

# **Gainesville Regional Utilities**

## **Interim Financial Statements - Unaudited**

**For the Period Ended June 30, 2019**



**Gainesville Regional Utilities  
Financial Statements - Unaudited  
For the Period Ended June 30, 2019**

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# **Overview and Basis of Accounting**

# **Gainesville Regional Utilities**

## **Financial Statements - Unaudited**

### **For the Period Ended June 30, 2019**

#### **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 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.

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**

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**Management's Discussion and Analysis**

We offer readers of GRU's financial statements this management's discussion and analysis of the financial activities of GRU for the period ended June 30, 2019. It should be read in conjunction with the unaudited financial statements that follow this section.

**Financial Highlights – Overall**

- The Utility purchased a biomass plant in November of 2017. Various items in the financial statements were impacted and are noted as applicable.
- Cash and investments decreased \$11.6 million or 42% due to increases in fuel inventories, and materials and supplies. In addition, cash reimbursements from operating funds to construction funds for inventory purchases occurred, as well as a movement of operating funds to utility plant improvement funds to cover new GRUCom construction during the end of FY18 and beginning of FY19.
- Fuel inventories increased \$7.4 million or 51.3% due to contracted coal purchases and an expected increase in coal costs by calendar year 2020.
- Fuel adjustment levelization balance decreased \$9.4 million due to winter natural gas price spikes associated with weather and storage shortfalls as well as mechanical issues at plants which contributed to unit dispatch and fuel mix uses which varied from original projections. GRU implemented a fuel adjustment rate change in May 2019 to address the levelization balance which is now improving.
- Construction fund cash and investments increased \$140.5 million due to the issuance of \$40 million in commercial paper in July 2018 and the 2019 Series A, Series B, and Series C bonds for \$114 million in conjunction with normal construction expenditures.
- Net costs recoverable in future years, a regulatory asset, increased \$26.7 million due to Deerhaven Renewable Generating Station (DHR) depreciation expense exceeding principal repayment on the related bonds.
- Unamortized debt issuance costs increased \$1.1 million or 12.4% due to the issuance of the 2019 Series bonds.
- Other noncurrent assets and regulatory assets decreased \$2.8 million or 32.3% due to a decrease in the unrealized loss on investments.
- Pension costs – regulatory asset increased \$980,839 or 1.3% and related deferred outflows of resources for pension costs decreased \$10.8 million or 38.8% due to updated actuarial calculations at September 30, 2018.
- Unamortized loss on refunding of bonds decreased \$3.6 million or 18.4% from normally scheduled amortization.

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- Accumulated decrease in fair value of hedging derivatives decreased \$20.8 million or 36.1% from a decrease in the unrealized loss on interest rate swaps.

In April GRU closed on its 2019 Series A, B, and C bond issue. 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 decreased \$22.4 million or 36.6% from a decrease in the unrealized loss on interest rate swaps.
  - The pension liability decreased \$11.5 million or 13.9% and related deferred inflows of resources for pension costs increased \$1.7 million or 9.1% due to updated actuarial calculations at September 30, 2018.
  - Other noncurrent liabilities and regulatory liabilities increased \$3.4 million from a regulatory liability set aside for a future total rewards implementation and customer information system upgrade.
  - Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

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

**Combined Systems**

- Total revenues increased \$6.5 million or 2.2% from an increase in electric, water and gas revenues. These increases were offset by decreases in wastewater and telecommunications revenues.
- Total expenses decreased \$2.7 million or 1.6%. Factors include: a decrease in electric fuel expenses of \$9.1 million; an increase in electric power production and transmission and distribution expenses; and increases in total water, wastewater, gas and telecommunications expenses.

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**For the Period Ended June 30, 2019**

- 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 revenues increased \$2.4 million or 1.2% over the same period last year due to increases in residential and non-residential revenues, offset by decreases in fuel adjustment and other revenue.
- Fuel adjustment revenue and the related fuel expense decreased \$9.1 million or 12.5% over the prior year due to the cancellation of the PPA with GREC and the concurrent purchase of DHR. Winter natural gas price spikes associated with weather and storage shortfalls, as well as mechanical issues at plants which contributed to unit dispatch and fuel mix uses which varied from original projections, is driving an increase in fuel costs. However, the Utility has realized much more efficient use of the biomass plant and procurement of associated fuel than what was experienced under the PPA. In addition, the Utility has been able to incorporate the plant seamlessly into its generation fleet.

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.

- Power production increased \$1.8 million or 5.7% due to needed maintenance on the boiler at Deerhaven Unit 2 generation facility.
- Transmission and distribution increased \$2.5 million or 18% due to increased operations and maintenance labor and corresponding overheads as a result of less spending on capital projects.
- The electric system is projected to withdraw \$2 million from rate stabilization for the period ended June 30, 2019, including budgeted transfers from rate stabilization of \$2.4 million.

Water System

- Total revenues increased \$941,300 or 3.5% due to an increase in non-residential revenue, offset by decreases in residential and other revenues.
- The water system is projected to contribute \$1.4 million to rate stabilization for the period ended June 30, 2019, including budgeted transfers from rate stabilization of \$114,093.



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Wastewater System

- Total revenues decreased \$1.4 million or 3.9% due to decreases in residential and other revenues.
- The wastewater system is projected to contribute \$2.2 million to rate stabilization for the period ended June 30, 2019, including budgeted transfers from rate stabilization of \$1.2 million.

Gas System

- Total revenues increased \$4.7 million or 25.3% due to an increase in fuel adjustment revenue and transfers from rate stabilization, offset by decreases in residential, non-residential and other revenues.
- Other revenues decreased \$399,366 as refunds were issued in June 2019 to GRU's large volume customers from a billing issue spanning multiple years.
- Purchased gas adjustment revenue and the related gas expense increased \$542,118 or 8.4% due to higher 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 is projected to contribute \$563,143 to rate stabilization for the period ended June 30, 2019, including budgeted transfers from rate stabilization of \$3.8 million.

