

Gainesville Regional Utilities

Interim Financial Statements - Unaudited

For the Period Ended March 31, 2020



**Gainesville Regional Utilities
Financial Statements - Unaudited
For the Period Ended March 31, 2020**

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Overview and Basis of Accounting

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.

We offer readers these unaudited utility system financial statements for the period ended March 31, 2020.

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.

Management's Discussion and Analysis

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 March 31, 2020. It should be read in conjunction with the unaudited financial statements that follow this section.

Financial Highlights – Overall

- Fuel inventories increased \$3.5 million or 19% due to contracted coal purchases. The contracted purchases were entered into in preparation for a coal transportation contract that expired in December 2019. Energy Supply and Fuels are evaluating current and long term forecasts for coal.
- Debt defeasance cash and investments increased \$16.5 million resulting from the internal designation of the debt service savings associated with the 2019 Series A, Series B, and Series C bond issues. The funds may be used to accelerate principal payment of outstanding debt.
- Construction fund cash and investments increased \$76.4 million due primarily to the issuance of the 2019 Series A, Series B, and Series C bonds for \$114 million in April 2019 offset by normal construction expenditures.
- Utility plant improvement fund cash and investments increased \$23.5 million due primarily to the reduced use of these funds for capital expenditures for the foreseeable future.
- Net costs recoverable in future years, a regulatory asset, increased \$27.1 million due to Deerhaven Renewable Generating Station (DHR) depreciation expense exceeding principal repayment on the related bonds in the early years of amortization.
- Pension costs – regulatory asset increased \$7.9 million or 10.7% and related deferred outflows of resources for pension costs increased \$2.2 million or 13.1% due primarily to investment returns which came in below the actuarial benchmark for the year ended September 30, 2019.
- Unamortized loss on refunding of bonds decreased \$2.9 million or 17.8% from normally scheduled amortization.
- Accumulated decrease in fair value of hedging derivatives rose \$41.7 million or 113% due to the change on interest rate swaps resulting from declining interest rates.
- Deferred outflows of resources for the other post-employment benefits plan increased \$3.1 million due primarily to investment returns which came in below the actuarial benchmark for the year ended September 30, 2019.
- Fuel adjustment increased \$11.8 million due to lower fuel expenses incurred this period compared to the prior period. In response, GRU lowered the fuel adjustment rate in February, April, and May 2020.

- In April 2019, GRU closed on its 2019 Series A, Series B, and Series C bond issues. This transaction:
 - Provided \$114 million in new money for acquisition and/or construction of GRU capital assets.
 - Converted all \$93 million of currently outstanding commercial paper to long-term fixed rate debt.
 - Restructured approximately \$67 million of variable rate debt, producing in excess of \$56 million in near term debt service reduction over the period FY19 through FY25.

As expected, the issue resulted in material changes to GRU's balance sheet, such as:

- Increase in construction fund cash.
- Increase in outstanding long-term revenue bonds.
- Elimination of outstanding commercial paper.
- Increase in unamortized bond premium.
- Fair value of derivative instruments increased \$42.3 million or 109.2% due to the change on interest rate swaps resulting from declining interest rates.
- Net pension liability increased \$28.4 million or 39.9%, net other post-employment benefits liability increased \$4.2 million and deferred inflows of resources for pension costs decreased \$18.3 million or 91.3% due primarily to investment returns which came in below the actuarial benchmark for the year ended September 30, 2019.
- Other noncurrent liabilities and regulatory liabilities increased \$1.9 million from a regulatory liability set aside for future portions of the total rewards implementation and customer information system upgrade.
- Certain 2019 amounts have been reclassified to conform to the 2020 presentation.

Financial Highlights – Schedules of Net Revenues in Accordance with Bond Resolution

Combined Systems

- Total revenues were down \$2.8 million from the prior period. Excluding Rate Stabilization Fund transfers, revenues decreased \$1.1 million or 0.6% from an increase in water, wastewater and telecommunications revenues. These increases were offset by decreases in electric and gas revenues due to a decrease in fuel expenses.
- Total expenses decreased \$8.7 million or 17.9%. Factors include: a decrease in electric fuel expenses of \$9.6 million; an increase in electric administrative and general expenses; and decreases in total water, wastewater and gas expenses.

