

Gainesville Regional Utilities

Budget to Actual Comparison

For the Period Ended June 30, 2019



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**Gainesville Regional Utilities
Budget to Actual Comparison
For the Period Ended June 30, 2019**

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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 this analysis of the budget to actual activities of GRU for the period ended June 30, 2019.

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.

Basis of Budgeting

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.

All budgeted utility revenues based on unit sales, shown in this comparison, are based on seasonal forecasts provided by the Rates & Forecasting department. Fuel revenue and expense are also seasonalized based on projections by Forecasting. Other non-unit sales revenues, all expenses and use of net revenues are presented in a straight line methodology for this comparison.

Management's Discussion and Analysis

Gainesville Regional Utilities Budget to Actual Comparison For the Period Ended June 30, 2019

Management's Discussion and Analysis

We offer readers of GRU's Budget to Actual Comparison this management's discussion and analysis of the budget variances of GRU for the period ended June 30, 2019. It should be read in conjunction with the Budget to Actual Comparison that follows this section.

Budget Highlights

Combined Systems

- The combined systems are projected to contribute \$1.9 million to rate stabilization for the period ended June 30, 2019, including budgeted transfers from rate stabilization of \$7.5 million to date. Total budgeted transfers from rate stabilization for fiscal year 2019 are \$12.2 million. The telecommunications system was scheduled to withdraw \$2.2 million, but they do not have the funds available.

Electric System

- Total sales of electricity in mega-watt hours sold are within .02% of budget as the system experienced lower residential and non-residential sales during winter offset by higher sales during spring. Fuel adjustment revenue and corresponding fuel expenses increased \$6.2 million or 10.8% as natural gas fuel prices were much higher than forecasted. There was also a forced outage at JR Kelly plant which resulted in increased fuel expenses. Fuel revenue is adjusted upward through the fuel levelization balance to offset increased fuel costs. The fuel levelization balance decreased below the targeted amount so an increase to the fuel adjustment rate was made effective May 1st. Fuel revenues match fuel expenses as a pass-through to customers.
- Other electric sales are running slightly below budget by \$2.2 million due to lower South Energy Center (SEC) related revenue as well as street and rental lighting coming in significantly below budget.
- Other revenue is under budget by \$4.7 million due to the movement of revenue collected for the Enterprise Resource Planning (ERP) project, Total Rewards and lower revenue related to SEC chilled water and backup power. The ERP and Total Rewards revenue was moved to a regulatory liability account on the balance sheet until project implementation begins.
- Power production costs are less than expected through June because of lower contract costs related to outage events as well as lower electric expense at the SEC facility. The SEC facility is running the generation engine (7MW) instead of the turbine (4MW). The

Gainesville Regional Utilities Budget to Actual Comparison For the Period Ended June 30, 2019

engine will be run for the foreseeable future until the UF Health campus is further developed increasing the need for additional capacity.

- Transmission and distribution expenses are less than budgeted because tree trimming costs are lower than planned through nine months of the fiscal year as well as deferred ERP related costs already discussed.
- Administrative and general expenses are below budget due to lower electric service costs, lower contract services and lower building maintenance costs. The total rewards pay and compensation study initiated in fiscal year 2017, budgeted for a portion of expected costs at \$420,148 in 2019 but has not been implemented yet.
- Debt service is lower than budget due to the utility closing on its 2019 Series A, B and C bond issue which produced a reduction in FY2019 through FY2025 debt service expenditures.

Water System

- Sales revenue is slightly lower than budget for the period with residential sales below budget and non-residential sales above budget. Rainfall through June was greater than normal by over 5 inches or 17.4%.
- Other revenue is under budget by \$1 million. Primary factors driving this variance are plant connection charges are down \$338,604 and the movement of revenue collected for the ERP project to a regulatory liability account while the project is on hold contributed \$460,493.
- Treatment expenses are lower than budgeted due to deferral of the ERP project already discussed.
- Administrative and general expenses are below budget due to decreased electric service cost, lower contract service cost and lower building maintenance. The total rewards pay and compensation study initiated in fiscal year 2017, budgeted for a portion of expected costs at \$112,726 in 2019 but has not been implemented yet.
- Debt service is lower than budget due to the utility closing on its 2019 Series A, B and C bond issue which produced a reduction in FY2019 through FY2025 debt service expenditures.

