

Gainesville Regional Utilities
Combined Utilities Funds
Budget to Actual Comparison
For the Year Ended September 30, 2016

	<u>September 30, 2016</u>	<u>FY 16 Budget</u>	<u>Var. Actual to Budget</u>	<u>Current Year as % of FY 16 Budget</u>
REVENUES:				
Sales of electricity	\$ 128,083,733	\$ 130,258,584	\$ (2,174,851)	98.3
Sales for resale	3,901,063	-	3,901,063	-
Fuel adjustment	155,825,143	158,305,701	(2,480,558)	98.4
Other revenues	14,622,917	14,874,535	(251,618)	98.3
Transfer from/(to) rate stabilization	1,324,786	(2,785,973)	4,110,759	(47.6)
Interest income	1,338,385	973,365	365,020	137.5
Build America Bonds interest income	2,975,136	2,914,575	60,561	102.1
Total Electric System Revenues	308,071,163	304,540,787	3,530,376	101.2
 Sales of water	 33,048,658	 32,193,750	 854,908	 102.7
Other revenues	3,062,392	1,957,457	1,104,935	156.4
Transfer from/(to) rate stabilization	(3,264,403)	(1,182,023)	(2,082,380)	276.2
Interest income	137,904	65,101	72,803	211.8
Build America Bonds interest income	833,766	816,794	16,972	102.1
Total Water System Revenues	33,818,317	33,851,079	(32,762)	99.9
 Sales of wastewater services	 38,220,254	 39,517,503	 (1,297,249)	 96.7
Other revenues	5,111,199	2,046,727	3,064,472	249.7
Transfer from/(to) rate stabilization	(2,117,697)	(688,436)	(1,429,261)	307.6
Interest income	191,823	157,558	34,265	121.7
Build America Bonds interest income	940,799	921,648	19,151	102.1
Total Wastewater System Revenues	42,346,378	41,955,000	391,378	100.9
 Sales of gas	 13,564,930	 13,692,278	 (127,348)	 99.1
Purchased gas adjustment	6,751,817	8,407,472	(1,655,655)	80.3
Other revenues	1,209,642	995,597	214,045	121.5
Transfer from/(to) rate stabilization	2,005,691	784,319	1,221,372	255.7
Interest income	170,119	90,255	79,864	188.5
Build America Bonds interest income	622,829	610,151	12,678	102.1
Total Gas System Revenues	24,325,028	24,580,072	(255,044)	99.0
 Sales of telecommunication services	 11,684,200	 11,080,734	 603,466	 105.4
Other revenues	1,294	-	1,294	-
Transfer from/(to) rate stabilization	(7,402)	(952,193)	944,791	0.8
Interest income	66,392	34,024	32,368	195.1
Total Telecommunications System Revenues	11,744,484	10,162,565	1,581,919	115.6
 TOTAL REVENUES	 420,305,370	 415,089,503	 5,215,867	 101.3

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Combined Utilities Funds
Budget to Actual Comparison
For the Year Ended September 30, 2016

