

# **Gainesville Regional Utilities**

## **Budget to Actual Comparison**

**For the Year Ended September 30, 2022**



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**Gainesville Regional Utilities  
Budget to Actual Comparison  
For the Year Ended September 30, 2022**

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# **Overview and Basis of Accounting**

## Overview

Gainesville Regional Utilities (GRU or the Utility) is a combined municipal utility system operating electric, water, wastewater, natural gas, and telecommunications (GRUCom) systems. GRU is a utility enterprise of the City of Gainesville, Florida (City) and is reported as an enterprise fund in the annual comprehensive financial report of the City.

We offer readers this analysis of the budget to actual activities of GRU for the year ended September 30, 2022.

## 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.

**Gainesville Regional Utilities**  
**Combined Systems**  
**Budget to Actual Comparison**  
**For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Revenues:</b>				
Electric system:				
Sales of electricity	\$ 205,892,878	\$ 207,292,260	\$ 1,399,382	0.7
Fuel adjustment	79,938,081	154,038,253	74,100,172	92.7
Sales for resale	1,141,386	1,142,634	1,248	0.1
Transfer from (to) rate stabilization	2,140,217	9,316,848	7,176,631	335.3
Other revenue	4,933,205	6,375,742	1,442,537	29.2
Other income	644,606	2,760,932	2,116,326	328.3
Build America Bonds	2,740,235	2,746,092	5,857	0.2
<b>Total electric system revenues</b>	<b><u>297,430,608</u></b>	<b><u>383,672,761</u></b>	<b><u>86,242,153</u></b>	<b><u>29.0</u></b>
Water system:				
Sales of water	35,514,859	36,761,847	1,246,988	3.5
Transfer from (to) rate stabilization	(1,495,051)	347,214	1,842,265	(123.2)
Other revenue	3,105,646	3,563,209	457,563	14.7
Other income	189,804	382,541	192,737	101.5
Build America Bonds	782,392	784,074	1,682	0.2
<b>Total water system revenues</b>	<b><u>38,097,650</u></b>	<b><u>41,838,885</u></b>	<b><u>3,741,235</u></b>	<b><u>9.8</u></b>
Wastewater system:				
Sales of services	42,716,003	45,658,058	2,942,055	6.9
Transfer from (to) rate stabilization	2,113,042	1,797,451	(315,591)	(14.9)
Other revenue	3,612,073	6,739,826	3,127,753	86.6
Other income	98,987	276,151	177,164	179.0
Build America Bonds	904,002	906,040	2,038	0.2
<b>Total wastewater system revenues</b>	<b><u>49,444,107</u></b>	<b><u>55,377,526</u></b>	<b><u>5,933,419</u></b>	<b><u>12.0</u></b>
Gas system:				
Sales of gas	15,403,696	16,033,046	629,350	4.1
Purchased gas adjustment	7,925,032	15,875,371	7,950,339	100.3
Transfer from (to) rate stabilization	1,044,896	815,474	(229,422)	(22.0)
Other revenue	713,905	507,408	(206,497)	(28.9)
Other income	134,216	198,056	63,840	47.6
Build America Bonds	574,673	575,905	1,232	0.2
<b>Total gas system revenues</b>	<b><u>25,796,418</u></b>	<b><u>34,005,260</u></b>	<b><u>8,208,842</u></b>	<b><u>31.8</u></b>
Telecommunications system:				
Sales of services	12,243,879	12,272,670	28,791	0.2
Transfer from (to) rate stabilization	2,354,796	-	(2,354,796)	(100.0)
Other revenue	35,000	69,854	34,854	99.6
Other income	16,276	109,636	93,360	573.6
<b>Total telecommunications system revenues</b>	<b><u>14,649,951</u></b>	<b><u>12,452,160</u></b>	<b><u>(2,197,791)</u></b>	<b><u>(15.0)</u></b>
<b>Total revenues</b>	<b><u>425,418,734</u></b>	<b><u>527,346,592</u></b>	<b><u>101,927,858</u></b>	<b><u>24.0</u></b>