Gainesville Regional Utilities Budget to Actual Comparison For the Period Ended June 30, 2019

Wastewater System

- Total sales of services were flat at 0.7% below budget with a decrease in residential services offset by an increase in non-residential services.
- Other revenue is under budget by \$823,574 due to the movement of revenue collected for the ERP project to a regulatory liability account while the project is on hold.
- Treatment expenses are lower than budget by \$1.6 million or 22.1% due to lower electric costs and deferral of the ERP project.
- Administrative and general expenses are below budget due to lower electric service costs, lower contract service cost and lower building maintenance. The total rewards pay and compensation study initiated in fiscal year 2017, budgeted for a portion of expected costs at \$134,549 in 2019 but has not been implemented yet.
- Debt service is lower than budget due to the utility closing on its 2019 Series A, B and C bond issue which produced a reduction in FY2019 through FY2025 debt service expenditures.

Gas System

- Residential gas sales came in lower than budgeted while non-residential sales came in higher. Residential gas therm sales through June were 13.8% lower than budget and non-residential gas therm sales came in 2.1% lower than budget as well. Lower sales were due to a locally mild winter in the second quarter.
- Gas fuel adjustment and purchased gas expense are higher than budget due to higher natural gas costs as a result of extreme weather across the country during the winter months.
- Operation and maintenance expense are lower due to deferred ERP related costs already discussed.
- Administrative and general expenses are below budget due to lower vehicle and transportation expenses, lower electric service cost and lower contract service cost. The total rewards pay and compensation study initiated in fiscal year 2017, budgeted for a portion of expected costs at \$45,050 in 2019 but has not been implemented yet.

**Gainesville Regional Utilities
Budget to Actual Comparison
For the Period Ended June 30, 2019**

- Debt service is lower than budget due to the utility closing on its 2019 Series A, B and C bond issue which produced a reduction in FY2019 through FY2025 debt service expenditures.

Telecommunications System

- Total telecommunication sales of services are slightly down by 1.5% due to a decrease in tower leasing revenue.
- Operation and maintenance expense are lower due to deferred ERP related costs already discussed.
- Debt service is lower than budget due to the utility closing on its 2019 Series A, B and C bond issue which produced a reduction in FY2019 through FY2025 debt service expenditures.