- The combined systems experienced a loss of \$9.1 million for the period ended March 31, 2020. When including budgeted transfers from rate stabilization of \$3.4 million, the combined systems incurred a loss of \$12.5 million.

Electric System

- Total revenues decreased \$2.4 million or 1.8% over the same period last year due to decreases in fuel revenues and sales for resale, offset by increases in residential and non-residential revenues.
- Fuel adjustment revenue and the related fuel expense decreased \$9.6 million or 23.7% due to scheduled outages at Deerhaven Generating Station Unit 2 and lower natural gas prices compared to the prior year.

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.

- The electric system experienced a loss of \$10.5 million for the period ended March 31, 2020. When including budgeted transfers from rate stabilization of \$2.9 million, the electric system incurred a loss of \$13.4 million.

Water System

- Total revenues increased \$1.3 million or 7.4% due to an increase in sales revenue and other revenue.
- The water system experienced a gain of \$735 thousand for the period ended March 31, 2020. When including budgeted transfers to rate stabilization of \$524 thousand, the water system experienced a gain of \$1.3 million.

Wastewater System

- Total revenues increased \$1.6 million or 6.8%, due primarily to an increase in other revenue.
- The wastewater system experienced a gain of \$1.7 million for the period ended March 31, 2020. When including budgeted transfers from rate stabilization of \$427 thousand, the wastewater system experienced a gain of \$1.3 million.

Gas System

- Total revenues decreased \$3.5 million or 19.4% due to a decrease in fuel adjustment revenue and decreases in transfers from rate stabilization.
- Purchased gas adjustment revenue and the related gas expense decreased \$1.5 million or 26.9% due to lower natural gas prices in the winter months compared to the same period last year.

Purchased gas adjustment revenue is matched to gas expenses with amounts over collected deferred in the purchased gas adjustment levelization balance and amounts under collected drawn down from the purchased gas adjustment levelization balance.

- The gas system experienced a gain of \$654 thousand for the period ended March 31, 2020. When including budgeted transfers from rate stabilization of \$535 thousand, the gas system experienced a gain of \$119 thousand.

Telecommunications System

- Total revenues increased \$261 thousand or 4.6%, and total operation, maintenance and administrative expenses increased \$459 thousand or 13.2%
- The telecommunications system experienced a loss of \$1.7 million for the period ended March 31, 2020. GRUCom has experienced losses in fiscal years 2019 and 2020. GRUCom is projected to experience additional losses in 2020, 2021, and going forward. Loans to GRUCom as of March 31, 2020 totaled \$4.8 million.

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Financial Statements

Gainesville Regional Utilities
Statements of Net Position - Unaudited
March 31, 2020 and 2019