Telecommunications System

- Total revenues decreased \$240,734 or 2.9% due to a reduction in tower leasing and other revenues.
- The telecommunications system is projected to withdraw \$258,939 from rate stabilization for the period ended June 30, 2019. Based on funds available in telecommunication's rate stabilization fund, a loan may be required.

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# **Financial Statements**

**Gainesville Regional Utilities**  
**Statements of Net Position - Unaudited**  
**June 30, 2019 and 2018**

|   | June 30, 2019           | June 30, 2018           | Change (\$)          | Change (%)     |
|---|-------------------------|-------------------------|----------------------|----------------|
| <b>Assets</b>   |                         |                         |                      |                |
| Current assets:   |                         |                         |                      |                |
| Cash and investments  | \$ 16,057,679           | \$ 27,677,489           | \$ (11,619,810)      | (42.0%)        |
| Accounts receivable, net of allowance for uncollectible accounts of \$1,473,430 and \$538,898, respectively | 53,953,581              | 52,854,633              | 1,098,948            | 2.1%           |
| Inventories:  |                         |                         |                      |                |
| Fuel  | 21,985,658              | 14,535,921              | 7,449,737            | 51.3%          |
| Materials and supplies  | 11,807,232              | 10,657,397              | 1,149,835            | 10.8%          |
| Fuel adjustment   | 6,985,640               | (2,405,999)             | 9,391,639            | (390.3%)       |
| Other assets and regulatory assets  | 3,328,090               | 521,613                 | 2,806,477            | 538.0%         |
| <b>Total current assets</b>   | <b>114,117,880</b>      | <b>103,841,054</b>      | <b>10,276,826</b>    | <b>9.9%</b>    |
| Restricted assets:  |                         |                         |                      |                |
| Utility deposits - cash and investments   | 7,916,764               | 9,947,970               | (2,031,206)          | (20.4%)        |
| Debt service - cash and investments   | 35,686,913              | 33,956,043              | 1,730,870            | 5.1%           |
| Rate stabilization - cash and investments   | 51,501,976              | 57,170,948              | (5,668,972)          | (9.9%)         |
| Construction fund - cash and investments  | 141,290,415             | 761,826                 | 140,528,589          | 18446.3%       |
| Utility plant improvement fund - cash and investments   | 17,205,839              | 19,646,843              | (2,441,004)          | (12.4%)        |
| <b>Total restricted and internally designated assets</b>  | <b>253,601,907</b>      | <b>121,483,630</b>      | <b>132,118,277</b>   | <b>108.8%</b>  |
| Noncurrent assets:  |                         |                         |                      |                |
| Net costs recoverable in future years - regulatory assets   | 26,695,609              | -                       | 26,695,609           | -              |
| Unamortized debt issuance costs - regulatory assets   | 10,318,959              | 9,181,106               | 1,137,853            | 12.4%          |
| Investment in The Energy Authority  | 2,378,731               | 2,176,409               | 202,322              | 9.3%           |
| Pollution remediation - regulatory asset  | 9,880,408               | 11,132,869              | (1,252,461)          | (11.3%)        |
| Other noncurrent assets and regulatory assets   | 5,945,984               | 8,788,914               | (2,842,930)          | (32.3%)        |
| Pension costs - regulatory asset  | 74,122,351              | 73,141,512              | 980,839              | 1.3%           |
| <b>Total noncurrent assets</b>  | <b>129,342,042</b>      | <b>104,420,810</b>      | <b>24,921,232</b>    | <b>23.9%</b>   |
| Capital assets:   |                         |                         |                      |                |
| Utility plant in service  | 2,816,112,109           | 2,766,048,087           | 50,064,022           | 1.8%           |
| Less: accumulated depreciation and amortization   | (1,029,691,446)         | (944,844,644)           | (84,846,802)         | 9.0%           |
|   | 1,786,420,663           | 1,821,203,443           | (34,782,780)         | (1.9%)         |
| Construction in progress  | 99,545,958              | 101,790,422             | (2,244,464)          | (2.2%)         |
| <b>Net capital assets</b>   | <b>1,885,966,621</b>    | <b>1,922,993,865</b>    | <b>(37,027,244)</b>  | <b>(1.9%)</b>  |
| <b>Total assets</b>   | <b>2,383,028,450</b>    | <b>2,252,739,359</b>    | <b>130,289,091</b>   | <b>5.8%</b>    |
| <b>Deferred outflows of resources:</b>  |                         |                         |                      |                |
| Unamortized loss on refunding of bonds  | 15,760,002              | 19,321,009              | (3,561,007)          | (18.4%)        |
| Accumulated decrease in fair value of hedging derivatives   | 36,890,504              | 57,721,474              | (20,830,970)         | (36.1%)        |
| Pension costs   | 17,061,446              | 27,899,197              | (10,837,751)         | (38.8%)        |
| <b>Total deferred outflows of resources</b>   | <b>69,711,952</b>       | <b>104,941,680</b>      | <b>(35,229,728)</b>  | <b>(33.6%)</b> |
| <b>Total assets and deferred outflows of resources</b>  | <b>\$ 2,452,740,402</b> | <b>\$ 2,357,681,039</b> | <b>\$ 95,059,363</b> | <b>4.0%</b>    |

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**Gainesville Regional Utilities**  
**Statements of Net Position - Unaudited (concluded)**  
**June 30, 2019 and 2018**