Budget to Actual Statements

**Gainesville Regional Utilities
Combined Utility Systems
Budget to Actual Comparison
For the Period Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over/<Under> Budget</u>	<u>% Variance</u>	<u>FY19 Budget</u>	<u>YTD Actual as % of FY19 Budget</u>
REVENUES:						
Electric system:						
Sales of electricity	\$ 131,085,641	\$ 129,110,434	\$ (1,975,207)	(1.5)	\$ 185,268,657	69.7
Fuel adjustment	57,441,766	63,663,666	6,221,900	10.8	83,811,322	76.0
Sales for resale	2,121,979	3,512,918	1,390,939	65.5	2,906,940	120.8
Transfer from/(to) rate stabilization	2,351,878	2,351,878	-	-	3,135,837	75.0
Other revenue	6,190,342	1,497,487	(4,692,855)	(75.8)	8,253,789	18.1
Other income (expense)	1,407,977	479,430	(928,547)	(65.9)	1,877,303	25.5
Build America Bonds	2,139,036	2,154,789	15,753	0.7	2,852,048	75.6
Total electric system revenues	202,738,619	202,770,602	31,983	0.0	288,105,896	70.4
Water system:						
Sales of water	26,018,249	25,839,086	(179,163)	(0.7)	35,001,771	73.8
Transfer from/(to) rate stabilization	114,093	114,093	-	-	152,124	75.0
Other revenue	2,157,395	1,131,577	(1,025,818)	(47.5)	2,876,527	39.3
Other income (expense)	277,547	(71,264)	(348,811)	(125.7)	370,063	(19.3)
Build America Bonds	604,276	608,726	4,450	0.7	805,701	75.6
Total water system revenues	29,171,560	27,622,218	(1,549,342)	(5.3)	39,206,186	70.5
Wastewater system:						
Sales of wastewater	30,379,737	30,177,848	(201,889)	(0.7)	40,436,149	74.6
Transfer from/(to) rate stabilization	1,191,062	1,191,062	-	-	1,588,082	75.0
Other revenue	2,934,163	2,110,589	(823,574)	(28.1)	3,912,217	53.9
Other income (expense)	322,969	(145,598)	(468,567)	(145.1)	430,625	(33.8)
Build America Bonds	688,937	694,011	5,074	0.7	918,583	75.6
Total wastewater system revenues	35,516,868	34,027,912	(1,488,956)	(4.2)	47,285,656	72.0
Gas system:						
Sales of gas	12,638,675	12,320,419	(318,256)	(2.5)	15,690,844	78.5
Fuel adjustment	6,957,942	7,032,308	74,366	1.1	8,449,129	83.2
Transfer from/(to) rate stabilization	3,834,118	3,834,118	-	-	5,112,157	75.0
Other revenue	1,318,657	(135,887)	(1,454,544)	(110.3)	1,758,209	(7.7)
Other income (expense)	206,094	50,444	(155,650)	(75.5)	274,792	18.4
Build America Bonds	448,137	451,437	3,300	0.7	597,516	75.6
Total gas system revenues	25,403,623	23,552,839	(1,850,784)	(7.3)	31,882,647	73.9
Telecommunications system:						
Sales of services	8,415,152	8,289,744	(125,408)	(1.5)	11,220,202	73.9
Transfer from/(to) rate stabilization	1,669,972	-	(1,669,972)	(100.0)	2,226,629	-
Other revenue	134,509	(163,276)	(297,785)	(221.4)	179,345	(91.0)
Other income (expense)	(15,178)	(44,002)	(28,824)	189.9	(20,237)	217.4
Total telecommunications system revenues	10,204,455	8,082,466	(2,121,989)	(20.8)	13,605,939	59.4
TOTAL REVENUES	303,035,125	296,056,037	(6,979,088)	(2.3)	420,086,324	70.5

**Gainesville Regional Utilities
Combined Utility Systems
Budget to Actual Comparison
For the Period Ended June 30, 2019**

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	Budget	Actual	Actual Over/<Under> Budget	% Variance	FY19 Budget	YTD Actual as % of FY19 Budget
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:						
Electric system:						
Fuel expenses	57,441,766	63,663,666	6,221,900	10.8	83,811,322	76.0
Operation and maintenance	52,587,228	50,215,880	(2,371,348)	(4.5)	70,116,304	71.6
Administrative and general	16,487,737	10,020,186	(6,467,551)	(39.2)	21,983,649	45.6
Total Electric System Expenses	126,516,731	123,899,732	(2,616,999)	(2.1)	175,911,275	70.4
Water system:						
Operation and maintenance	9,832,289	8,754,963	(1,077,326)	(11.0)	13,109,719	66.8
Administrative and general	4,947,943	3,325,342	(1,622,631)	(32.8)	6,597,297	50.4
Total Water System Expenses	14,780,262	12,080,305	(2,699,957)	(18.3)	19,707,016	61.3
Wastewater system:						
Operation and maintenance	13,015,085	11,373,286	(1,641,799)	(12.6)	17,353,446	65.5
Administrative and general	4,714,642	3,582,232	(1,132,410)	(24.0)	6,286,189	57.0
Total Wastewater System Expenses	17,729,727	14,955,518	(2,774,209)	(15.6)	23,639,635	63.3
Gas system:						
Fuel expense and purchased gas	6,957,942	7,032,308	74,366	1.1	8,449,129	83.2
Operation and maintenance	2,443,187	2,168,235	(274,952)	(11.3)	3,257,583	66.6
Administrative and general	2,840,485	1,689,880	(1,150,605)	(40.5)	3,787,313	44.6
Total Gas System Expenses	12,241,614	10,890,423	(1,351,191)	(11.0)	15,494,025	70.3
Telecommunications system:						
Operation and maintenance	4,980,546	4,526,493	(454,053)	(9.1)	6,640,728	68.2
Administrative and general	757,765	633,745	(124,020)	(16.4)	1,010,353	62.7
Total Telecommunications System Expenses	5,738,311	5,160,238	(578,073)	(10.1)	7,651,081	67.4
TOTAL EXPENSES	177,006,645	166,986,216	(10,020,429)	(5.7)	242,403,032	68.9
NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION:						
Total electric system	76,221,888	78,870,870	2,648,982	3.5	112,194,621	70.3
Total water system	14,391,298	15,541,913	1,150,615	8.0	19,499,170	79.7
Total wastewater system	17,787,141	19,072,394	1,285,253	7.2	23,646,021	80.7
Total gas system	13,162,009	12,662,416	(499,593)	(3.8)	16,388,622	77.3
Total telecommunications system	4,466,144	2,922,228	(1,543,916)	(34.6)	5,954,858	49.1
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	126,028,480	129,069,821	3,041,341	2.4	177,683,292	72.6
LESS:						
Debt service	73,585,413	67,469,666	(6,115,747)	(8.3)	98,113,882	68.8
UPIF contributions	30,963,307	30,963,307	-	-	41,284,410	75.0
Transfer to City of Gainesville General Fund	28,713,750	28,713,750	-	-	38,285,000	75.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ (7,233,990)	\$ 1,923,098	\$ 9,157,088	(126.6)	\$ -	-