	March 31, 2020	March 31, 2019	Change (\$)	Change (%)
Assets				
Current assets:				
Cash and investments	\$ 20,017,621	\$ 21,468,581	\$ (1,450,960)	(6.8%)
Accounts receivable, net of allowance for uncollectible accounts of \$1,153,834 and \$1,221,340 respectively	45,880,874	44,333,559	1,547,315	3.5%
Inventories:				
Fuel	21,966,644	18,461,773	3,504,871	19.0%
Materials and supplies	12,829,774	12,223,308	606,466	5.0%
Other assets and regulatory assets	1,871,857	2,958,076	(1,086,219)	(36.7%)
Total current assets	102,566,770	99,445,297	3,121,473	3.1%
Restricted and internally designated assets:				
Utility deposits - cash and investments	7,834,092	8,070,563	(236,471)	(2.9%)
Debt service - cash and investments	46,913,591	45,537,666	1,375,925	3.0%
Debt defeasance - cash and investments	16,513,132	-	16,513,132	-
Rate stabilization - cash and investments	45,573,550	53,585,132	(8,011,582)	(15.0%)
Construction fund - cash and investments	105,243,733	28,840,709	76,403,024	264.9%
Utility plant improvement fund - cash and investments	40,496,900	16,991,823	23,505,077	138.3%
Total restricted and internally designated assets	262,574,998	153,025,893	109,549,105	71.6%
Noncurrent assets:				
Net costs recoverable in future years - regulatory assets	40,192,021	13,091,147	27,100,874	207.0%
Unamortized debt issuance costs - regulatory assets	9,890,020	8,799,952	1,090,068	12.4%
Investment in The Energy Authority	2,512,986	2,362,087	150,899	6.4%
Pollution remediation - regulatory asset	9,324,393	10,066,926	(742,533)	(7.4%)
Other noncurrent assets and regulatory assets	7,577,034	6,508,246	1,068,788	16.4%
Pension regulatory asset	82,016,547	74,122,351	7,894,196	10.7%
Total noncurrent assets	151,513,001	114,950,709	36,562,292	31.8%
Capital assets:				
Utility plant in service	2,878,671,175	2,799,003,986	79,667,189	2.8%
Less: accumulated depreciation and amortization	(1,088,425,649)	(1,006,291,267)	(82,134,382)	8.2%
	1,790,245,526	1,792,712,719	(2,467,193)	(0.1%)
Construction in progress	72,545,542	104,788,410	(32,242,868)	(30.8%)
Net capital assets	1,862,791,068	1,897,501,129	(34,710,061)	(1.8%)
Total assets	2,379,445,837	2,264,923,028	114,522,809	5.1%
Deferred outflows of resources:				
Unamortized loss on refunding of bonds	13,384,973	16,285,132	(2,900,159)	(17.8%)
Accumulated decrease in fair value of hedging derivatives	78,579,009	36,890,504	41,688,505	113.0%
General Employees' Pension plan costs	19,288,232	17,061,446	2,226,786	13.1%
Other post-employment benefits plan	3,051,089	-	3,051,089	-
Total deferred outflows of resources	114,303,303	70,237,082	44,066,221	62.7%
Total assets and deferred outflows of resources	\$ 2,493,749,140	\$ 2,335,160,110	\$ 158,589,030	6.8%

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Gainesville Regional Utilities
Statements of Net Position - Unaudited (concluded)
March 31, 2020 and 2019