|  | June 30, 2019           | June 30, 2018           | Change (\$)          | Change (%)     |
|--|-------------------------|-------------------------|----------------------|----------------|
| <b>Liabilities</b>   |                         |                         |                      |                |
| Current liabilities:   |                         |                         |                      |                |
| Accounts payable and accrued liabilities                                 | \$ 13,407,172           | \$ 11,541,336           | \$ 1,865,836         | 16.2%          |
| Fuels payable  | 4,963,346               | 4,677,469               | 285,877              | 6.1%           |
| Due to other funds of the City   | 1,649,898               | 1,858,080               | (208,182)            | (11.2%)        |
| Other liabilities and regulatory liabilities                             | 1,453,061               | 410,859                 | 1,042,202            | 253.7%         |
| <b>Total current liabilities</b>   | <b>21,473,477</b>       | <b>18,487,744</b>       | <b>2,985,733</b>     | <b>16.1%</b>   |
| Payable from restricted assets:  |                         |                         |                      |                |
| Utility deposits   | 7,916,764               | 9,231,763               | (1,314,999)          | (14.2%)        |
| Accounts payable and accrued liabilities                                 | 1,272,864               | 1,945,741               | (672,877)            | (34.6%)        |
| Utility system revenue bonds - current                                   | 22,105,000              | 27,885,000              | (5,780,000)          | (20.7%)        |
| Accrued interest payable   | 17,057,877              | 15,124,266              | 1,933,611            | 12.8%          |
| Other liabilities and regulatory liabilities                             | 161,427                 | -                       | 161,427              | -              |
| <b>Total payable from restricted assets</b>                              | <b>48,513,932</b>       | <b>54,186,770</b>       | <b>(5,672,838)</b>   | <b>(10.5%)</b> |
| Long-term debt:  |                         |                         |                      |                |
| Utility system revenue bonds   | 1,665,165,000           | 1,506,455,000           | 158,710,000          | 10.5%          |
| Commercial paper notes   | -                       | 53,000,000              | (53,000,000)         | (100.0%)       |
| Unamortized bond premium/discount  | 104,943,037             | 86,102,789              | 18,840,248           | 21.9%          |
| Fair value of derivative instruments                                     | 38,765,287              | 61,184,080              | (22,418,793)         | (36.6%)        |
| <b>Total long-term debt</b>  | <b>1,808,873,324</b>    | <b>1,706,741,869</b>    | <b>102,131,455</b>   | <b>6.0%</b>    |
| Noncurrent liabilities:  |                         |                         |                      |                |
| Reserve for insurance claims   | 3,337,000               | 3,337,000               | -                    | 0.0%           |
| Reserve for environmental liability                                      | 519,000                 | 665,000                 | (146,000)            | (22.0%)        |
| Pension liability  | 71,178,444              | 82,704,362              | (11,525,918)         | (13.9%)        |
| Other noncurrent liabilities and regulatory liabilities                  | 5,570,826               | 2,144,020               | 3,426,806            | 159.8%         |
| <b>Total noncurrent liabilities</b>                                      | <b>80,605,270</b>       | <b>88,850,382</b>       | <b>(8,245,112)</b>   | <b>(9.3%)</b>  |
| <b>Total liabilities</b>   | <b>1,959,466,003</b>    | <b>1,868,266,765</b>    | <b>91,199,238</b>    | <b>4.9%</b>    |
| <b>Deferred inflows of resources:</b>                                    |                         |                         |                      |                |
| Rate stabilization   | 51,038,102              | 57,348,633              | (6,310,531)          | (11.0%)        |
| Pension costs  | 20,005,353              | 18,336,347              | 1,669,006            | 9.1%           |
| Other deferred inflows   | 187,818                 | -                       | 187,818              | -              |
| <b>Total deferred inflows of resources</b>                               | <b>71,231,273</b>       | <b>75,684,980</b>       | <b>(4,453,707)</b>   | <b>(5.9%)</b>  |
| <b>Net position</b>  |                         |                         |                      |                |
| Net investment in capital assets   | 259,308,400             | 278,806,360             | (19,497,960)         | (7.0%)         |
| Restricted   | 36,240,467              | 39,031,821              | (2,791,354)          | (7.2%)         |
| Unrestricted   | 126,494,259             | 95,891,113              | 30,603,146           | 31.9%          |
| <b>Total net position</b>  | <b>422,043,126</b>      | <b>413,729,294</b>      | <b>8,313,832</b>     | <b>2.0%</b>    |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 2,452,740,402</b> | <b>\$ 2,357,681,039</b> | <b>\$ 95,059,363</b> | <b>4.0%</b>    |

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**Gainesville Regional Utilities**  
**Statements of Revenues, Expenses, and Changes in Net Position - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|  | <b>June 30, 2019</b>  | <b>June 30, 2018</b>  |
|--|-----------------------|-----------------------|
| Operating revenues:                                      |                       |                       |
| Sales and service charges                                | \$ 279,946,424        | \$ 273,227,499        |
| Transfers from (to) rate stabilization                   | 7,491,150             | 5,020,406             |
| Amounts to be recovered from future revenue              | 13,604,462            | 3,449,252             |
| Other operating revenue                                  | 5,765,800             | 9,914,031             |
| Total operating revenues                                 | <b>306,807,836</b>    | <b>291,611,188</b>    |
| Operating expenses:                                      |                       |                       |
| Operation and maintenance                                | 148,698,749           | 151,655,359           |
| Administrative and general                               | 19,310,370            | 19,013,788            |
| Depreciation and amortization                            | 76,556,011            | 70,166,535            |
| Total operating expenses                                 | <b>244,565,130</b>    | <b>240,835,682</b>    |
| Operating income   | <b>62,242,706</b>     | <b>50,775,506</b>     |
| Non-operating income (expense):                          |                       |                       |
| Interest income  | 2,962,166             | 2,021,866             |
| Interest expense, net of AFUDC                           | (46,081,060)          | (43,083,507)          |
| Other interest related income, BABs                      | 3,908,963             | 3,944,421             |
| Other expense  | (4,584,402)           | (10,258,714)          |
| Total non-operating income (expense)                     | <b>(43,794,333)</b>   | <b>(47,375,934)</b>   |
| Income before capital contributions and transfer         | <b>18,448,373</b>     | <b>3,399,572</b>      |
| Capital contributions:                                   |                       |                       |
| Contributions from third parties                         | 156,813               | 1,187,471             |
| Reduction of plant costs recovered through contributions | (58,398)              | (69,812)              |
| Net capital contributions                                | <b>98,415</b>         | <b>1,117,659</b>      |
| Transfer to City of Gainesville General Fund             | <b>(28,713,751)</b>   | <b>(27,284,310)</b>   |
| Change in net position                                   | <b>(10,166,963)</b>   | <b>(22,767,079)</b>   |
| Net position - beginning of year                         | 432,210,089           | 436,496,373           |
| Net position - end of period                             | <b>\$ 422,043,126</b> | <b>\$ 413,729,294</b> |