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	<u>September 30, 2016</u>	<u>FY 16 Budget</u>	<u>Var. Actual to Budget</u>	<u>Current Year as % of FY 16 Budget</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Electric System:				
Fuel Expense:				
Fuel and Purchased Power	155,825,143	158,305,701	2,480,558	98.4
Interchange	244,963	-	(244,963)	-
Total Fuel Expenses	156,070,106	158,305,701	2,235,595	98.6
Operation and Maintenance	42,020,231	39,630,982	(2,389,249)	106.0
Administrative and General	27,200,222	23,872,226	(3,327,996)	113.9
Total Electric System Expenses	225,290,559	221,808,909	(3,481,650)	101.6
Water System:				
Operation and Maintenance	7,985,190	8,680,169	694,979	92.0
Administrative and General	6,841,967	5,932,888	(909,079)	115.3
Total Water System Expenses	14,827,157	14,613,057	(214,100)	101.5
Wastewater System:				
Operation and Maintenance	10,939,007	10,480,793	(458,214)	104.4
Administrative and General	6,449,144	6,231,510	(217,634)	103.5
Total Wastewater System Expenses	17,388,151	16,712,303	(675,848)	104.0
Gas System:				
Fuel Expense - Purchased Gas	6,751,817	8,407,472	1,655,655	80.3
Operation and Maintenance	2,058,670	1,826,697	(231,973)	112.7
Administrative and General	5,766,555	4,590,897	(1,175,658)	125.6
Total Gas System Expenses	14,577,042	14,825,066	248,024	98.3
Telecommunications System:				
Operation and Maintenance	4,301,929	3,623,175	(678,754)	118.7
Administrative and General	3,120,361	2,653,884	(466,477)	117.6
Total Telecommunications System Expenses	7,422,290	6,277,059	(1,145,231)	118.2
TOTAL EXPENSES	279,505,199	274,236,394	(5,268,805)	101.9
NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION:				
Total Electric System	82,780,604	82,731,878	48,726	100.1
Total Water System	18,991,160	19,238,022	(246,862)	98.7
Total Wastewater System	24,958,227	25,242,697	(284,470)	98.9
Total Gas System	9,747,986	9,755,006	(7,020)	99.9
Total Telecommunications System	4,322,194	3,885,506	436,688	111.2
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	140,800,171	140,853,109	(52,938)	100.0
LESS:				
Debt Service	62,027,441	61,618,910	(408,531)	100.7
Debt Service - UPIF	-	-	-	-
UPIF Contributions	43,778,139	43,778,139	-	100.0
Transfer to General Government	34,994,591	35,456,060	461,469	98.7
Working Capital Reserve	-	-	-	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ -	\$ -	\$ -	-

Gainesville Regional Utilities
Electric Revenue Fund
Budget to Actual Comparison
For the Year Ended September 30, 2016

	September 30, 2016	FY 16 Budget	Var. Actual to Budget	Current Year as % of FY 16 Budget
REVENUES:				
Residential	\$ 48,414,299	\$ 46,633,127	\$ 1,781,172	103.8
Non-residential	60,244,513	60,636,200	(391,687)	99.4
Fuel Adjustment	155,825,143	158,305,701	(2,480,558)	98.4
Sales for resale	3,901,063	-	3,901,063	-
Utility Surcharge	3,049,201	3,010,596	38,605	101.3
Other Electric Sales	16,375,720	19,978,661	(3,602,941)	82.0
Total Sales of Electricity	287,809,939	288,564,285	(754,346)	99.7
Other Revenues	14,622,917	14,874,535	(251,618)	98.3
Transfer from/(to) rate stabilization	1,324,786	(2,785,973)	4,110,759	(47.6)
Interest Income	1,338,385	973,365	365,020	137.5
Build America Bonds Interest Income	2,975,136	2,914,575	60,561	102.1
Total Revenues	308,071,163	304,540,787	3,530,376	101.2
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Fuel Expenses:				
Fuel and Purchased Power	155,825,143	158,305,701	2,480,558	98.4
Interchange	244,963	-	(244,963)	-
Total Fuel Expenses	156,070,106	158,305,701	2,235,595	98.6
Steam Power Generation Expense	25,525,283	26,186,982	661,699	97.5
Other Power Generation Expense	1,005,251	341,428	(663,823)	294.4
System Control & Load Dispatching	1,192,907	1,471,737	278,830	81.1
Total Power Production Expenses	27,723,441	28,000,147	276,706	99.0
Transmission & Distribution Expenses:				
Transmission Expenses	1,735,154	1,636,582	(98,572)	106.0
Distribution Expenses	12,561,636	9,994,253	(2,567,383)	125.7
Total Transmission & Distribution Expenses	14,296,790	11,630,835	(2,665,955)	122.9
Administrative & General Expenses:				
Customer Accounts & Sales Expense	3,855,335	6,109,886	2,254,551	63.1
Administrative & General Expense	23,344,887	17,762,340	(5,582,547)	131.4
Total Administrative & General Expenses	27,200,222	23,872,226	(3,327,996)	113.9
Total Operation, Maintenance and Administrative Expenses	225,290,559	221,808,909	(3,481,650)	101.6
TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION	82,780,604	82,731,878	48,726	100.06
LESS:				
Debt Service	38,623,885	38,319,044	(304,841)	100.8
Debt Service - UPIF	-	-	-	-
UPIF Contributions	24,734,721	24,734,721	-	100.0
Transfer to City of Gainesville General Fund	19,421,998	19,678,113	256,115	98.7
Working Capital Reserve	-	-	-	-
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ -	\$ -	\$ -	-