	March 31, 2020	March 31, 2019	Change (\$)	Change (%)
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 9,449,817	\$ 13,644,225	\$ (4,194,408)	(30.7%)
Fuels payable	3,372,815	3,784,312	(411,497)	(10.9%)
Due to other funds of the City	2,686,943	2,197,153	489,790	22.3%
Fuel adjustment	5,060,507	(6,717,170)	11,777,677	(175.3%)
Other liabilities and regulatory liabilities	1,209,711	1,073,247	136,464	12.7%
Total current liabilities	<u>21,779,793</u>	<u>13,981,767</u>	<u>7,798,026</u>	<u>55.8%</u>
Payable from restricted assets:				
Utility deposits	7,830,427	8,070,563	(240,136)	(3.0%)
Accounts payable and accrued liabilities	1,996,139	803,363	1,192,776	148.5%
Utility system revenue bonds - current	27,080,000	30,935,000	(3,855,000)	(12.5%)
Accrued interest payable	33,018,137	29,634,392	3,383,745	11.4%
Other liabilities and regulatory liabilities	104,619	27,455	77,164	281.1%
Total payable from restricted assets	<u>70,029,322</u>	<u>69,470,773</u>	<u>558,549</u>	<u>0.8%</u>
Long-term debt:				
Utility system revenue bonds	1,637,680,000	1,475,520,000	162,160,000	11.0%
Commercial paper notes	-	93,000,000	(93,000,000)	(100.0%)
Unamortized bond premium/discount	97,536,080	79,214,892	18,321,188	23.1%
Fair value of derivative instruments	81,099,412	38,765,287	42,334,125	109.2%
Total long-term debt	<u>1,816,315,492</u>	<u>1,686,500,179</u>	<u>129,815,313</u>	<u>7.7%</u>
Noncurrent liabilities:				
Reserve for insurance claims	3,337,000	3,337,000	-	0.0%
Reserve for environmental liability	841,000	519,000	322,000	62.0%
Net pension liability	99,566,813	71,178,444	28,388,369	39.9%
Net other post-employment benefits liability	5,367,982	1,206,366	4,161,616	345.0%
Other noncurrent liabilities and regulatory liabilities	4,651,546	2,726,198	1,925,348	70.6%
Total noncurrent liabilities	<u>113,764,341</u>	<u>78,967,008</u>	<u>34,797,333</u>	<u>44.1%</u>
Total liabilities	<u>2,021,888,948</u>	<u>1,848,919,727</u>	<u>172,969,221</u>	<u>9.4%</u>
Deferred inflows of resources:				
Rate stabilization	40,796,322	53,535,152	(12,738,830)	(23.8%)
General Employees' Pension plan costs	1,737,966	20,005,353	(18,267,387)	(91.3%)
Other post-employment benefits plan	-	187,818	(187,818)	(100.0%)
Total deferred inflows of resources	<u>42,534,288</u>	<u>73,728,323</u>	<u>(31,194,035)</u>	<u>(42.3%)</u>
Net position				
Net investment in capital assets	226,355,305	273,196,868	(46,841,563)	(17.1%)
Restricted and internally designated	75,678,403	32,941,395	42,737,008	129.7%
Unrestricted	127,292,196	106,373,797	20,918,399	19.7%
Total net position	<u>429,325,904</u>	<u>412,512,060</u>	<u>16,813,844</u>	<u>4.1%</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,493,749,140</u>	<u>\$ 2,335,160,110</u>	<u>\$ 158,589,030</u>	<u>6.8%</u>

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Gainesville Regional Utilities
Statements of Revenues, Expenses, and Changes in Net Position - Unaudited
For the Periods Ended March 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Operating revenues:		
Sales and service charges	\$ 176,561,593	\$ 182,708,636
Transfers from (to) rate stabilization	3,375,735	4,994,100
Amounts to be recovered from future revenue	9,029,496	-
Other operating revenue	6,793,558	2,364,694
Total operating revenues	195,760,382	190,067,430
Operating expenses:		
Operation and maintenance	83,775,050	93,386,479
Administrative and general	18,333,908	17,663,310
Depreciation and amortization	50,773,379	51,037,341
Total operating expenses	152,882,337	162,087,130
Operating income	42,878,045	27,980,300
Non-operating income (expense):		
Interest income	1,740,140	1,583,558
Interest expense, net of AFUDC	(32,233,503)	(29,784,850)
Other interest related income, BABs	2,577,454	2,605,975
Other expense	(2,582,693)	(3,001,228)
Total non-operating income (expense)	(30,498,602)	(28,596,545)
Income before capital contributions and transfer	12,379,443	(616,245)
Capital contributions:		
Contributions from third parties	3,321,333	101,039
Reduction of plant costs recovered through contributions	(33,983)	(40,323)
Net capital contributions	3,287,350	60,716
Transfer to City of Gainesville General Fund	(19,142,500)	(19,142,500)
Change in net position	(3,475,707)	(19,698,029)
Net position - beginning of year, restated	432,801,611	432,210,089
Net position - end of period	\$ 429,325,904	\$ 412,512,060