**Gainesville Regional Utilities**  
**Statements of Cash Flows - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|   | June 30, 2019  | June 30, 2018  |
|---|----------------|----------------|
| Operating activities:   |                |                |
| Cash received from customers  | \$ 285,710,699 | \$ 272,444,515 |
| Cash payments to suppliers for goods and services   | (169,580,077)  | (162,368,891)  |
| Cash payments to employees for services   | (44,808,519)   | (40,626,645)   |
| Cash payments for operating transactions with other funds   | (6,761,360)    | (5,009,769)    |
| Other operating receipts  | 13,429,032     | 14,934,437     |
| Net cash provided by operating activities   | 77,989,775     | 79,373,647     |
| Noncapital financing activities:  |                |                |
| Transfer to City of Gainesville General Fund  | (28,713,751)   | (27,284,310)   |
| Net cash used by noncapital financing activities  | (28,713,751)   | (27,284,310)   |
| Capital and related financing activities:   |                |                |
| Principal repayments and refunding on long-term debt, net   | (188,277,604)  | (24,020,000)   |
| Interest paid on long-term debt   | (58,478,476)   | (45,998,445)   |
| Proceeds from interest rebates, BABs  | 2,605,975      | 1,325,530      |
| Acquisition and construction of fixed assets (including allowance for funds used during construction) | (39,702,697)   | (725,444,319)  |
| Proceeds from new debt and commercial paper   | 298,169,636    | 680,920,000    |
| Other income (expense)  | (2,848,913)    | 561,031        |
| Net cash used by capital and related financing activities   | 11,467,921     | (112,656,203)  |
| Investing activities:   |                |                |
| Interest received   | 2,962,166      | 913,319        |
| Purchase of investments   | (292,236,948)  | (140,987,132)  |
| Investments in The Energy Authority   | (4,693,524)    | (6,183,171)    |
| Distributions from The Energy Authority   | 4,572,089      | 6,100,745      |
| Proceeds from investments   | 224,961,159    | 173,815,916    |
| Net cash provided (used) by investing activities  | (64,435,058)   | 33,659,677     |
| Net change in cash and cash equivalents   | (3,691,113)    | (26,907,189)   |
| Cash and cash equivalents, beginning of year  | 27,231,947     | 36,491,757     |
| Cash and cash equivalents, end of period  | \$ 23,540,834  | \$ 9,584,568   |

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**Gainesville Regional Utilities**  
**Statements of Cash Flows - Unaudited (concluded)**  
**For the Periods Ended June 30, 2019 and 2018**

|  | <b>June 30, 2019</b>          | <b>June 30, 2018</b>           |
|--|-------------------------------|--------------------------------|
| Reconciliation of operating income to net cash provided by operating activities:               |                               |                                |
| Operating income   | <b>\$ 62,242,706</b>          | \$ 50,775,506                  |
| Adjustments to reconcile operating income to net cash provided by operating activities:        |                               |                                |
| Depreciation and amortization  | <b>76,556,011</b>             | 70,166,535                     |
| Net costs recoverable in future years  | <b>(13,604,462)</b>           | (3,449,252)                    |
| Change in:   |                               |                                |
| Accounts receivable  | <b>6,023,767</b>              | (431,314)                      |
| Inventories  | <b>(5,344,535)</b>            | (9,742,190)                    |
| Other assets and regulatory assets   | <b>(1,268,097)</b>            | 1,262,426                      |
| Noncurrent assets  | <b>2,464,903</b>              | 867,228                        |
| Payables and accrued liabilities   | <b>(7,779,507)</b>            | (26,544,149)                   |
| Due to other funds of the City   | <b>1,199,066</b>              | 2,731,663                      |
| Fuel adjustment  | <b>(4,608,699)</b>            | 7,135,316                      |
| Payable from restricted assets   | <b>(7,069,690)</b>            | (8,026,046)                    |
| Other liabilities and regulatory liabilities   | <b>(22,169,122)</b>           | -                              |
| Utility deposits   | <b>(1,161,416)</b>            | (351,670)                      |
| Rate stabilization   | <b>(7,491,150)</b>            | (5,020,406)                    |
| Net cash provided by operating activities  | <b><u>\$ 77,989,775</u></b>   | <b><u>\$ 79,373,647</u></b>    |
| Non-cash capital and related financing activities and investing activities:                    |                               |                                |
| Contribution of capital assets   | <b><u>\$ 98,415</u></b>       | <b><u>\$ 1,117,659</u></b>     |
| Net costs recoverable in future years  | <b><u>\$ (13,604,462)</u></b> | <b><u>\$ 61,574,434</u></b>    |
| Change in capital lease liability  | <b><u>\$ -</u></b>            | <b><u>\$ (941,269,071)</u></b> |
| Change in utility plant in service   | <b><u>\$ (21,532,507)</u></b> | <b><u>\$ 771,760,507</u></b>   |
| Change in accumulated decrease in fair value of hedging derivatives - fuel options and futures | <b><u>\$ -</u></b>            | <b><u>\$ (69,113)</u></b>      |
| Change in fair value of investments  | <b><u>\$ 2,763,852</u></b>    | <b><u>\$ (1,431,623)</u></b>   |
| Other  | <b><u>\$ 3,500,306</u></b>    | <b><u>\$ (6,400)</u></b>       |