Gainesville Regional Utilities
Water Revenue Fund
Budget to Actual Comparison
For the Year Ended September 30, 2016

	September 30, 2016	FY 16 Budget	Var. Actual to Budget	Current Year as % of FY 16 Budget
REVENUES:				
Residential	\$ 20,391,611	\$ 19,938,835	\$ 452,776	102.3
Non-residential	8,385,314	8,102,726	282,588	103.5
University of Florida	1,891,566	1,791,331	100,235	105.6
Utility Surcharge	2,380,167	2,360,858	19,309	100.8
Total Sales of Water	33,048,658	32,193,750	854,908	102.7
Other Revenues	3,062,392	1,957,457	1,104,935	156.4
Transfer from/(to) rate stabilization	(3,264,403)	(1,182,023)	(2,082,380)	276.2
Interest Income	137,904	65,101	72,803	211.8
Build America Bonds interest income	833,766	816,794	16,972	102.1
Total Revenues	33,818,317	33,851,079	(32,762)	99.9
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Pumping and water treatment	5,472,920	6,122,996	650,076	89.4
Transmission and Distribution	2,512,270	2,557,173	44,903	98.2
Customer Accounts and Sales	1,469,645	1,454,396	(15,249)	101.0
Administrative and General	5,372,322	4,478,492	(893,830)	120.0
Total Operation, Maintenance and Administrative Expenses	14,827,157	14,613,057	(214,100)	101.5
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	18,991,160	19,238,022	(246,862)	98.7
LESS:				
Debt Service	6,555,120	6,727,109	171,989	97.4
Debt Service - UPIF	-	-	-	-
UPIF Contributions	6,758,167	6,758,167	-	100.0
Transfer to City of Gainesville General Fund	5,677,873	5,752,746	74,873	98.7
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ -	\$ -	\$ -	-

**Gainesville Regional Utilities
Wastewater Revenue Fund
Budget to Actual Comparison
For the Year Ended September 30, 2016**

	September 30, 2016	FY 16 Budget	Var. Actual to Budget	Current Year as % of FY 16 Budget
REVENUES:				
Residential	\$ 26,062,781	\$ 26,884,337	\$ (821,556)	96.9
Non-residential	9,514,192	9,516,035	(1,843)	100.0
Utility Surcharge	2,643,281	2,725,361	(82,080)	97.0
Other wastewater sales	-	391,770	(391,770)	-
Total Sales of Wastewater	38,220,254	39,517,503	(1,297,249)	96.7
Other Revenues	5,111,199	2,046,727	3,064,472	249.7
Transfer from/(to) rate stabilization	(2,117,697)	(688,436)	(1,429,261)	307.6
Interest Income	191,823	157,558	34,265	121.7
Build America Bonds interest income	940,799	921,648	19,151	102.1
Total Revenue	42,346,378	41,955,000	391,378	100.9
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Collection	3,669,178	3,722,341	53,163	98.6
Treatment	7,269,829	6,758,452	(511,377)	107.6
Customer Accounts and Sales	1,172,851	1,083,136	(89,715)	108.3
Administrative and General	5,276,293	5,148,374	(127,919)	102.5
Total Operation, Maintenance and Administrative Expenses	17,388,151	16,712,303	(675,848)	104.0
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	24,958,227	25,242,697	(284,470)	98.9
LESS:				
Debt Service	8,123,577	8,309,177	185,600	97.8
Debt Service - UPIF	-	-	-	-
UPIF Contributions	9,337,059	9,337,059	-	100.0
Transfer to City of Gainesville General Fund	7,497,591	7,596,461	98,870	98.7
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ -	\$ -	\$ -	-

Gainesville Regional Utilities
Gas Revenue Fund
Budget to Actual Comparison
For the Year Ended September 30, 2016

