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Gainesville Regional Utilities
Quarterly Financial Statements
Quarter Ending March 31, 2005

Contents

Management Overview and Analysis

Overview and Basis of Accounting 1
Current Year Performance-to-date and Projected Results 2
Hurricane –Related Costs 5

Financial Statements

Statement of Operating Income 6
Balance Sheet Explanations 13
Balance Sheet 14

Supplemental Data

Electrical Rate Comparison and Fuel Mix Ratios 15

Definitions and Supplemental Information

Glossary of Terms 17

Management Overview and Analysis

Overview

The City of Gainesville, Florida owns and operates a combined utility system doing business as Gainesville Regional Utilities (GRU) which provides five separate utility functions. The utility functions consist of an electric generation, transmission and distribution system (Electric System), water production and distribution system (Water System), wastewater collection and treatment systems (Wastewater System), natural gas distribution system (Gas System) and a telecommunication system (GRUcom). Each of these systems is accounted for internally as a separate enterprise fund but reported as a combined utility system for external financial reporting purposes.

We offer readers of this management discussion and analysis of the utility system's financial statements for the quarter ending March 31, 2005. It should be read in conjunction with the financial statements that follow this section.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting, under Generally Accepted Accounting Principles (GAAP). Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred. Additionally, separate financial statements are presented in accordance with the amended and restated Utilities System Revenue Bond Resolution (Bond Resolution). In the Bond Resolution statements, rates are designed to cover operating and maintenance expense, debt service and other uses, which exclude depreciation expense and other non-cash expense items.

The Bond Resolution financial statement method of reporting results in costs being included in the determination of rates in different periods than when these costs are recognized for GAAP financial statement purposes.

Gainesville Regional Utilities has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners (NARUC).

Current Year Performance-to-Date and Projected Results

Electric

Residential and General Service sales revenues were 3.1% and 2.5% below budget through the second quarter respectively. This is primarily attributable to milder than normal winter weather conditions. Large power sales revenues were 3.3% above budget. This is the result of an additional customer (18 to 19) joining this rate class in December 2004 (which is also related to lower general service sales).

Retail and Purchased Power Fuel Adjustment revenue and Fuel Expense are projected to be higher than budgeted by 4.7% and 3.8% respectively. This is due in part to higher than anticipated fuel costs and one unplanned outage of DH2, necessitating more gas generated power and purchased power than expected.

Interchange Sales and Interchange Fuel Expense are projected to be 38.1% and 40.6% lower than budgeted. With an aging fleet of smaller capacity, less efficient gas units, we cannot be competitive with the excess capacity we have available, when others have larger, newer, and more efficient gas units that allow them to produce power at a lower cost. Even in off-peak nighttime hours when we have excess coal capacity, we are not as competitive when others have larger, newer, more efficient coal units.

Although interest rates have increased slightly above budgeted amounts, higher fuel costs and hurricane recovery costs have decreased the amount of investable working capital.

The total Operation and Maintenance (O&M) expense projection, less fuel expense, was \$388K higher than budget. More specifically, the costs associated with the annual overhaul of Deerhaven were \$488K higher than anticipated. In addition, power production expenses for materials and supplies are anticipated to be up \$230K. These cost overruns are partially being offset by a projected reduction in costs associated with our part ownership in the Crystal River nuclear plant, as recently updated by Progress Energy. We also are seeing a reduction in transmission and distribution expenditures due to some operating efficiencies.

In the area of Customer Accounts and Sales expenditures, customer information expenses are now being expended by system proportionally different than budgeted. So, although individual system expenditures in electric are higher, it is being favorably offset in other systems. In the Administrative and General (A&G) expenditures area, property insurance costs are higher than budgeted. There is also a decrease in the amount of fringe benefit costs allocated from A&G to capital projects due to less internal labor being charged to capital year to date, than anticipated.

Debt Service expenses are anticipated to be lower than budget. The budget anticipated a bond issuance that was postponed until later this year. To cover our working capital requirements, Tax Exempt Commercial Paper (TECP) was issued that had a different fund allocation than the postponed budgeted bond issuance. This is somewhat offset by interest rates on our variable rate debt being higher than expected due to the rising interest rate environment.