**Gainesville Regional Utilities**  
**Combined Utility Systems**  
**Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|   | <u>June 30, 2019</u>      | <u>June 30, 2018</u>      | <u>Change (\$)</u>        | <u>Change (%)</u>   |
|---|---------------------------|---------------------------|---------------------------|---------------------|
| <b>Revenues:</b>                                |                           |                           |                           |                     |
| Electric system:                                |                           |                           |                           |                     |
| Sales of electricity                            | \$ 129,110,434            | \$ 112,290,163            | \$ 16,820,271             | 15.0                |
| Fuel adjustment                                 | 63,663,666                | 72,783,119                | (9,119,453)               | (12.5)              |
| Sales for resale                                | 3,512,918                 | 4,035,933                 | (523,015)                 | (13.0)              |
| Transfer from/(to) rate stabilization           | 2,351,878                 | 5,553,643                 | (3,201,765)               | (57.7)              |
| Other revenue                                   | 1,497,487                 | 4,490,116                 | (2,992,629)               | (66.6)              |
| Other income (expense)                          | 479,430                   | (998,174)                 | 1,477,604                 | 148.0               |
| Build America Bonds                             | 2,154,789                 | 2,177,981                 | (23,192)                  | (1.1)               |
| <b>Total electric system revenues</b>           | <b><u>202,770,602</u></b> | <b><u>200,332,781</u></b> | <b><u>2,437,821</u></b>   | <b><u>1.2</u></b>   |
| Water system:                                   |                           |                           |                           |                     |
| Sales of water                                  | 25,839,086                | 25,642,054                | 197,032                   | 0.8                 |
| Transfer from/(to) rate stabilization           | 114,093                   | (800,988)                 | 915,081                   | 114.2               |
| Other revenue                                   | 1,131,577                 | 1,350,765                 | (219,188)                 | (16.2)              |
| Other income (expense)                          | (71,264)                  | (124,387)                 | 53,123                    | 42.7                |
| Build America Bonds                             | 608,726                   | 613,474                   | (4,748)                   | (0.8)               |
| <b>Total water system revenues</b>              | <b><u>27,622,218</u></b>  | <b><u>26,680,918</u></b>  | <b><u>941,300</u></b>     | <b><u>3.5</u></b>   |
| Wastewater system:                              |                           |                           |                           |                     |
| Sales of wastewater                             | 30,177,848                | 30,508,519                | (330,671)                 | (1.1)               |
| Transfer from/(to) rate stabilization           | 1,191,062                 | 1,666,012                 | (474,950)                 | (28.5)              |
| Other revenue                                   | 2,110,589                 | 2,667,088                 | (556,499)                 | (20.9)              |
| Other income (expense)                          | (145,598)                 | (132,173)                 | (13,425)                  | (10.2)              |
| Build America Bonds                             | 694,011                   | 696,796                   | (2,785)                   | (0.4)               |
| <b>Total wastewater system revenues</b>         | <b><u>34,027,912</u></b>  | <b><u>35,406,242</u></b>  | <b><u>(1,378,330)</u></b> | <b><u>(3.9)</u></b> |
| Gas system:                                     |                           |                           |                           |                     |
| Sales of gas                                    | 12,320,419                | 13,013,546                | (693,127)                 | (5.3)               |
| Purchased gas adjustment                        | 7,032,308                 | 6,490,190                 | 542,118                   | 8.4                 |
| Transfer from/(to) rate stabilization           | 3,834,118                 | (1,398,261)               | 5,232,379                 | 374.2               |
| Other revenue                                   | (135,887)                 | 263,479                   | (399,366)                 | (151.6)             |
| Other income (expense)                          | 50,444                    | (21,789)                  | 72,233                    | 331.5               |
| Build America Bonds                             | 451,437                   | 456,169                   | (4,732)                   | (1.0)               |
| <b>Total gas system revenues</b>                | <b><u>23,552,839</u></b>  | <b><u>18,803,334</u></b>  | <b><u>4,749,505</u></b>   | <b><u>25.3</u></b>  |
| Telecommunications system:                      |                           |                           |                           |                     |
| Sales of services                               | 8,289,744                 | 8,463,974                 | (174,230)                 | (2.1)               |
| Other revenue                                   | (163,276)                 | 14,491                    | (177,767)                 | (1,226.7)           |
| Other income (expense)                          | (44,002)                  | (155,265)                 | 111,263                   | 71.7                |
| <b>Total telecommunications system revenues</b> | <b><u>8,082,466</u></b>   | <b><u>8,323,200</u></b>   | <b><u>(240,734)</u></b>   | <b><u>(2.9)</u></b> |
| <b>Total revenues</b>                           | <b><u>296,056,037</u></b> | <b><u>289,546,475</u></b> | <b><u>6,509,562</u></b>   | <b><u>2.2</u></b>   |

**Gainesville Regional Utilities**  
**Combined Utility Systems**  
**Schedules of Combined Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