Gainesville Regional Utilities
Electric Utility System
Budget to Actual Comparison
For the Period Ended June 30, 2019

	Budget	Actual	Actual Over/<Under> Budget	% Variance	FY19 Budget	YTD Actual as % of FY19 Budget
REVENUES:						
Residential	\$ 49,869,720	\$ 50,093,431	\$ 223,711	0.4	\$ 72,763,208	68.8
Non-residential	61,333,264	61,127,979	(205,285)	(0.3)	85,714,854	71.3
Fuel adjustment	57,441,766	63,663,666	6,221,900	10.8	83,811,322	76.0
Sales for resale	2,121,979	3,512,918	1,390,939	65.5	2,906,940	120.8
Utility surcharge	2,986,247	3,163,490	177,243	5.9	4,262,049	74.2
Other electric sales	16,896,410	14,725,534	(2,170,876)	(12.8)	22,528,546	65.4
Total Sales of Electricity	190,649,386	196,287,018	5,637,632	3.0	271,986,919	72.2
Transfer from/(to) rate stabilization	2,351,878	2,351,878	-	-	3,135,837	75.0
Other revenue	6,190,342	1,497,487	(4,692,855)	(75.8)	8,253,789	18.1
Other income (expense)	1,407,977	479,430	(928,547)	(65.9)	1,877,303	25.5
Build America Bonds	2,139,036	2,154,789	15,753	0.7	2,852,048	75.6
Total Revenues	202,738,619	202,770,602	31,983	0.0	288,105,896	70.4
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:						
Fuel expenses	57,441,766	63,663,666	6,221,900	10.8	83,811,322	76.0
Power production	35,567,738	33,724,386	(1,843,352)	(5.2)	47,423,651	71.1
Transmission and distribution	17,019,490	16,491,494	(527,996)	(3.1)	22,692,653	72.7
Administrative and general	16,487,737	10,020,186	(6,467,551)	(39.2)	21,983,649	45.6
Total Operation, Maintenance and Administrative Expenses	126,516,731	123,899,732	(2,616,999)	(2.1)	175,911,275	70.4
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	76,221,888	78,870,870	2,648,982	3.5	112,194,621	70.30
LESS:						
Debt service	55,056,068	51,750,290	(3,305,778)	(6.0)	73,408,090	70.5
UPIF contributions	17,152,997	17,152,997	-	-	22,870,664	75.0
Transfer to City of Gainesville General Fund	11,936,901	11,936,901	-	-	15,915,867	75.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ (7,924,078)	\$ (1,969,318)	\$ 5,954,760	(75.1)	\$ -	-