	September 30, 2016	FY 16 Budget	Var. Actual to Budget	Current Year as % of FY 16 Budget
REVENUES:				
Residential	\$ 7,142,586	\$ 7,415,675	\$ (273,089)	96.3
Non-residential	4,753,630	4,570,893	182,737	104.0
Purchased Gas Adjustment	6,751,817	8,407,472	(1,655,655)	80.3
Utility Surcharge	456,550	471,177	(14,627)	96.9
Other Gas Sales	1,212,164	1,234,533	(22,369)	98.2
Total Sales of Gas	20,316,747	22,099,750	(1,783,003)	91.9
Other Revenues	1,209,642	995,597	214,045	121.5
Transfer from/(to) rate stabilization	2,005,691	784,319	1,221,372	255.7
Interest Income	170,119	90,255	79,864	188.5
Build America Bonds interest income	622,829	610,151	12,678	102.1
Total Revenues	24,325,028	24,580,072	(255,044)	99.0
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Fuel Expense - Purchased Gas	6,751,817	8,407,472	1,655,655	80.3
Operation and Maintenance	2,058,670	1,826,697	(231,973)	112.7
Customer Accounts and Sales	2,213,963	2,415,014	201,051	91.7
Administrative and General	3,552,592	2,175,883	(1,376,709)	163.3
Total Operation, Maintenance and Administrative Expenses	14,577,042	14,825,066	248,024	98.3
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	9,747,986	9,755,006	(7,020)	99.9
LESS:				
Debt Service	4,526,353	4,501,762	(24,591)	100.5
Debt Service - UPIF	-	-	-	-
UPIF Contributions	2,824,504	2,824,504	-	100.0
Transfer to City of Gainesville General Fund	2,397,129	2,428,740	31,611	98.7
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	\$ -	\$ -	\$ -	-

Gainesville Regional Utilities
Telecommunications Revenue Fund
Budget to Actual Comparison
For the Year Ended September 30, 2016

	<u>September 30, 2016</u>	<u>FY 16 Budget</u>	<u>Var. Actual to Budget</u>	<u>Current Year as % of FY 16 Budget</u>
REVENUES:				
Telecommunication	\$ 4,598,731	\$ 5,322,252	\$ (723,521)	86.4
Trunking radio	1,733,641	1,801,655	(68,014)	96.2
Tower Lease	3,179,963	1,731,236	1,448,727	183.7
Internet Access	2,171,865	2,225,591	(53,726)	97.6
Total Sales of Services	<u>11,684,200</u>	<u>11,080,734</u>	<u>603,466</u>	<u>105.4</u>
Other Revenues	1,294	-	1,294	-
Transfer from/(to) rate stabilization	(7,402)	(952,193)	944,791	0.8
Interest Income	66,392	34,024	32,368	195.1
Total Revenues	<u>11,744,484</u>	<u>10,162,565</u>	<u>1,581,919</u>	<u>115.6</u>
OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:				
Operation and Maintenance	4,301,929	3,623,175	(678,754)	118.7
Customer Accounts and Sales	197,662	219,246	21,584	90.2
Administrative and General	2,922,699	2,434,638	(488,061)	120.0
Total Operation, Maintenance and Administrative Expenses	<u>7,422,290</u>	<u>6,277,059</u>	<u>(1,145,231)</u>	<u>118.2</u>
TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION	<u>4,322,194</u>	<u>3,885,506</u>	<u>436,688</u>	<u>111.2</u>
LESS:				
Debt Service	4,198,506	3,761,818	(436,688)	111.6
Debt Service - UPIF	-	-	-	-
UPIF (Withdrawal) Contributions	123,688	123,688	-	100.0
NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

Gainesville Regional Utilities
Budget to Actual Comparison
For the Year Ended September 30, 2016

We offer readers this analysis of the budget to actual activities of GRU for the year ended September 30, 2016.