Current Year Performance-to-Date and Projected Results (continued)

Gas

Residential sales revenues were 6.0% below budget through the second quarter. As with residential electric sales, this is attributable to milder than normal winter weather conditions.

The Purchased Gas Fuel Adjustment (PGA) Revenue and Purchased Gas Fuel Expense projections are 14.8% and 15.9%, respectively, higher than budgeted due to higher gas prices than anticipated. Since fuel expenses are passed through to the customer, revenues are increased as fuel expenses increase. Even though the fuel expense is a pass through, there is a difference between PGA fuel revenue and fuel expense due to the combination of some fuel cost recovered through base rates and the timing of when fuel cost tune-ups are billed to customers.

Although interest rates have increased slightly above budgeted amounts, higher fuel costs and hurricane recovery costs have decreased the amount of investable working capital.

O&M expenses, less fuel expense, are projected to be slightly lower than budget for the year.

Debt Service expenses are anticipated to be lower than budget. The budget anticipated a bond issuance that was postponed until later this year. To cover our working capital requirements, Tax Exempt Commercial Paper (TECP) was issued that had a different fund allocation than the postponed budgeted bond issuance. This is somewhat offset by interest rates on our variable rate debt being higher than expected due to the rising interest rate environment.

Water

Revenues from sales to general customers were 2.2% below budget through the second quarter. High levels of rainfall during the September storms were likely to have reduced irrigation requirements by customers during this period. Revenues from sales to UF are 8.2% above budget, due to a rate increase that became effective October 1st.

Although interest rates have increased slightly above budgeted amounts, hurricane recovery costs have decreased the amount of investable working capital.

In the area of O&M, there have been substantial increases in softening agent prices amounting to \$180K greater than budget. Additionally, electricity usage cost in the treatment of water is projected to be \$147K higher than budget. The remaining overages are due to increased costs associated with maintaining pumps and meters. The A&G projection is favorable due to the realignment of the customer information expenditures mentioned earlier in the Electric Fund.

Debt Service expenses are anticipated to be lower than budget. The budget anticipated a bond issuance that was postponed until later this year. To cover our working capital requirements, Tax Exempt Commercial Paper (TECP) was issued that had a different fund allocation than the postponed budgeted bond issuance. This is somewhat offset by interest rates on our variable rate debt being higher than expected due to the rising interest rate environment.

Current Year Performance-to-Date and Projected Results (continued)

Wastewater

Revenues from wastewater billings were 1.4% below budget, corresponding to lower than projected water sales.

Although interest rates have increased slightly above budgeted amounts, hurricane recovery costs have decreased the amount of investable working capital.

For O&M, electricity used in the treatment of wastewater, is projected to be higher than budget by \$250K. The A&G projection is favorable due to the realignment of the customer information expenditures mentioned earlier in the Electric Fund.

Debt Service expenses are anticipated to be lower than budget. The budget anticipated a bond issuance that was postponed until later this year. To cover our working capital requirements, Tax Exempt Commercial Paper (TECP) was issued that had a different fund allocation than the postponed budgeted bond issuance. This is somewhat offset by interest rates on our variable rate debt being higher than expected due to the rising interest rate environment.

GRUCom

Through the second quarter of FY2005, GRUCom revenues are generally in line with the budget.

A major focus for GRUCom in recent months has been the bills introduced in the Florida legislature which would limit the ability of cities and their municipal utilities to provide communication services. After much political maneuvering and debate, in the final hours of the legislative session on May 6, the House of Representatives and the Senate passed Senate Bill 1322. This bill represents a compromise reached between private providers of communications services and municipal providers.

Senate Bill 1322 does mandate a higher level of due diligence by cities that want to begin offering communications services than previously existed. However, it includes a grandfather clause for cities that already provide such services which exempts them from many of the provisions in the bill. For GRUCom specifically, our ability to provide current and advanced telecommunications and Internet services in our community will not be affected.

In the O&M area, total projections for the year are in line with the budget. A decrease in the allocation of fringe benefit costs of \$252K to capital projects are being offset by costs savings in maintenance for property taxes still being negotiated (\$300K) and savings from signing a new backbone internet access agreement with Sprint (\$169K).