Page 2

|  | <u>June 30, 2019</u>       | <u>June 30, 2018</u>         | <u>Change (\$)</u>         | <u>Change (%)</u>   |
|--|----------------------------|------------------------------|----------------------------|---------------------|
| <b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>     |                            |                              |                            |                     |
| Electric system:   |                            |                              |                            |                     |
| Fuel expenses  | 63,663,666                 | 72,783,119                   | (9,119,453)                | (12.5)              |
| Operation and maintenance                                      | 50,215,880                 | 45,866,334                   | 4,349,546                  | 9.5                 |
| Administrative and general                                     | 10,020,186                 | 10,359,145                   | (338,959)                  | (3.3)               |
| <b>Total Electric System Expenses</b>                          | <b><u>123,899,732</u></b>  | <b><u>129,008,598</u></b>    | <b><u>(5,108,866)</u></b>  | <b><u>(4.0)</u></b> |
| Water system:  |                            |                              |                            |                     |
| Operation and maintenance                                      | 8,754,963                  | 8,270,113                    | 484,850                    | 5.9                 |
| Administrative and general                                     | 3,325,342                  | 3,049,776                    | 275,566                    | 9.0                 |
| <b>Total Water System Expenses</b>                             | <b><u>12,080,305</u></b>   | <b><u>11,319,889</u></b>     | <b><u>760,416</u></b>      | <b><u>6.7</u></b>   |
| Wastewater system:   |                            |                              |                            |                     |
| Operation and maintenance                                      | 11,373,286                 | 11,031,602                   | 341,684                    | 3.1                 |
| Administrative and general                                     | 3,582,232                  | 3,329,625                    | 252,607                    | 7.6                 |
| <b>Total Wastewater System Expenses</b>                        | <b><u>14,955,518</u></b>   | <b><u>14,361,227</u></b>     | <b><u>594,291</u></b>      | <b><u>4.1</u></b>   |
| Gas system:  |                            |                              |                            |                     |
| Fuel expense - purchased gas                                   | 7,032,308                  | 6,490,190                    | 542,118                    | 8.4                 |
| Operation and maintenance                                      | 2,168,235                  | 2,160,167                    | 8,068                      | 0.4                 |
| Administrative and general                                     | 1,689,880                  | 1,640,393                    | 49,487                     | 3.0                 |
| <b>Total Gas System Expenses</b>                               | <b><u>10,890,423</u></b>   | <b><u>10,290,750</u></b>     | <b><u>599,673</u></b>      | <b><u>5.8</u></b>   |
| Telecommunications system:                                     |                            |                              |                            |                     |
| Operation and maintenance                                      | 4,526,493                  | 4,067,260                    | 459,233                    | 11.3                |
| Administrative and general                                     | 633,745                    | 634,497                      | (752)                      | (0.1)               |
| <b>Total Telecommunications System Expenses</b>                | <b><u>5,160,238</u></b>    | <b><u>4,701,757</u></b>      | <b><u>458,481</u></b>      | <b><u>9.8</u></b>   |
| <b>TOTAL EXPENSES</b>  | <b><u>166,986,216</u></b>  | <b><u>169,682,221</u></b>    | <b><u>(2,696,005)</u></b>  | <b><u>(1.6)</u></b> |
| <b>NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION:</b>        |                            |                              |                            |                     |
| Total electric system  | 78,870,870                 | 71,324,183                   | 7,546,687                  | 10.6                |
| Total water system   | 15,541,913                 | 15,361,029                   | 180,884                    | 1.2                 |
| Total wastewater system  | 19,072,394                 | 21,045,015                   | (1,972,621)                | (9.4)               |
| Total gas system   | 12,662,416                 | 8,512,584                    | 4,149,832                  | 48.7                |
| Total telecommunications system                                | 2,922,228                  | 3,621,443                    | (699,215)                  | (19.3)              |
| <b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>   | <b><u>129,069,821</u></b>  | <b><u>119,864,254</u></b>    | <b><u>9,205,567</u></b>    | <b><u>7.7</u></b>   |
| <b>LESS:</b>   |                            |                              |                            |                     |
| Debt service   | 67,469,666                 | 66,824,267                   | 645,399                    | 1.0                 |
| Debt service - UPIF  | -                          | (3,750,000)                  | 3,750,000                  | 100.0               |
| UPIF contributions   | 30,963,307                 | 34,590,415                   | (3,627,108)                | (10.5)              |
| Transfer to City of Gainesville General Fund                   | 28,713,750                 | 27,284,310                   | 1,429,440                  | 5.2                 |
| <b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b> | <b><u>\$ 1,923,098</u></b> | <b><u>\$ (5,084,738)</u></b> | <b><u>\$ 7,007,836</u></b> | <b><u>137.8</u></b> |

**Gainesville Regional Utilities**  
**Electric Utility System**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|   | <u>June 30, 2019</u>         | <u>June 30, 2018</u>         | <u>Change (\$)</u>         | <u>Change (%)</u>   |
|---|------------------------------|------------------------------|----------------------------|---------------------|
| <b>REVENUES:</b>  |                              |                              |                            |                     |
| Residential   | \$ 50,093,431                | \$ 42,004,719                | \$ 8,088,712               | 19.3                |
| Non-residential   | 61,127,979                   | 53,737,720                   | 7,390,259                  | 13.8                |
| Fuel adjustment   | 63,663,666                   | 72,783,119                   | (9,119,453)                | (12.5)              |
| Sales for resale  | 3,512,918                    | 4,035,933                    | (523,015)                  | (13.0)              |
| Utility surcharge   | 3,163,490                    | 2,545,827                    | 617,663                    | 24.3                |
| Other electric sales  | 14,725,534                   | 14,001,897                   | 723,637                    | 5.2                 |
| <b>Total Sales of Electricity</b>                               | <b><u>196,287,018</u></b>    | <b><u>189,109,215</u></b>    | <b><u>7,177,803</u></b>    | <b><u>3.8</u></b>   |
| Transfer from/(to) rate stabilization                           | 2,351,878                    | 5,553,643                    | (3,201,765)                | (57.7)              |
| Other revenue   | 1,497,487                    | 4,490,116                    | (2,992,629)                | (66.6)              |
| Other income (expense)  | 479,430                      | (998,174)                    | 1,477,604                  | 148.0               |
| Build America Bonds   | 2,154,789                    | 2,177,981                    | (23,192)                   | (1.1)               |
| <b>Total Revenues</b>   | <b><u>202,770,602</u></b>    | <b><u>200,332,781</u></b>    | <b><u>2,437,821</u></b>    | <b><u>1.2</u></b>   |
| <b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>      |                              |                              |                            |                     |
| Fuel expenses   | 63,663,666                   | 72,783,119                   | (9,119,453)                | (12.5)              |
| Power production  | 33,724,386                   | 31,891,047                   | 1,833,339                  | 5.7                 |
| Transmission and distribution                                   | 16,491,494                   | 13,975,287                   | 2,516,207                  | 18.0                |
| Administrative and general                                      | 10,020,186                   | 10,359,145                   | (338,959)                  | (3.3)               |
| <b>Total Operation, Maintenance and Administrative Expenses</b> | <b><u>123,899,732</u></b>    | <b><u>129,008,598</u></b>    | <b><u>(5,108,866)</u></b>  | <b><u>(4.0)</u></b> |
| <b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>    | <b><u>78,870,870</u></b>     | <b><u>71,324,183</u></b>     | <b><u>7,546,687</u></b>    | <b><u>10.6</u></b>  |
| <b>LESS:</b>  |                              |                              |                            |                     |
| Debt service  | 51,750,290                   | 48,811,175                   | 2,939,115                  | 6.0                 |
| Debt service - UPIF   | -                            | (3,750,000)                  | 3,750,000                  | 100.0               |
| UPIF contributions  | 17,152,997                   | 19,123,933                   | (1,970,936)                | (10.3)              |
| Transfer to City of Gainesville General Fund                    | 11,936,901                   | 16,070,458                   | (4,133,557)                | (25.7)              |
| <b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>  | <b><u>\$ (1,969,318)</u></b> | <b><u>\$ (8,931,383)</u></b> | <b><u>\$ 6,962,065</u></b> | <b><u>78.0</u></b>  |