**Gainesville Regional Utilities
Water Utility System
Budget to Actual Comparison
For the Period Ended June 30, 2019**

	Budget	Actual	Actual Over/<Under> Budget	% Variance	FY19 Budget	YTD Actual as % of FY19 Budget
REVENUES:						
Residential	\$ 16,403,486	\$ 15,805,431	\$ (598,055)	(3.6)	\$ 21,967,386	71.9
Non-residential	7,723,699	8,135,334	411,635	5.3	10,496,010	77.5
Utility surcharge	1,891,064	1,898,321	7,257	0.4	2,538,375	74.8
Total Sales of Water	26,018,249	25,839,086	(179,163)	(0.7)	35,001,771	73.8
Transfer from/(to) rate stabilization	114,093	114,093	-	-	152,124	75.0
Other revenue	2,157,395	1,131,577	(1,025,818)	(47.5)	2,876,527	39.3
Other income (expense)	277,547	(71,264)	(348,811)	(125.7)	370,063	(19.3)
Build America Bonds	604,276	608,726	4,450	0.7	805,701	75.6
Total Revenues	29,171,560	27,622,218	(1,549,342)	(5.3)	39,206,186	70.5
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:						
Transmission and distribution	3,753,672	3,267,922	(485,750)	(12.9)	5,004,896	65.3
Treatment	6,078,617	5,487,041	(591,576)	(9.7)	8,104,823	67.7
Administrative and general	4,947,973	3,325,342	(1,622,631)	(32.8)	6,597,297	50.4
Total Operation, Maintenance and Administrative Expenses	14,780,262	12,080,305	(2,699,957)	(18.3)	19,707,016	61.3
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	14,391,298	15,541,913	1,150,615	8.0	19,499,170	79.7
LESS:						
Debt service	5,511,155	5,051,475	(459,680)	(8.3)	7,348,207	68.7
UPIF contributions	5,096,168	5,096,168	-	-	6,794,891	75.0
Transfer to City of Gainesville General Fund	4,017,054	4,017,054	-	-	5,356,072	75.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ (233,079)	\$ 1,377,216	\$ 1,610,295	(690.9)	\$ -	-

**Gainesville Regional Utilities
Wastewater Utility System
Budget to Actual Comparison
For the Period Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over/<Under> Budget</u>	<u>% Variance</u>	<u>FY19 Budget</u>	<u>YTD Actual as % of FY19 Budget</u>
REVENUES:						
Residential	\$ 20,736,321	\$ 19,965,467	\$ (770,854)	(3.7)	\$ 27,458,416	72.7
Non-residential	7,492,410	8,054,277	561,867	7.5	10,114,764	79.6
Utility surcharge	2,151,006	2,158,104	7,098	0.3	2,862,969	75.4
Total Sales of Services	<u>30,379,737</u>	<u>30,177,848</u>	<u>(201,889)</u>	<u>(0.7)</u>	<u>40,436,149</u>	<u>74.6</u>
Transfer from/(to) rate stabilization	1,191,062	1,191,062	-	-	1,588,082	75.0
Other revenue	2,934,163	2,110,589	(823,574)	(28.1)	3,912,217	53.9
Other income (expense)	322,969	(145,598)	(468,567)	(145.1)	430,625	(33.8)
Build America Bonds	688,937	694,011	5,074	0.7	918,583	75.6
Total Revenues	<u>35,516,868</u>	<u>34,027,912</u>	<u>(1,488,956)</u>	<u>(4.2)</u>	<u>47,285,656</u>	<u>72.0</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:						
Collection	5,789,846	5,745,507	(44,339)	(0.8)	7,719,794	74.4
Treatment	7,225,239	5,627,779	(1,597,460)	(22.1)	9,633,652	58.4
Administrative and general	4,714,642	3,582,232	(1,132,410)	(24.0)	6,286,189	57.0
Total Operation, Maintenance and Administrative Expenses	<u>17,729,727</u>	<u>14,955,518</u>	<u>(2,774,209)</u>	<u>(15.6)</u>	<u>23,639,635</u>	<u>63.3</u>
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>17,787,141</u>	<u>19,072,394</u>	<u>1,285,253</u>	<u>7.2</u>	<u>23,646,021</u>	<u>80.7</u>
LESS:						
Debt service	6,739,750	5,866,632	(873,118)	(13.0)	8,986,333	65.3
UPIF contributions	6,599,262	6,599,262	-	-	8,799,016	75.0
Transfer to City of Gainesville General Fund	4,395,504	4,395,504	-	-	5,860,672	75.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ 52,625</u>	<u>\$ 2,210,996</u>	<u>\$ 2,158,371</u>	<u>4,101.4</u>	<u>\$ -</u>	<u>-</u>