Debt Service expenses are anticipated to be higher than budget. The interest rate on our variable rate debt are higher than expected due to the rising interest rate environment.

Hurricane-Related Costs

The financial impact to GRU's system from the September 2004 hurricanes was significant. The total cost from these storms was approximately \$6.8 million. This included internal straight-time and overtime labor, materials, equipment usage, outside contractual services, mutual aid from other utilities, and miscellaneous expenditures.

Although it is anticipated that a large portion of these costs will be reimbursed from Federal and State funding – approximately \$5.8 million – the timing for receiving the funds is unknown. Our best estimate, based on prior experience with these situations and current information from FEMA (Federal Emergency Management Agency) representatives, would be 12 - 24 months. It is normal to break up the request for reimbursement into smaller related projects, thus, reimbursements should be spread out over the recovery period. Development of the proper documentation that meets FEMA's strict requirements is well underway with some of the project paperwork ready for submittal.

Hurricane costs for each storm and expected recovery amounts:

Charley - \$390,000	All of these costs have been recovered through mutual aid to other Florida utilities.
Frances - \$3.9 million	Expected recovery from FEMA - \$3.3 million.
Jeanne - \$2.5 million	Expected recovery from FEMA - \$2.1 million.

Financial Statements

**GAINESVILLE REGIONAL UTILITIES
COMBINED UTILITIES FUNDS
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
REVENUES:					
Total Native Load Sales of Electricity	44,221	98,884	96,733	(2,151)	(2.2)
Interchange Sales	1,076	5,699	3,525	(2,174)	(38.1)
Fuel Adjustment	31,282	61,692	64,591	2,899	4.7
Other Revenues	986	2,295	2,295	-	0.0
Rate Stabilization Fund Transfer	-	213	2,111	1,898	891.1
Interest Income	869	2,311	1,844	(467)	(20.2)
Total Electric Revenues	78,434	171,094	171,099	5	0.0
Sales of Water	6,677	14,958	14,749	(209)	(1.4)
Other Water Revenues	494	989	965	(24)	(2.4)
Rate Stabilization Fund Transfer	-	1,486	1,867	381	25.6
Interest Income	80	210	135	(75)	(35.7)
Total Water Revenues	7,251	17,643	17,716	73	0.4
Wastewater Billings	8,705	18,014	17,886	(128)	(0.7)
Other Wastewater Revenues	766	1,893	1,725	(168)	(8.9)
Rate Stabilization Fund Transfer	-	1,747	1,703	(44)	(2.5)
Interest Income	134	352	264	(88)	(25.0)
Total Wastewater Revenues	9,605	22,006	21,578	(428)	(1.9)
Sales of Gas and Service	6,802	11,250	10,858	(392)	(3.5)
Purchased Gas Adjustment	9,328	12,706	14,587	1,881	14.8
Rate Stabilization Fund Transfer	-	508	808	300	59.1
Interest Income	115	247	238	(9)	(3.6)
Total Gas Revenues	16,245	24,711	26,491	1,780	7.2
Sales of GRUCom Services	4,295	8,652	8,649	(3)	(0.0)
Rate Stabilization Fund Transfer	-	399	281	(118)	(29.6)
Interest Income	33	63	77	14	22.2
Total GRUCom Revenues	4,328	9,114	9,007	(107)	(1.2)
TOTAL REVENUES	115,863	244,568	245,891	1,323	0.5
OPERATION & MAINTENANCE EXPENSES:					
Electric Fund:					
Fuel Expense:					
Retail & Purchased Power	33,901	76,319	79,185	2,866	3.8
Interchange	748	3,610	2,143	(1,467)	(40.6)
Total Fuel Expense	34,649	79,929	81,328	1,399	1.8
Operation & Maintenance Expense	15,704	29,579	29,849	270	0.9
Administrative & General Expense	6,872	12,824	13,198	374	2.9
Total Electric Fund Expenses	57,225	122,332	124,375	2,043	1.7