Financial Highlights

Electric System

- Residential sales were favorable versus budget due to higher than planned MWh sold for fiscal year 2016.
- Non-residential sales came in slightly less than planned after recovering sales from warmer than average temperatures in the last quarter.
- Fuel adjustment revenue is lower than budgeted due to less expensive natural gas and more purchased power used in place of GREC.
- Sales for resale were favorable for the year mainly due to a reclass of sales from the City of Alachua being moved from other electric sales to sales for resale.
- Other revenues were unfavorable to budget mainly due to a reclass of sales from the City of Alachua being moved from other electric sales to sales for resale.
- Fuel and purchased power expenses were lower than budgeted due to lower customer counts and lower than planned fuel costs as GREC has been idled in favor of less expensive natural gas.
- Steam power generation expense was favorable to budget due to lower than planned costs to DH2 plant.
- Other power generation expense was unfavorable to budget due to unplanned outage to DH1. DH1 incurred boiler tube leaks resulting in higher contract services, materials and supplies and replacement parts.
- System control & load dispatching had a favorable comparison to budget due to \$159,000 lower software maintenance expense and lower contract service expense in System Control.
- Distribution expense was unfavorable to budget due to increased labor costs hitting this line item for electric system from Field Services being offset by a favorable labor saving in customer accounts & sales expense. An adjustment for construction work in process reversal correcting labor for the level of capital activity is also a significant factor.
- Customer accounts and sales expense was favorable to budget due to a decrease in labor being charged by Field Services which is now charging to distribution expense. Additionally, uncollectable sales were budgeted as an offset to revenues but are now hitting customer accounts and sales expense.

**Gainesville Regional Utilities
Budget to Actual Comparison
For the Year Ended September 30, 2016**

- Administrative and general expenses were unfavorable to budget mainly due to unplanned capital charges charged to operational and maintenance due to lower than budgeted capital expenditures, SAP financial management system reimplementation and increased GREC arbitration costs.

Water System

- Total water sales ended the year favorable to budget due to strong sales in the fourth quarter. Area rainfall was 5 inches short of normal during the last quarter.
- Other revenues ended up very favorable to budget due to much higher than planned connection charges and other customer charges by over \$1 million.
- Pumping and water treatment expenses ended up favorable with a higher vacancy rate than budgeted resulting in lower labor expenses. Also contributing to the favorable variance were lower electricity charges for the treatment of water.
- Administrative and general expenses ended the year unfavorable to budget due to unplanned charges from construction work in process written off to operational and maintenance and SAP financial management system reimplementation.

Wastewater System

- Total revenues came in about 3% below budgeted for the year as billed kgals were not as high as planned. Wastewater revenues tend to track closely with water revenues, however, heavier irrigation usage is not billed as wastewater.
- Other revenues were very favorable to budget due to much higher than planned connection and other customer charges by over \$3 million.
- Treatment expenses were unfavorable at year end due to unplanned capital adjustments charged to O&M.
- Administrative and general expenses were unfavorable to budget due to unplanned expenses from construction work in process written off to operational and maintenance and SAP financial management system reimplementation.

**Gainesville Regional Utilities
Budget to Actual Comparison
For the Year Ended September 30, 2016**

Gas System

- Total gas sales for residential were unfavorable to budget. Both customer counts and therms sold are below what was forecast for the fiscal year. Heating degree days were 25% lower than average.
- PGA revenues were directly associated with PGA expenses as a pass-thru to the customer. Lower than budgeted gas prices and unit sales produced an unfavorable variance to budget for the year.
- Purchased gas expenses are directly associated with PGA revenues as a pass-thru to the customer. Lower than budgeted gas prices and unit sales produced an unfavorable variance to budget for the year.
- Operational and maintenance expenses were unfavorable for the year due to greater personnel costs being expensed due to lower capital spending.
- Customer accounts and sales were favorable to budget primarily due to greater vacancy rates than planned and lower gas rebate spending.
- Administrative and general expenses were unfavorable to budget due to unplanned charges from construction work in process written off to operational and maintenance and SAP financial management system reimplementation.

Telecommunications (GRUCom) System

- Total sales of services were up overall primarily due to increased tower lease revenue.
- Operation and maintenance expenses were unfavorable to budget due to changes in labor profiles to GRUCom staff. Less labor is being allocated to CWIP as they have less capital spending to support the large portion of labor budgeted as capital.
- Administrative and general expenses were unfavorable to budget due to unplanned charges from construction work in process written off to operation and maintenance and SAP financial management system reimplementation.