	Commercial & Interruptible	3,448	3,853	4,300	89.5
7,996	9,622	(1,626)	(16.9)	Purchased Gas Adjustment	7,996	11,325	10,229	70.6
377	334	43	12.9	Surcharge	377	404	473	93.3
1,515	919	596	64.9	Other Gas Sales and MGP	1,515	1,158	1,201	130.8
<u>19,357</u>	<u>20,130</u>	<u>(773)</u>	<u>(3.8)</u>	<b>Total Sales</b>	<u>19,357</u>	<u>24,056</u>	<u>23,626</u>	<u>80.5</u>
1,082	636	446	70.1	Other Revenue	1,082	1,258	1,658	86.0
(226)	(273)	47	17.2	Rate Stabilization Fund Transfer From/(To)	(226)	(301)	(1,325)	75.1
82	35	47	134.3	Interest Income	82	166	148	49.4
<u>20,295</u>	<u>20,528</u>	<u>(233)</u>	<u>(1.1)</u>	<b>Total Revenues</b>	<u>20,295</u>	<u>25,179</u>	<u>24,107</u>	<u>80.6</u>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
7,996	9,622	(1,626)	(16.9)	Fuel Expense - Purchased Gas	7,996	11,325	10,229	70.6
971	900	71	7.9	Operation & Maintenance Expenses	971	1,534	1,428	63.3
1,762	1,589	173	10.9	Customer Accounts & Sales Expense	1,762	2,273	2,437	77.5
1,222	1,224	(2)	(0.2)	Administrative & General Expense	1,222	1,909	1,902	64.0
<u>11,951</u>	<u>13,335</u>	<u>(1,384)</u>	<u>(10.4)</u>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<u>11,951</u>	<u>17,041</u>	<u>15,996</u>	<u>70.1</u>
<u>8,344</u>	<u>7,193</u>	<u>1,151</u>	<u>16.0</u>	<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>8,344</u>	<u>8,138</u>	<u>8,111</u>	<u>102.5</u>
				<b>LESS:</b>				
2,841	2,667	174	6.5	Debt Service	2,841	3,943	3,947	72.1
(310)	(310)	-	-	Debt Service - BABS	(310)	(610)	(610)	50.8
(750)	-	(750)	-	Debt Service - UPIF	(750)	(1,000)	(1,000)	75.0
2,550	2,095	455	21.7	UPIF Contributions	2,550	3,400	3,400	75.0
1,804	1,830	(26)	(1.4)	Transfer to General Government	1,804	2,405	2,374	75.0
-	-	-	-	Working Capital Reserve	-	-	-	-
<u>\$ 2,209</u>	<u>\$ 911</u>	<u>\$ 1,298</u>	<u>142.5</u>	<b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>	<u>\$ 2,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Dollar Amounts in Thousands)

BABs interest income reclassified from other revenues to debt service

**Gainesville Regional Utilities**  
**Telecommunications Revenue Fund**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Period Ended June 30, 2015**