**GAINESVILLE REGIONAL UTILITIES
COMBINED UTILITIES FUNDS
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
Water Fund:					
Operation & Maintenance Expense	2,696	4,767	5,246	479	10.0
Administrative & General Expense	1,807	3,545	3,317	(228)	(6.4)
Total Water Fund Expenses	4,503	8,312	8,563	251	3.0
Wastewater Fund:					
Operation & Maintenance Expense	3,152	5,721	6,011	290	5.1
Administrative & General Expense	2,369	4,139	4,058	(81)	(2.0)
Total Wastewater Fund Expenses	5,521	9,860	10,069	209	2.1
Gas Fund:					
Fuel Expense - Purchased Gas	10,673	14,219	16,485	2,266	15.9
Operation & Maintenance Expense	665	1,426	1,333	(93)	(6.5)
Administrative & General Expense	1,630	2,950	2,917	(33)	(1.1)
Total Gas Fund Expenses	12,968	18,595	20,735	2,140	11.5
GRUCom Fund:					
Operation & Maintenance Expense	1,130	3,295	2,759	(536)	(16.3)
Administrative & General Expense	1,113	1,738	2,084	346	19.9
Total GRUCom Fund Expenses	2,243	5,033	4,843	(190)	(3.8)
Total Operation & Maintenance Expenses	82,460	164,132	168,585	4,453	2.7
NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION:					
Electric - Retail & Wholesale	20,881	46,673	45,342	(1,331)	(2.9)
Electric - Interchange	328	2,089	1,382	(707)	(33.8)
Total Electric Fund	21,209	48,762	46,724	(2,038)	(4.2)
Water Fund	2,748	9,332	9,153	(178)	(1.9)
Wastewater Fund	4,084	12,146	11,509	(637)	(5.2)
Gas Fund	3,277	6,116	5,756	(360)	(5.9)
GRUCom Fund	2,085	4,081	4,164	83	2.0
TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION	33,403	80,436	77,306	(3,130)	(3.9)
DEBT SERVICE	10,726	24,438	21,423	(3,015)	(12.3)
UPIF CONTRIBUTIONS	14,232	28,470	28,162	(308)	(1.1)
TRANSFER TO GENERAL FUND	13,406	27,213	27,406	193	0.7
NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	197	315	315	-	0.0
NET INCOME/(DEFICIT)	(5,158)	-	-	-	N/A
(1) Projected Aggregate Debt Service Coverage Ratio		<u>77,306</u>	=	3,108	
		24,877			
(2) Projected Total Debt Service Coverage Ratio		<u>77,306</u>	=	2,462	
		31,402			

**GAINESVILLE REGIONAL UTILITIES
ELECTRIC REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
REVENUES:					
Residential Sales	21,465	48,541	47,030	(1,511)	(3.1)
General Service Sales	14,768	32,707	31,881	(826)	(2.5)
Large Power Sales	2,561	5,296	5,471	175	3.3
Interchange Sales	1,076	5,699	3,525	(2,174)	(38.1)
Utility Surcharge	1,289	2,830	2,813	(17)	(0.6)
Other Electric Sales ⁽¹⁾	4,138	9,510	9,538	28	0.3
Total Sales of Elec. Before Fuel Adj	45,297	104,583	100,258	(4,325)	(4.1)
Fuel Adjustment	31,282	61,692	64,591	2,899	4.7
Total Sales of Electricity	76,579	166,275	164,849	(1,426)	(0.9)
Other Revenues ⁽²⁾	986	2,295	2,295	-	0.0
Rate Stabilization Fund Transfer	-	213	2,111	1,898	891.1
Interest Income	869	2,311	1,844	(467)	(20.2)
Total Revenues	78,434	171,094	171,099	5	0.0
OPERATION & MAINTENANCE EXPENSES:					
Power Production Expenses:					
Fuel Expense:					
Retail & Purchased Power	33,901	76,319	79,185	2,866	3.8
Interchange	748	3,610	2,143	(1,467)	(40.6)
Total Fuel Expense	34,649	79,929	81,328	1,399	1.8
Steam Power Generation Expense	9,196	15,570	16,363	793	5.1
Nuclear Power Generation Expense	903	1,873	1,368	(505)	(27.0)
Other Power Generation Expense	269	391	537	146	37.3
System Control & Load Dispatching	377	820	774	(46)	(5.6)
Total Power Production Expenses	45,394	98,583	100,370	1,787	1.8
Transmission & Distribution Expenses:					
Transmission Expense	332	977	864	(113)	(11.6)
Distribution Expense	4,627	9,948	9,943	(5)	(0.1)
Total Transmission & Distribution	4,959	10,925	10,807	(118)	(1.1)
Administrative & General Expenses:					
Customer Accounts & Sales Expense	1,867	3,750	3,924	174	4.6
Administrative & General Expense	5,005	9,074	9,274	200	2.2
Total Administrative & General	6,872	12,824	13,198	374	2.9
Total Operation & Maintenance Expenses	57,225	122,332	124,375	2,043	1.7
NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION:					
Retail & Wholesale	20,881	46,673	45,342	(1,331)	(2.9)
Interchange	328	2,089	1,382	(707)	(33.8)
TOTAL NET REVENUE IN ACCORDANCE WITH BOND RESOLUTION	21,209	48,762	46,724	(2,038)	(4.2)
DEBT SERVICE	5,364	12,295	10,180	(2,115)	(17.2)
UPIF CONTRIBUTIONS	9,186	18,376	18,260	(116)	(0.6)
TRANSFER TO GENERAL FUND (Includes incentive)	8,795	17,776	17,969	193	1.1
NUCLEAR DECOMMISSIONING/FUEL DISPOSAL	197	315	315	-	0.0
NET INCOME/(DEFICIT)	(2,333)	-	-	-	N/A