Gainesville Regional Utilities
Combined Utility Systems
Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenues:				
Electric system:				
Sales of electricity	\$ 86,791,394	\$ 82,386,809	\$ 4,404,585	5.3
Fuel adjustment	30,843,568	40,426,946	(9,583,378)	(23.7)
Sales for resale	1,803,812	2,449,927	(646,115)	(26.4)
Transfer from/(to) rate stabilization	2,937,434	1,567,918	1,369,516	87.3
Other revenue	2,620,369	937,638	1,682,731	179.5
Other income	2,683,646	2,297,651	385,995	16.8
Build America Bonds	1,418,225	1,436,526	(18,301)	(1.3)
Total electric system revenues	<u>129,098,448</u>	<u>131,503,415</u>	<u>(2,404,967)</u>	<u>(1.8)</u>
Water system:				
Sales of water	17,482,225	16,569,841	912,384	5.5
Transfer from/(to) rate stabilization	(523,593)	76,062	(599,655)	(788.4)
Other revenue	1,313,664	527,341	786,323	149.1
Other income	381,085	160,191	220,894	137.9
Build America Bonds	401,922	405,817	(3,895)	(1.0)
Total water system revenues	<u>19,055,303</u>	<u>17,739,252</u>	<u>1,316,051</u>	<u>7.4</u>
Wastewater system:				
Sales of wastewater	20,622,545	20,312,591	309,954	1.5
Transfer from/(to) rate stabilization	426,842	794,041	(367,199)	(46.2)
Other revenue	2,506,421	1,110,610	1,395,811	125.7
Other income	379,535	162,509	217,026	133.5
Build America Bonds	460,092	462,674	(2,582)	(0.6)
Total wastewater system revenues	<u>24,395,435</u>	<u>22,842,425</u>	<u>1,553,010</u>	<u>6.8</u>
Gas system:				
Sales of gas	9,090,369	9,240,568	(150,199)	(1.6)
Purchased gas adjustment	4,101,761	5,608,724	(1,506,963)	(26.9)
Transfer from/(to) rate stabilization	535,052	2,556,079	(2,021,027)	(79.1)
Other revenue	169,632	52,593	117,039	222.5
Other income	259,829	179,486	80,343	44.8
Build America Bonds	297,214	300,958	(3,744)	(1.2)
Total gas system revenues	<u>14,453,857</u>	<u>17,938,408</u>	<u>(3,484,551)</u>	<u>(19.4)</u>
Telecommunications system:				
Sales of services	5,825,919	5,713,230	112,689	2.0
Other revenue	22,902	(85,941)	108,843	126.6
Other income	67,205	27,899	39,306	140.9
Total telecommunications system revenues	<u>5,916,026</u>	<u>5,655,188</u>	<u>260,838</u>	<u>4.6</u>
Total revenues	<u>192,919,069</u>	<u>195,678,688</u>	<u>(2,759,619)</u>	<u>(1.4)</u>

**The composition of the rate stabilization funds has been changed to recognize funds generated through a series of restructuring transactions with the intent to defease debt

Gainesville Regional Utilities
Combined Utility Systems
Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