Current Year to Date	Prior Year to Date	Change (\$)	Change (%)		Current Year to Date	FY 15 Budget	FY 15 Midyear Projections	Current Year as % of FY 15 Budget
\$ 3,589	\$ 4,205	\$ (616)	(14.6)	<b>Revenues:</b>	\$ 3,589	5,804	\$ 5,249	61.8
1,333	1,382	(49)	(3.5)	Telecommunication	1,333	1,859	1,784	71.7
1,765	1,641	124	7.6	Trunking Radio	1,765	1,893	1,681	93.2
1,516	1,439	77	5.4	Tower Lease Rental	1,516	2,258	2,258	67.1
<u>8,203</u>	<u>8,667</u>	<u>(464)</u>	<u>(5.4)</u>	Internet Access	<u>8,203</u>	<u>11,814</u>	<u>10,972</u>	<u>69.4</u>
				<b>Total Sales</b>				
121	714	(593)	(83.1)	Rate Stabilization Fund Transfer From/(To)	121	161	(237)	75.2
42	56	(14)	(25.0)	Interest Income	42	111	93	37.8
177	-	177	-	Miscellaneous Revenue	177	-	164	-
<u>8,543</u>	<u>9,437</u>	<u>(894)</u>	<u>(9.5)</u>	<b>Total Revenues</b>	<u>8,543</u>	<u>12,086</u>	<u>10,992</u>	<u>70.7</u>
				<b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>				
3,006	2,662	344	12.9	Operation & Maintenance Expenses	3,006	4,274	3,711	70.3
186	252	(66)	(26.2)	Customer Accounts & Sales Expense	186	391	289	47.6
1,593	1,358	235	17.3	Administrative & General Expenses	1,593	1,382	1,651	115.3
<u>4,785</u>	<u>4,272</u>	<u>513</u>	<u>12.0</u>	<b>Total Operation, Maintenance and Administrative Expenses</b>	<u>4,785</u>	<u>6,047</u>	<u>5,651</u>	<u>79.1</u>
				<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>3,758</u>	<u>6,039</u>	<u>5,341</u>	<u>62.2</u>
<u>3,758</u>	<u>5,165</u>	<u>(1,407)</u>	<u>(27.2)</u>					
				<b>LESS:</b>				
3,938	3,165	773	24.4	Debt Service	3,938	6,180	5,482	63.7
(263)	(675)	412	61.0	Debt Service - UPIF	(263)	(350)	(350)	75.1
157	625	(468)	(74.9)	UPIF Contributions	157	209	209	75.1
-	300	(300)	(100.0)	Transfer to General Government	-	-	-	-
-	-	-	-	Working Capital Reserve	-	-	-	-
<u>\$ (74)</u>	<u>\$ 1,750</u>	<u>\$ (1,824)</u>	<u>(104.2)</u>	<b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>	<u>\$ (74)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Dollar Amounts in Thousands)  
BABS interest income reclassified from other revenues to debt service

**Gainesville Regional Utilities**  
**Statements of Net Position - Unaudited**  
**For the Periods Ended June 30, 2015 and September 30, 2014**

	June 30, 2015	September 30, 2014	Change (\$)	Change (%)
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 55,823,312	\$ 64,756,240	\$ (8,932,928)	-13.8%
Accounts receivable, net of allowance for uncollectible accounts of \$1,831,293 for 2015 and \$1,561,364 for 2014	42,046,494	45,937,328	(3,890,834)	-8.5%
Inventories:				
Fuel	15,154,301	11,336,733	3,817,568	33.7%
Materials and supplies	6,674,394	6,806,278	(131,884)	-1.9%
Other assets and regulatory assets	999,780	1,876,215	(876,435)	-46.7%
Total current assets	<u>120,698,281</u>	<u>130,712,794</u>	<u>(10,014,513)</u>	<u>-7.7%</u>
Restricted and internally designated assets:				
Utility deposits – cash and investments	9,087,718	8,322,368	765,350	9.2%
Debt service – cash and investments	23,572,337	39,682,742	(16,110,405)	-40.6%
Rate stabilization – cash and investments	63,463,610	64,030,121	(566,511)	-0.9%
Construction fund – cash and investments	55,066,485	29,034,046	26,032,439	89.7%
Utility plant improvement fund – cash and investments	52,099,785	39,313,780	12,786,005	32.5%
Decommissioning reserve – cash and investments	13,167,002	13,058,443	108,559	0.8%
Total restricted and internally designated assets	<u>216,456,936</u>	<u>193,441,500</u>	<u>23,015,436</u>	<u>11.9%</u>
Noncurrent assets:				
Net costs recoverable in future years - regulatory asset	26,352,959	13,732,765	12,620,194	91.9%
Unamortized debt issuance costs - regulatory asset	6,260,519	6,214,914	45,605	0.7%
Investment in The Energy Authority	2,495,595	2,701,599	(206,004)	-7.6%
Pollution remediation - regulatory asset	14,547,635	15,808,529	(1,260,894)	-8.0%
Other noncurrent assets and regulatory assets	6,051,273	6,192,539	(141,266)	-2.3%
Total noncurrent assets	<u>55,707,981</u>	<u>44,650,346</u>	<u>11,057,635</u>	<u>24.8%</u>
Capital assets:				
Utility plant in service	1,732,906,126	1,724,649,795	8,256,331	0.5%
Capital lease	1,006,808,754	1,006,808,754	-	-
Less: accumulated depreciation and amortization	(739,368,711)	(677,216,550)	(62,152,161)	9.2%
	<u>2,000,346,169</u>	<u>2,054,241,999</u>	<u>(53,895,830)</u>	<u>-2.6%</u>
Construction in progress	170,396,103	141,988,911	28,407,192	20.0%
Net capital assets	<u>2,170,742,272</u>	<u>2,196,230,910</u>	<u>(25,488,638)</u>	<u>-1.2%</u>
Total assets	<u>2,563,605,470</u>	<u>2,565,035,550</u>	<u>(1,430,080)</u>	<u>-0.1%</u>
Deferred outflows of resources:				
Unamortized loss on refundings of bonds	29,008,878	28,765,946	242,932	0.8%
Accumulated decrease in fair value of hedging derivatives	52,056,342	50,748,859	1,307,483	2.6%
Total deferred outflows of resources	<u>81,065,220</u>	<u>79,514,805</u>	<u>1,550,415</u>	<u>1.9%</u>
<b>Total assets and deferred outflows of resources</b>	<u><b>\$ 2,644,670,690</b></u>	<u><b>\$ 2,644,550,355</b></u>	<u><b>\$ 120,335</b></u>	<u><b>0.0%</b></u>