⁽¹⁾ Other Electric Sales - Wholesale sales, traffic signals and streetlights.

⁽²⁾ Other Revenues - Commercial lighting, service charges, miscellaneous.

**GAINESVILLE REGIONAL UTILITIES
GAS REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
REVENUES:					
Sales of Gas and Service:					
Residential	4,052	6,720	6,316	(404)	(6.0)
Commerical & Industrial	1,717	2,725	2,761	36	1.3
Interruptible & Transportation	502	872	876	4	0.5
Purchased Gas Adjustment	9,328	12,706	14,587	1,881	14.8
Cleanup Cost Recovery Factor (MGP)	441	748	720	(28)	(3.7)
Other Revenue ⁽¹⁾	90	185	185	-	0.0
Total Sales	16,130	23,956	25,445	1,489	6.2
Miscellaneous Revenue:					
Rate Stabilization Fund Transfer	-	508	808	300	59.1
Interest Income	115	247	238	(9)	(3.6)
Total Revenues	16,245	24,711	26,491	1,780	7.2
OPERATION & MAINTENANCE EXPENSES:					
Fuel Expense - Purchased Gas	10,673	14,219	16,485	2,266	15.9
Operation & Maintenance Expenses	665	1,426	1,333	(93)	(6.5)
Administrative & General Expense	1,630	2,950	2,917	(33)	(1.1)
Total Operation & Maintenance Expenses	12,968	18,595	20,735	2,140	11.5
TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION	3,277	6,116	5,756	(360)	(5.9)
DEBT SERVICE	1,421	3,024	2,617	(407)	(13.5)
UPIF CONTRIBUTIONS	906	1,811	1,858	47	2.6
TRANSFER TO GENERAL FUND	628	1,281	1,281	-	0.0
NET INCOME/(DEFICIT)	322	-	-	-	N/A

⁽¹⁾ Other Revenue - Liquid propane sales, service charges and miscellaneous.