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	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Electric system:				
Fuel expenses	30,843,568	40,426,946	(9,583,378)	(23.7)
Operation and maintenance	31,826,360	30,583,272	1,243,088	4.1
Administrative and general	13,579,964	12,433,391	1,146,573	9.2
Total Electric System Expenses	<u>76,249,892</u>	<u>83,443,609</u>	<u>(7,193,717)</u>	<u>(8.6)</u>
Water system:				
Operation and maintenance	5,097,639	5,264,710	(167,071)	(3.2)
Administrative and general	2,922,293	2,974,087	(51,794)	(1.7)
Total Water System Expenses	<u>8,019,932</u>	<u>8,238,797</u>	<u>(218,865)</u>	<u>(2.7)</u>
Wastewater system:				
Operation and maintenance	6,566,149	6,779,314	(213,165)	(3.1)
Administrative and general	3,252,022	3,288,175	(36,153)	(1.1)
Total Wastewater System Expenses	<u>9,818,171</u>	<u>10,067,489</u>	<u>(249,318)</u>	<u>(2.5)</u>
Gas system:				
Fuel expense - purchased gas	4,101,761	5,608,724	(1,506,963)	(26.9)
Operation and maintenance	1,319,337	1,233,714	85,623	6.9
Administrative and general	1,493,734	1,527,508	(33,774)	(2.2)
Total Gas System Expenses	<u>6,914,832</u>	<u>8,369,946</u>	<u>(1,455,114)</u>	<u>(17.4)</u>
Telecommunications system:				
Operation and maintenance	3,293,054	2,741,240	551,814	20.1
Administrative and general	637,818	731,131	(93,313)	(12.8)
Total Telecommunications System Expenses	<u>3,930,872</u>	<u>3,472,371</u>	<u>458,501</u>	<u>13.2</u>
TOTAL EXPENSES	<u>104,933,699</u>	<u>113,592,212</u>	<u>(8,658,513)</u>	<u>(17.9)</u>
NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION:				
Total electric system	52,848,556	48,059,806	4,788,750	10.0
Total water system	11,035,371	9,500,455	1,534,916	16.2
Total wastewater system	14,577,264	12,774,936	1,802,328	14.1
Total gas system	7,539,025	9,568,462	(2,029,437)	(21.2)
Total telecommunications system	1,985,154	2,182,817	(197,663)	(9.1)
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>87,985,370</u>	<u>82,086,476</u>	<u>5,898,894</u>	<u>7.2</u>
LESS:				
Debt service	48,916,142	48,310,157	605,985	1.3
UPIF contributions	21,928,635	20,642,204	1,286,431	6.2
Transfer to City of Gainesville General Fund	19,142,500	19,142,500	-	-
Transfer to debt defeasance	7,081,218	-	7,081,218	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ (9,083,125)</u>	<u>\$ (6,008,385)</u>	<u>\$ (3,074,740)</u>	<u>(51.2)</u>

**The composition of the rate stabilization funds has been changed to recognize funds generated through a series of restructuring transactions with the intent to defease debt

Gainesville Regional Utilities
Electric Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

	March 31, 2020	March 31, 2019	Change (\$)	Change (%)
REVENUES:				
Residential	\$ 33,183,465	\$ 31,349,827	\$ 1,833,638	5.8
Non-residential	42,029,882	39,121,968	2,907,914	7.4
Fuel adjustment	30,843,568	40,426,946	(9,583,378)	(23.7)
Sales for resale	1,803,812	2,449,927	(646,115)	(26.4)
Utility surcharge	1,974,228	2,057,996	(83,768)	(4.1)
Other electric sales	9,603,819	9,857,018	(253,199)	(2.6)
Total Sales of Electricity	119,438,774	125,263,682	(5,824,908)	(4.7)
Transfer from/(to) rate stabilization	2,937,434	1,567,918	1,369,516	87.3
Other revenue	2,620,369	937,638	1,682,731	179.5
Other income	2,683,646	2,297,651	385,995	16.8
Build America Bonds	1,418,225	1,436,526	(18,301)	(1.3)
Total Revenues	129,098,448	131,503,415	(2,404,967)	(1.8)
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Fuel expenses	30,843,568	40,426,946	(9,583,378)	(23.7)
Power production	21,372,400	21,954,843	(582,443)	(2.7)
Transmission and distribution	10,453,960	8,628,429	1,825,531	21.2
Administrative and general	13,579,964	12,433,391	1,146,573	9.2
Total Operation, Maintenance and Administrative Expenses	76,249,892	83,443,609	(7,193,717)	(8.6)
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	52,848,556	48,059,806	4,788,750	10.0
LESS:				
Debt service	37,649,604	36,318,054	1,331,550	3.7
UPIF contributions	10,589,687	11,435,331	(845,644)	(7.4)
Transfer to City of Gainesville General Fund	11,207,934	7,957,934	3,250,000	40.8
Transfer to debt defeasance	3,921,123	-	3,921,123	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ (10,519,792)	\$ (7,651,513)	\$ (2,868,279)	(37.5)

**The composition of the rate stabilization funds has been changed to recognize funds generated through a series of restructuring transactions with the intent to defease debt