**Gainesville Regional Utilities**  
**Statements of Net Position - Unaudited (concluded)**  
**For the Periods Ended June 30, 2015 and September 30, 2014**

	June 30, 2015	September 30, 2014	Change (\$)	Change (%)
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 9,313,457	\$ 20,851,891	\$ (11,538,434)	-55.3%
Fuels payable	12,637,521	11,429,004	1,208,517	10.6%
Due to other funds of the City	3,801,130	3,142,499	658,631	21.0%
Capital lease – current portion	4,278,168	16,828,193	(12,550,025)	
Fuel adjustment	9,664,799	15,963,888	(6,299,089)	-39.5%
Other liabilities and regulatory liabilities	4,353,518	2,678,019	1,675,499	62.6%
Total current liabilities	<u>44,048,593</u>	<u>70,893,494</u>	<u>(26,844,901)</u>	<u>-37.9%</u>
Payable from restricted assets:				
Utility deposits	9,089,968	8,321,246	768,722	9.2%
Construction fund:				
Accounts payable and accrued liabilities	824,653	3,686,534	(2,861,881)	-77.6%
Debt payable – current portion	22,205,000	21,480,000	725,000	3.4%
Accrued interest payable	6,407,045	18,540,801	(12,133,756)	-65.4%
Total payable from restricted assets	<u>38,526,666</u>	<u>52,028,581</u>	<u>(13,501,915)</u>	<u>-26.0%</u>
Long-term debt:				
Utilities system revenue bonds	889,075,000	869,570,000	19,505,000	2.2%
Commercial paper notes	59,500,000	56,900,000	2,600,000	4.6%
Capital lease	977,280,085	977,280,085	–	
Unamortized bond premium/discount	19,349,984	10,229,836	9,120,148	89.2%
Fair value of derivative instruments	55,103,515	55,103,515	–	0.0%
Total long-term debt	<u>2,000,308,584</u>	<u>1,969,083,436</u>	<u>31,225,148</u>	<u>1.6%</u>
Noncurrent liabilities				
Reserve for insurance claims	3,337,000	3,337,000	–	0.0%
Reserve for decommissioning CR3	11,373,002	11,264,443	108,559	1.0%
Reserve for environmental liability	167,000	167,000	–	
Total noncurrent liabilities	<u>14,877,002</u>	<u>14,768,443</u>	<u>108,559</u>	<u>0.7%</u>
Total liabilities	<u>2,097,760,846</u>	<u>2,106,773,954</u>	<u>(9,013,108)</u>	<u>-0.4%</u>
Deferred inflows of resources:				
Rate stabilization	63,253,583	64,117,259	(863,676)	-1.3%
Total deferred inflows of resources	<u>63,253,583</u>	<u>64,117,259</u>	<u>(863,676)</u>	<u>-1.3%</u>
<b>Net position</b>				
Net investment in capital assets	296,852,380	298,056,254	(1,203,874)	-0.4%
Restricted	71,266,854	60,369,705	10,897,149	18.1%
Unrestricted	115,537,029	115,233,183	303,846	0.3%
Total net position	<u>483,656,262</u>	<u>473,659,142</u>	<u>9,997,120</u>	<u>2.1%</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 2,644,670,690</u>	<u>\$ 2,644,550,355</u>	<u>\$ 120,335</u>	<u>0.0%</u>