**Gainesville Regional Utilities**  
**Water Utility System**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>Change (\$)</u>  | <u>Change (%)</u> |
|---|----------------------|----------------------|---------------------|-------------------|
| <b>REVENUES:</b>  |                      |                      |                     |                   |
| Residential   | \$ 15,805,431        | \$ 15,858,776        | \$ (53,345)         | (0.3)             |
| Non-residential   | 8,135,334            | 7,894,793            | 240,541             | 3.0               |
| Utility surcharge   | 1,898,321            | 1,888,485            | 9,836               | 0.5               |
| <b>Total Sales of Water</b>                                     | <u>25,839,086</u>    | <u>25,642,054</u>    | <u>197,032</u>      | <u>0.8</u>        |
| Transfer from/(to) rate stabilization                           | 114,093              | (800,988)            | 915,081             | 114.2             |
| Other revenue   | 1,131,577            | 1,350,765            | (219,188)           | (16.2)            |
| Other income (expense)  | (71,264)             | (124,387)            | 53,123              | 42.7              |
| Build America Bonds   | 608,726              | 613,474              | (4,748)             | (0.8)             |
| <b>Total Revenues</b>   | <u>27,622,218</u>    | <u>26,680,918</u>    | <u>941,300</u>      | <u>3.5</u>        |
| <b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>      |                      |                      |                     |                   |
| Transmission and distribution                                   | 3,267,922            | 2,936,583            | 331,339             | 11.3              |
| Treatment   | 5,487,041            | 5,333,530            | 153,511             | 2.9               |
| Administrative and general                                      | 3,325,342            | 3,049,776            | 275,566             | 9.0               |
| <b>Total Operation, Maintenance and Administrative Expenses</b> | <u>12,080,305</u>    | <u>11,319,889</u>    | <u>760,416</u>      | <u>6.7</u>        |
| <b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>    | <u>15,541,913</u>    | <u>15,361,029</u>    | <u>180,884</u>      | <u>1.2</u>        |
| <b>LESS:</b>  |                      |                      |                     |                   |
| Debt service  | 5,051,475            | 5,487,983            | (436,508)           | (8.0)             |
| UPIF contributions  | 5,096,168            | 5,601,161            | (504,993)           | (9.0)             |
| Transfer to City of Gainesville General Fund                    | 4,017,054            | 4,379,132            | (362,078)           | (8.3)             |
| <b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>  | <u>\$ 1,377,216</u>  | <u>\$ (107,247)</u>  | <u>\$ 1,484,463</u> | <u>1,384.2</u>    |

**Gainesville Regional Utilities**  
**Wastewater Utility System**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>Change (\$)</u> | <u>Change (%)</u> |
|---|----------------------|----------------------|--------------------|-------------------|
| <b>REVENUES:</b>  |                      |                      |                    |                   |
| Residential   | \$ 19,965,467        | \$ 20,329,677        | \$ (364,210)       | (1.8)             |
| Non-residential   | 8,054,277            | 7,997,158            | 57,119             | 0.7               |
| Utility surcharge   | 2,158,104            | 2,181,684            | (23,580)           | (1.1)             |
| <b>Total Sales of Services</b>                                  | <u>30,177,848</u>    | <u>30,508,519</u>    | <u>(330,671)</u>   | <u>(1.1)</u>      |
| Transfer from/(to) rate stabilization                           | 1,191,062            | 1,666,012            | (474,950)          | (28.5)            |
| Other revenue   | 2,110,589            | 2,667,088            | (556,499)          | (20.9)            |
| Other income (expense)  | (145,598)            | (132,173)            | (13,425)           | (10.2)            |
| Build America Bonds   | 694,011              | 696,796              | (2,785)            | (0.4)             |
| <b>Total Revenues</b>   | <u>34,027,912</u>    | <u>35,406,242</u>    | <u>(1,378,330)</u> | <u>(3.9)</u>      |
| <b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>      |                      |                      |                    |                   |
| Collection  | 5,745,507            | 6,000,715            | (255,208)          | (4.3)             |
| Treatment   | 5,627,779            | 5,030,887            | 596,892            | 11.9              |
| Administrative and general                                      | 3,582,232            | 3,329,625            | 252,607            | 7.6               |
| <b>Total Operation, Maintenance and Administrative Expenses</b> | <u>14,955,518</u>    | <u>14,361,227</u>    | <u>594,291</u>     | <u>4.1</u>        |
| <b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>    | <u>19,072,394</u>    | <u>21,045,015</u>    | <u>(1,972,621)</u> | <u>(9.4)</u>      |
| <b>LESS:</b>  |                      |                      |                    |                   |
| Debt service  | 5,866,632            | 6,579,837            | (713,205)          | (10.8)            |
| UPIF contributions  | 6,599,262            | 7,377,358            | (778,096)          | (10.5)            |
| Transfer to City of Gainesville General Fund                    | 4,395,504            | 5,511,431            | (1,115,927)        | (20.2)            |
| <b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>  | <u>\$ 2,210,996</u>  | <u>\$ 1,576,389</u>  | <u>\$ 634,607</u>  | <u>40.3</u>       |