Gainesville Regional Utilities
Water Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
REVENUES:				
Residential	\$ 10,570,517	\$ 10,124,140	\$ 446,377	4.4
Non-residential	5,631,747	5,252,746	379,001	7.2
Utility surcharge	1,279,961	1,192,955	87,006	7.3
Total Sales of Water	<u>17,482,225</u>	<u>16,569,841</u>	<u>912,384</u>	<u>5.5</u>
Transfer from/(to) rate stabilization	(523,593)	76,062	(599,655)	(788.4)
Other revenue	1,313,664	527,341	786,323	149.1
Other income	381,085	160,191	220,894	137.9
Build America Bonds	401,922	405,817	(3,895)	(1.0)
Total Revenues	<u>19,055,303</u>	<u>17,739,252</u>	<u>1,316,051</u>	<u>7.4</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Transmission and distribution	1,470,708	1,727,647	(256,939)	(14.9)
Treatment	3,626,931	3,537,063	89,868	2.5
Administrative and general	2,922,293	2,974,087	(51,794)	(1.7)
Total Operation, Maintenance and Administrative Expenses	<u>8,019,932</u>	<u>8,238,797</u>	<u>(218,865)</u>	<u>(2.7)</u>
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>11,035,371</u>	<u>9,500,455</u>	<u>1,534,916</u>	<u>16.2</u>
LESS:				
Debt service	3,556,302	3,596,722	(40,420)	(1.1)
UPIF contributions	3,397,121	3,397,446	(325)	(0.0)
Transfer to City of Gainesville General Fund	2,678,036	2,678,036	-	-
Transfer to debt defeasance	669,151	-	669,151	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ 734,761</u>	<u>\$ (171,749)</u>	<u>\$ 906,510</u>	<u>527.8</u>

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Gainesville Regional Utilities
Wastewater Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
REVENUES:				
Residential	\$ 13,819,334	\$ 13,439,132	\$ 380,202	2.8
Non-residential	5,299,899	5,429,568	(129,669)	(2.4)
Utility surcharge	1,503,312	1,443,891	59,421	4.1
Total Sales of Services	<u>20,622,545</u>	<u>20,312,591</u>	<u>309,954</u>	<u>1.5</u>
Transfer from/(to) rate stabilization	426,842	794,041	(367,199)	(46.2)
Other revenue	2,506,421	1,110,610	1,395,811	125.7
Other income	379,535	162,509	217,026	133.5
Build America Bonds	460,092	462,674	(2,582)	(0.6)
Total Revenues	<u>24,395,435</u>	<u>22,842,425</u>	<u>1,553,010</u>	<u>6.8</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Collection	2,202,584	2,282,188	(79,604)	(3.5)
Treatment	4,363,565	4,497,126	(133,561)	(3.0)
Administrative and general	3,252,022	3,288,175	(36,153)	(1.1)
Total Operation, Maintenance and Administrative Expenses	<u>9,818,171</u>	<u>10,067,489</u>	<u>(249,318)</u>	<u>(2.5)</u>
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>14,577,264</u>	<u>12,774,936</u>	<u>1,802,328</u>	<u>14.1</u>
LESS:				
Debt service	4,338,838	4,329,807	9,031	0.2
UPIF contributions	4,171,708	4,399,508	(227,800)	(5.2)
Transfer to City of Gainesville General Fund	3,430,336	2,930,336	500,000	17.1
Transfer to debt defeasance	910,239	-	910,239	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ 1,726,143</u>	<u>\$ 1,115,285</u>	<u>\$ 610,858</u>	<u>54.8</u>