**Gainesville Regional Utilities
Gas Utility System
Budget to Actual Comparison
For the Period Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over/<Under> Budget</u>	<u>% Variance</u>	<u>FY19 Budget</u>	<u>YTD Actual as % of FY19 Budget</u>
REVENUES:						
Residential	\$ 7,228,581	\$ 6,618,232	\$ (610,349)	(8.4)	\$ 8,777,770	75.4
Non-residential	4,079,780	4,226,368	146,588	3.6	5,180,805	81.6
Fuel adjustment	6,957,942	7,032,308	74,366	1.1	8,449,129	83.2
Utility surcharge	401,910	432,541	30,631	7.6	494,397	87.5
Other gas sales	928,404	1,043,278	114,874	12.4	1,237,872	84.3
Total Sales of Gas	19,596,617	19,352,727	(243,890)	(1.2)	24,139,973	80.2
Transfer from/(to) rate stabilization	3,834,118	3,834,118	-	-	5,112,157	75.0
Other revenue	1,318,657	(135,887)	(1,454,544)	(110.3)	1,758,209	(7.7)
Other income (expense)	206,094	50,444	(155,650)	(75.5)	274,792	18.4
Build America Bonds	448,137	451,437	3,300	0.7	597,516	75.6
Total Revenues	25,403,623	23,552,839	(1,850,784)	(7.3)	31,882,647	73.9
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:						
Fuel expense - purchased gas	6,957,942	7,032,308	74,366	1.1	8,449,129	83.2
Operation and maintenance	2,443,187	2,168,235	(274,952)	(11.3)	3,257,583	66.6
Administrative and general	2,840,485	1,689,880	(1,150,605)	(40.5)	3,787,313	44.6
Total Operation, Maintenance and Administrative Expenses	12,241,614	10,890,423	(1,351,191)	(11.0)	15,494,025	70.3
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	13,162,009	12,662,416	(499,593)	(3.8)	16,388,622	77.3
LESS:						
Debt service	3,046,707	2,854,513	(192,194)	(6.3)	4,062,275	70.3
UPIF contributions	1,770,595	1,770,595	-	-	2,360,793	75.0
Transfer to City of Gainesville General Fund	7,474,165	7,474,165	-	-	9,965,554	75.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ 870,542	\$ 563,143	\$ (307,399)	(35.3)	\$ -	-

**Gainesville Regional Utilities
Telecommunications Utility System
Budget to Actual Comparison
For the Period Ended June 30, 2019**

	Budget	Actual	Actual Over/<Under> Budget	% Variance	FY19 Budget	YTD Actual as % of FY19 Budget
REVENUES:						
Telecommunications	\$ 5,800,169	\$ 5,756,600	\$ (43,569)	(0.8)	\$ 7,733,558	74.4
Trunking radio	1,289,214	1,276,015	(13,199)	(1.0)	1,718,952	74.2
Tower leasing	1,325,769	1,257,129	(68,640)	(5.2)	1,767,692	71.1
Total Sales of Services	8,415,152	8,289,744	(125,408)	(1.5)	11,220,202	73.9
Transfer from/(to) rate stabilization	1,669,972	-	(1,669,972)	(100.0)	2,226,629	-
Other revenue	134,509	(163,276)	(297,785)	(221.4)	179,345	(91.0)
Other income (expense)	(15,178)	(44,002)	(28,824)	189.9	(20,237)	217.4
Total Revenues	10,204,455	8,082,466	(2,121,989)	(20.8)	13,605,939	59.4
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:						
Operation and maintenance	4,980,546	4,526,493	(454,053)	(9.1)	6,640,728	68.2
Administrative and general	757,765	633,745	(124,020)	(16.4)	1,010,353	62.7
Total Operation, Maintenance and Administrative Expenses	5,738,311	5,160,238	(578,073)	(10.1)	7,651,081	67.4
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	4,466,144	2,922,228	(1,543,916)	(34.6)	5,954,858	49.1
LESS:						
Debt service	3,231,733	1,946,756	(1,284,977)	(39.8)	4,308,977	45.2
UPIF contributions	344,285	344,285	-	-	459,046	75.0
Transfer to City of Gainesville General Fund	890,126	890,126	-	-	1,186,835	75.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ -	\$ (258,939)	\$ (258,939)	-	\$ -	-