**Gainesville Regional Utilities**

**Statements of Revenues, Expenses, and Changes in Net Position-Unaudited**

**For the Periods Ended June 30, 2015 and September 30, 2014**

	<u>June 30, 2015</u>	<u>September 30, 2014</u>
Operating revenue:		
Sales and service charges	\$ 278,950,474	\$ 368,655,555
Transfers (to) from rate stabilization	863,677	(8,867,764)
Amounts to be recovered from future revenue	25,170,219	26,433,241
Other operating revenue	18,647,791	19,673,582
Total operating revenues	<u>323,632,161</u>	<u>405,894,614</u>
Operating expenses:		
Operation and maintenance	167,343,758	213,305,250
Administrative and general	28,713,680	42,492,252
Depreciation and amortization	69,890,924	84,449,419
Total operating expenses	<u>265,948,362</u>	<u>340,246,921</u>
Operating income	<u>57,683,799</u>	<u>65,647,693</u>
Non-operating income (expense):		
Interest income	25,031	714,408
Interest expense, net of AFUDC	(25,712,574)	(37,815,529)
Other interest related income, BABs	2,672,581	5,350,928
Other income (expense)	1,280,378	209,772
Total non-operating expense	<u>(21,734,584)</u>	<u>(31,540,421)</u>
Income before contributions, transfer, and extraordinary item	<u>35,949,215</u>	<u>34,107,272</u>
Capital contributions:		
Contributions from third parties	217,223	3,324,503
Reduction of plant costs recovered through contributions	-	(1,800,000)
Net capital contributions	<u>217,223</u>	<u>1,524,503</u>
Transfer to City of Gainesville General Fund	<u>(26,169,319)</u>	<u>(37,316,841)</u>
Change in net position	9,997,120	(1,685,066)
Net position – beginning of year	473,659,142	475,344,208
Net position – end of year	<u>\$ 483,656,262</u>	<u>\$ 473,659,142</u>

Gainesville Regional Utilities

Statements of Cash Flows

For the Periods Ended June 30, 2015 and September 30, 2014

	June 30, 2015	September 30, 2014
Operating activities:		
Cash received from customers	\$ 283,610,030	\$ 369,172,437
Cash payments to suppliers for goods and services	(148,198,530)	(156,891,922)
Cash payments to employees for services	(45,992,249)	(55,973,131)
Cash payments for operating transactions with other funds	(6,285,578)	(10,517,970)
Cash payment for defeasance of bonds	(22,681,138)	-
Cash receipts for defeasance of bonds	22,681,138	-
Other operating receipts	19,511,468	7,696,733
Net cash provided by operating activities	<u>102,645,140</u>	<u>153,486,147</u>
Noncapital financing activities:		
Transfer to City of Gainesville General Fund	(26,169,319)	(37,316,841)
Net cash used in noncapital financing activities	<u>(26,169,319)</u>	<u>(37,316,841)</u>
Capital and related financing activities:		
Principal repayments and refunding on long-term debt net	(20,755,000)	(26,845,000)
Interest paid on long-term debt	(37,846,330)	(38,589,064)
Proceeds from interest rebates, BABs	2,672,581	5,350,928
Acquisition and construction of fixed assets (including allowance for funds used during construction)	(26,032,439)	(56,990,480)
Proceeds from new debt and commercial paper	51,306,295	
Other income	1,280,378	209,774
Net cash used in capital and related financing activities	<u>(29,374,515)</u>	<u>(116,863,842)</u>
Investing activities:		
Interest received (paid)	55,468	706,251
Purchase of investments	(24,242,307)	(295,386,535)
Investments in The Energy Authority	(3,451,281)	5,403,728
Distributions from The Energy Authority	3,657,285	(5,845,309)
Proceeds from investments	-	325,999,310
Net cash provided by investing activities	<u>(23,980,835)</u>	<u>30,877,445</u>
Net change in cash and cash equivalents	23,120,471	30,182,909
Cash and cash equivalents, beginning of year	75,559,374	45,376,465
Cash and cash equivalents, end of year	<u>\$ 98,679,845</u>	<u>\$ 75,559,374</u>

Continued on next page.