**GAINESVILLE REGIONAL UTILITIES
WATER REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
REVENUES:					
General Customers	5,237	11,860	11,597	(263)	(2.2)
University of Florida	355	684	740	56	8.2
Utility Surcharge	543	1,229	1,276	47	3.8
Fire Hydrant Rentals	542	1,185	1,136	(49)	(4.1)
Total Sales of Water	6,677	14,958	14,749	(209)	(1.4)
Other Revenues ⁽¹⁾	494	989	965	(24)	(2.4)
Rate Stabilization Fund Transfer	-	1,486	1,867	381	25.6
Interest Income	80	210	135	(75)	(35.7)
Total Revenues	7,251	17,643	17,716	73	0.4
OPERATION & MAINTENANCE EXPENSES:					
Water Treatment Expense	1,891	3,322	3,688	366	11.0
Water Trans. & Dist. Expense	805	1,445	1,558	113	7.8
Customer Accounts & Sales Expense	499	1,116	1,102	(14)	(1.3)
Administrative & General Expense	1,308	2,429	2,215	(214)	(8.8)
Total Operation & Maintenance Expenses	4,503	8,312	8,563	251	3.0
TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION					
	2,748	9,331	9,153	(178)	(1.9)
DEBT SERVICE	1,259	2,961	2,960	(1)	(0.0)
UPIF CONTRIBUTIONS	1,458	2,919	2,742	(177)	(6.1)
TRANSFER TO GENERAL FUND	1,643	3,451	3,451	-	0.0
NET INCOME/(DEFICIT)	(1,612)	-	-	-	N/A

⁽¹⁾ Other Revenue - Connection fees and miscellaneous.

**GAINESVILLE REGIONAL UTILITIES
WASTEWATER REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
REVENUES:					
Wastewater Billings	7,989	16,584	16,351	(233)	(1.4)
Surcharge	716	1,430	1,535	105	7.3
Other Revenues ⁽¹⁾	766	1,893	1,725	(168)	(8.9)
Rate Stabilization Fund Transfer	-	1,747	1,703	(44)	(2.5)
Interest Income	134	352	264	(88)	(25.0)
Total Revenues	9,605	22,006	21,578	(428)	(1.9)
OPERATION & MAINTENANCE EXPENSES:					
Wastewater Collection Expense	737	1,351	1,378	27	2.0
Wastewater Treatment Expense	2,415	4,370	4,633	263	6.0
Customer Accounts & Sales Expense	427	880	883	3	0.3
Administrative & General Expense	1,942	3,259	3,175	(84)	(2.6)
Total Operation & Maintenance Expenses	5,521	9,860	10,069	209	2.1
TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION					
	4,084	12,146	11,509	(637)	(5.2)
DEBT SERVICE					
UPIF CONTRIBUTIONS	1,462	3,593	3,032	(561)	(15.6)
TRANSFER TO GENERAL FUND	2,076	4,154	4,078	(76)	(1.8)
	2,187	4,399	4,399	-	0.0
NET INCOME/(DEFICIT)	(1,641)	-	-	-	N/A

⁽¹⁾ Other Revenue - Connection fees and miscellaneous.

**GAINESVILLE REGIONAL UTILITIES
GRUCOM REVENUE FUND
STATEMENT OF OPERATING INCOME
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005**

(\$1,000)	YEAR TO DATE	ANNUAL BUDGET	TWELVE MONTH PROJECTION	DIFFERENCE PROJECTION VS. BUDGET	%
REVENUES:					
Sales :					
Telecommunication	2,103	4,125	4,222	97	2.4
Trunking Radio	900	1,809	1,809	-	0.0
Tower Lease Rental	625	1,196	1,196	-	0.0
Internet Access	667	1,522	1,422	(100)	(6.6)
Total Sales	4,295	8,652	8,649	(3)	(0.0)
Miscellaneous Revenue:					
Rate Stabilization Fund Transfer/Borrowings	-	399	281	(118)	(29.6)
Interest Income	33	63	77	14	22.2
Total Revenues	4,328	9,114	9,007	(107)	(1.2)
OPERATION & MAINTENANCE EXPENSES:					
Operation & Maintenance Expenses	1,130	3,295	2,759	(536)	(16.3)
Administrative & General Expense	1,113	1,738	2,084	346	19.9
Total Operation & Maintenance Expenses	2,243	5,033	4,843	(190)	(3.8)
TOTAL NET REVENUES IN ACCORDANCE WITH THE BOND RESOLUTION	2,085	4,081	4,164	83	2.0
DEBT SERVICE	1,220	2,565	2,634	69	2.7
UPIF CONTRIBUTIONS	606	1,210	1,224	14	1.2
TRANSFER TO GENERAL FUND	153	306	306	-	0.0
NET INCOME/(DEFICIT)	106	-	-	-	N/A