**Gainesville Regional Utilities**  
**Gas Utility System**  
**Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited**  
**For the Periods Ended June 30, 2019 and 2018**

|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>Change (\$)</u>    | <u>Change (%)</u> |
|---|----------------------|----------------------|-----------------------|-------------------|
| <b>REVENUES:</b>  |                      |                      |                       |                   |
| Residential   | \$ 6,618,232         | \$ 6,988,587         | \$ (370,355)          | (5.3)             |
| Non-residential   | 4,226,368            | 4,455,046            | (228,678)             | (5.1)             |
| Fuel adjustment   | 7,032,308            | 6,490,190            | 542,118               | 8.4               |
| Utility surcharge   | 432,541              | 448,894              | (16,353)              | (3.6)             |
| Other gas sales   | 1,043,278            | 1,121,019            | (77,741)              | (6.9)             |
| <b>Total Sales of Gas</b>                                       | <u>19,352,727</u>    | <u>19,503,736</u>    | <u>(151,009)</u>      | <u>(0.8)</u>      |
| Transfer from/(to) rate stabilization                           | 3,834,118            | (1,398,261)          | 5,232,379             | 374.2             |
| Other revenue   | (135,887)            | 263,479              | (399,366)             | (151.6)           |
| Other income (expense)  | 50,444               | (21,789)             | 72,233                | 331.5             |
| Build America Bonds   | 451,437              | 456,169              | (4,732)               | (1.0)             |
| <b>Total Revenues</b>   | <u>23,552,839</u>    | <u>18,803,334</u>    | <u>4,749,505</u>      | <u>25.3</u>       |
| <b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>      |                      |                      |                       |                   |
| Fuel Expense - Purchased Gas                                    | 7,032,308            | 6,490,190            | 542,118               | 8.4               |
| Operation and maintenance                                       | 2,168,235            | 2,160,167            | 8,068                 | 0.4               |
| Administrative and general                                      | 1,689,880            | 1,640,393            | 49,487                | 3.0               |
| <b>Total Operation, Maintenance and Administrative Expenses</b> | <u>10,890,423</u>    | <u>10,290,750</u>    | <u>599,673</u>        | <u>5.8</u>        |
| <b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>    | <u>12,662,416</u>    | <u>8,512,584</u>     | <u>4,149,832</u>      | <u>48.7</u>       |
| <b>LESS:</b>  |                      |                      |                       |                   |
| Debt service  | 2,854,513            | 3,039,095            | (184,582)             | (6.1)             |
| UPIF contributions  | 1,770,595            | 2,159,027            | (388,432)             | (18.0)            |
| Transfer to City of Gainesville General Fund                    | 7,474,165            | 1,036,804            | 6,437,361             | 620.9             |
| <b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>  | <u>\$ 563,143</u>    | <u>\$ 2,277,658</u>  | <u>\$ (1,714,515)</u> | <u>(75.3)</u>     |

**Gainesville Regional Utilities  
Telecommunications System  
Schedules of Net Revenues in Accordance with Bond Resolution - Unaudited  
For the Periods Ended June 30, 2019 and 2018**

|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>Change (\$)</u>  | <u>Change (%)</u> |
|---|----------------------|----------------------|---------------------|-------------------|
| <b>REVENUES:</b>  |                      |                      |                     |                   |
| Telecommunications  | \$ 5,756,600         | \$ 5,653,044         | \$ 103,556          | 1.8               |
| Trunking radio  | 1,276,015            | 1,307,757            | (31,742)            | (2.4)             |
| Tower leasing   | 1,257,129            | 1,453,967            | (196,838)           | (13.5)            |
| Other sales   | -                    | 49,206               | (49,206)            | (100.0)           |
| <b>Total Sales of Services</b>                                  | <b>8,289,744</b>     | <b>8,463,974</b>     | <b>(174,230)</b>    | <b>(2.1)</b>      |
| Other revenue   | (163,276)            | 14,491               | (177,767)           | (1,226.7)         |
| Other income (expense)  | (44,002)             | (155,265)            | 111,263             | 71.7              |
| <b>Total Revenues</b>   | <b>8,082,466</b>     | <b>8,323,200</b>     | <b>(240,734)</b>    | <b>(2.9)</b>      |
| <b>OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES:</b>      |                      |                      |                     |                   |
| Operation and maintenance                                       | 4,526,493            | 4,067,260            | 459,233             | 11.3              |
| Administrative and general                                      | 633,745              | 634,497              | (752)               | (0.1)             |
| <b>Total Operation, Maintenance and Administrative Expenses</b> | <b>5,160,238</b>     | <b>4,701,757</b>     | <b>458,481</b>      | <b>9.8</b>        |
| <b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>    | <b>2,922,228</b>     | <b>3,621,443</b>     | <b>(699,215)</b>    | <b>(19.3)</b>     |
| <b>LESS:</b>  |                      |                      |                     |                   |
| Debt service  | 1,946,756            | 2,906,177            | (959,421)           | (33.0)            |
| UPIF contributions  | 344,285              | 328,936              | 15,349              | 4.7               |
| Transfer to City of Gainesville General Fund                    | 890,126              | 286,485              | 603,641             | 210.7             |
| <b>NET IMPACT TO RATE STABILIZATION - ADDITION (REDUCTION)</b>  | <b>\$ (258,939)</b>  | <b>\$ 99,845</b>     | <b>\$ (358,784)</b> | <b>(359.3)</b>    |



# **Supplementary Data**

**Gainesville Regional Utilities**  
**Fuel Adjustment Levelization**  
**For the Period Ended June 30, 2019**

|   | <b>Actual</b>         |
|---|-----------------------|
| Fuel Revenues                                 | \$ 59,456,937         |
| Fuel Expenses                                 | 63,663,666            |
| <b>To (From) Fuel Adjustment Levelization</b> | <b>\$ (4,206,729)</b> |
| <br>  |                       |
| Fuel Adjustment Beginning Balance             | \$ (2,310,115)        |
| To (From) Fuel Adjustment Levelization        | (4,206,729)           |
| <b>Fuel Adjustment Ending Balance</b>         | <b>\$ (6,516,844)</b> |

**Gainesville Regional Utilities**  
**Purchased Gas Adjustment (PGA) Levelization**  
**For the Period Ended June 30, 2019**

|                                   | <b>Actual</b>       |
|-----------------------------------|---------------------|
| Purchased Gas Revenues            | \$ 6,630,338        |
| Purchased Gas Expenses            | 7,032,308           |
| <b>To (From) PGA Levelization</b> | <b>\$ (401,970)</b> |
| <br>                              |                     |
| PGA Beginning Balance             | \$ (66,826)         |
| To (From) PGA Levelization        | (401,970)           |
| <b>PGA Ending Balance</b>         | <b>\$ (468,796)</b> |