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Gainesville Regional Utilities
Gas Utility System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
REVENUES:				
Residential	\$ 4,931,149	\$ 5,019,141	\$ (87,992)	(1.8)
Non-residential	3,056,044	3,085,228	(29,184)	(0.9)
Fuel adjustment	4,101,761	5,608,724	(1,506,963)	(26.9)
Utility surcharge	327,987	328,613	(626)	(0.2)
Other gas sales	775,189	807,586	(32,397)	(4.0)
Total Sales of Gas	<u>13,192,130</u>	<u>14,849,292</u>	<u>(1,657,162)</u>	<u>(11.2)</u>
Transfer from/(to) rate stabilization	535,052	2,556,079	(2,021,027)	(79.1)
Other revenue	169,632	52,593	117,039	222.5
Other income	259,829	179,486	80,343	44.8
Build America Bonds	297,214	300,958	(3,744)	(1.2)
Total Revenues	<u>14,453,857</u>	<u>17,938,408</u>	<u>(3,484,551)</u>	<u>(19.4)</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Fuel expense - purchased gas	4,101,761	5,608,724	(1,506,963)	(26.9)
Operation and maintenance	1,319,337	1,233,714	85,623	6.9
Administrative and general	1,493,734	1,527,508	(33,774)	(2.2)
Total Operation, Maintenance and Administrative Expenses	<u>6,914,832</u>	<u>8,369,946</u>	<u>(1,455,114)</u>	<u>(17.4)</u>
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>7,539,025</u>	<u>9,568,462</u>	<u>(2,029,437)</u>	<u>(21.2)</u>
LESS:				
Debt service	2,072,213	2,005,919	66,294	3.3
UPIF contributions	3,324,731	1,180,396	2,144,335	181.7
Transfer to City of Gainesville General Fund	1,232,777	4,982,777	(3,750,000)	(75.3)
Transfer to debt defeasance	255,162	-	255,162	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ 654,142</u>	<u>\$ 1,399,370</u>	<u>\$ (745,228)</u>	<u>(53.3)</u>

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Gainesville Regional Utilities
Telecommunications System
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited
For the Periods Ended March 31, 2020 and 2019

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
REVENUES:				
Telecommunications	\$ 3,989,427	\$ 3,820,231	\$ 169,196	4.4
Trunking radio	850,087	882,877	(32,790)	(3.7)
Tower leasing	986,405	1,010,122	(23,717)	(2.3)
Total Sales of Services	<u>5,825,919</u>	<u>5,713,230</u>	<u>112,689</u>	<u>2.0</u>
Other revenue	22,902	(85,941)	108,843	126.6
Other income	67,205	27,899	39,306	140.9
Total Revenues	<u>5,916,026</u>	<u>5,655,188</u>	<u>260,838</u>	<u>4.6</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Operation and maintenance	3,293,054	2,741,240	551,814	20.1
Administrative and general	637,818	731,131	(93,313)	(12.8)
Total Operation, Maintenance and Administrative Expenses	<u>3,930,872</u>	<u>3,472,371</u>	<u>458,501</u>	<u>13.2</u>
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>1,985,154</u>	<u>2,182,817</u>	<u>(197,663)</u>	<u>(9.1)</u>
LESS:				
Debt service	1,299,185	2,059,655	(760,470)	(36.9)
UPIF contributions	445,388	229,523	215,865	94.0
Transfer to City of Gainesville General Fund	593,417	593,417	-	-
Transfer to debt defeasance	1,325,543	-	1,325,543	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ (1,678,379)</u>	<u>\$ (699,778)</u>	<u>\$ (978,601)</u>	<u>(139.8)</u>

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Supplementary Data

Gainesville Regional Utilities
Fuel Adjustment Levelization
For the Period Ended March 31, 2020

	Actual
Fuel Revenues	\$ 37,921,051
Fuel Expenses	30,843,568
To (From) Fuel Adjustment Levelization	\$ 7,077,483
Fuel Adjustment Beginning Balance	\$ (2,843,816)
To (From) Fuel Adjustment Levelization	7,077,483
Fuel Adjustment Ending Balance	\$ 4,233,667

Gainesville Regional Utilities
Purchased Gas Adjustment (PGA) Levelization
For the Period Ended March 31, 2020

	Actual
Purchased Gas Revenues	\$ 4,972,380
Purchased Gas Expenses	4,101,761
To (From) PGA Levelization	\$ 870,619
PGA Beginning Balance	\$ (43,779)
To (From) PGA Levelization	870,619
PGA Ending Balance	\$ 826,840