**Gainesville Regional Utilities**

**Statements of Cash Flows (concluded)**

**For the Periods Ended June 30, 2015 and September 30, 2014**

	<u>June 30, 2015</u>	<u>September 30, 2014</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 57,683,799	\$ 65,647,693
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	69,890,924	84,449,419
Net costs to be recovered in future rates	(12,620,194)	(13,732,765)
Change in:		
Accounts receivable	3,890,834	518,004
Inventories	(3,685,684)	3,043,202
Other assets and regulatory assets	876,436	(711,437)
Restricted and internally designated assets	-	(3,109,085)
Noncurrent assets	1,483,245	879,007
Accounts payable and accrued liabilities	(10,329,917)	12,665,268
Due to other funds of the City	658,631	171,036
Fuel adjustment	(6,299,089)	(5,442,608)
Other liabilities and regulatory liabilities	1,191,109	241,771
Utility deposits	768,722	(1,122)
Rate stabilization	(863,676)	8,867,764
Net cash provided by operating activities	<u>\$ 102,645,140</u>	<u>\$ 153,486,147</u>
Non-cash capital and related financing activities, and investing activities:		
Acquisition of utility plant in service under capital lease	<u>\$ -</u>	<u>\$ (1,006,809,754)</u>
Acquisition of utility plant in service under long term capital lease obligation	<u>\$ (12,550,025)</u>	<u>\$ 994,108,278</u>
Acquisition of utility plant in service with construction fund payable	<u>\$ (2,861,881)</u>	<u>\$ 5,093,605</u>
Change in utility plant in service	<u>\$ -</u>	<u>\$ (4,999,956)</u>
Change in ineffective portion of hedging derivatives	<u>\$ -</u>	<u>\$ (838,440)</u>
Change in hedging derivatives - interest rate swaps	<u>\$ -</u>	<u>\$ (10,515,189)</u>
Change in hedging derivatives - fuel options and futures	<u>\$ (2,390,033)</u>	<u>\$ (114,952)</u>
Change in fair value of investments	<u>\$ (697,847)</u>	<u>\$ (235,808)</u>
Change in fair value of derivatives	<u>\$ -</u>	<u>\$ (11,353,627)</u>
Unamortized loss on refundings of bonds	<u>\$ (242,932)</u>	<u>\$ -</u>
Other	<u>\$ (7,537)</u>	<u>\$ 150,326</u>
Noncash capital and related financing activities		

GRU issued utility revenue bonds to refund debt during fiscal year 2015. The proceeds of \$13,315,144 were deposited immediately into an irrevocable trust for the defeasance of \$12,725,000 of outstanding principal and \$590,144 of interest.



# **Supplementary Information**

**Gainesville Regional Utilities  
 Fuel Adjustment Levelization  
 For the Period Ended June 30, 2015**

	<u>Actual</u>	<u>Fiscal Year 2015 Budget</u>	<u>Percent of Budget</u>
Fuel Revenues	\$ 108,237	\$ 160,325	68%
Fuel Expenses	115,716	160,325	72%
<b>To (From) Levelization Fund</b>	<b><u>\$ (7,479)</u></b>	<b><u>\$ -</u></b>	
Levelization Fund Beginning Balance	\$ 15,298		
To (From) Levelization Fund	<u>(7,479)</u>		
<b>Levelization Fund Ending Balance</b>	<b><u>\$ 7,820</u></b>		

(Dollar Amounts in Thousands)

**Gainesville Regional Utilities**  
**Purchased Gas Adjustment (PGA) Levelization**  
**For the Period Ended June 30, 2015**

	<u>Actual</u>	<u>Fiscal Year 2015 Budget</u>	<u>Percent of Budget</u>
Purchased Gas Revenues	\$ 9,176	\$ 11,325	81%
Purchased Gas Expenses	7,996	11,325	71%
<b>To (From) PGA Levelization</b>	<b>\$ 1,180</b>	<b>\$ -</b>	
PGA Beginning Balance	\$ 665		
To (From) PGA Levelization	1,180		
<b>PGA Ending Balance</b>	<b>\$ 1,845</b>		

(Dollar Amounts in Thousands)