**Gainesville Regional Utilities**  
**Combined Systems**  
**Budget to Actual Comparison**  
**For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Operation, maintenance, and administrative expenses:</b>				
Electric system:				
Fuel expenses	79,938,081	154,038,253	74,100,172	92.7
Operation and maintenance	67,559,817	64,076,107	(3,483,710)	(5.2)
Administrative and general	26,777,262	23,761,786	(3,015,476)	(11.3)
<b>Total electric system expenses</b>	<b>174,275,160</b>	<b>241,876,146</b>	<b>67,600,986</b>	<b>38.8</b>
Water system:				
Operation and maintenance	12,296,478	14,355,793	2,059,315	16.7
Administrative and general	5,861,747	5,412,384	(449,363)	(7.7)
<b>Total water system expenses</b>	<b>18,158,225</b>	<b>19,768,177</b>	<b>1,609,952</b>	<b>8.9</b>
Wastewater system:				
Operation and maintenance	15,142,763	16,875,304	1,732,541	11.4
Administrative and general	8,582,140	5,836,662	(2,745,478)	(32.0)
<b>Total wastewater system expenses</b>	<b>23,724,903</b>	<b>22,711,966</b>	<b>(1,012,937)</b>	<b>(4.3)</b>
Gas system:				
Fuel expense - purchased gas	7,925,032	15,875,371	7,950,339	100.3
Operation and maintenance	2,826,878	2,821,399	(5,479)	(0.2)
Administrative and general	3,294,397	2,733,163	(561,234)	(17.0)
<b>Total gas system expenses</b>	<b>14,046,307</b>	<b>21,429,933</b>	<b>7,383,626</b>	<b>52.6</b>
Telecommunications system:				
Operation and maintenance	8,745,949	8,900,755	154,806	1.8
Administrative and general	1,183,604	1,129,918	(53,686)	(4.5)
<b>Total telecommunications system expenses</b>	<b>9,929,553</b>	<b>10,030,673</b>	<b>101,120</b>	<b>1.0</b>
<b>Total expenses</b>	<b>240,134,148</b>	<b>315,816,895</b>	<b>75,682,747</b>	<b>31.5</b>
<b>Net revenues in accordance with bond resolution</b>				
Total electric system	123,155,448	141,796,615	18,641,167	15.1
Total water system	19,939,425	22,070,708	2,131,283	10.7
Total wastewater system	25,719,204	32,665,560	6,946,356	27.0
Total gas system	11,750,111	12,575,327	825,216	7.0
Total telecommunications system	4,720,398	2,421,487	(2,298,911)	(48.7)
<b>Total net revenues in accordance with bond resolution</b>	<b>185,284,586</b>	<b>211,529,697</b>	<b>26,245,111</b>	<b>14.2</b>
<b>Less transfer to (from) other funds:</b>				
Debt service	98,567,832	107,117,764	8,549,932	8.7
UPIF contributions	45,762,559	45,762,559	-	-
Transfer to City of Gainesville General Fund	36,283,000	36,283,000	-	-
Transfer to debt defeasance	4,671,195	4,671,195	-	-
Intercompany loan	-	(2,211,471)	(2,211,471)	(100.0)
Retain in revenue funds	-	19,906,650	19,906,650	-
<b>Net impact to rate stabilization - addition (reduction)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**Gainesville Regional Utilities**  
**Electric System**  
**Budget to Actual Comparison**  
**For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Revenues:</b>				
Residential	84,220,398	84,703,247	482,849	0.6
Non-residential	97,168,322	96,360,436	(807,886)	(0.8)
Fuel adjustment	79,938,081	154,038,253	74,100,172	92.7
Sales for resale	1,141,386	1,142,634	1,248	0.1
Utility surcharge	4,835,711	4,831,818	(3,893)	(0.1)
Other electric sales	19,668,447	21,396,759	1,728,312	8.8
<b>Total sales of electricity</b>	<b><u>286,972,345</u></b>	<b><u>362,473,147</u></b>	<b><u>75,500,802</u></b>	<b><u>26.3</u></b>
Transfer from (to) rate stabilization	2,140,217	9,316,848	7,176,631	335.3
Other revenue	4,933,205	6,375,742	1,442,537	29.2
Other income	644,606	2,760,932	2,116,326	328.3
Build America Bonds	2,740,235	2,746,092	5,857	0.2
<b>Total revenues</b>	<b><u>297,430,608</u></b>	<b><u>383,672,761</u></b>	<b><u>86,242,153</u></b>	<b><u>29.0</u></b>
<b>Operation, maintenance, and administrative expenses:</b>				
Fuel expenses	79,938,081	154,038,253	74,100,172	92.7
Power production	46,635,243	45,568,743	(1,066,500)	(2.3)
Transmission and distribution	20,924,574	18,507,364	(2,417,210)	(11.6)
Administrative and general	26,777,262	23,761,786	(3,015,476)	(11.3)
<b>Total operation, maintenance, and administrative expenses</b>	<b><u>174,275,160</u></b>	<b><u>241,876,146</u></b>	<b><u>67,600,986</u></b>	<b><u>38.8</u></b>
<b>Total net revenues in accordance with bond resolution</b>	<b><u>123,155,448</u></b>	<b><u>141,796,615</u></b>	<b><u>18,641,167</u></b>	<b><u>15.1</u></b>
<b>Less transfer to (from) other funds:</b>				
Debt service	71,284,412	78,993,192	7,708,780	10.8
UPIF contributions	24,770,690	24,770,690	-	-
Transfer to City of Gainesville General Fund	23,388,369	23,388,369	-	-
Transfer to debt defeasance	3,711,977	3,711,977	-	-
Retain in revenue funds	-	10,932,387	10,932,387	-
<b>Net impact to rate stabilization - addition (reduction)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>-</u></b>



**Gainesville Regional Utilities  
Water System  
Budget to Actual Comparison  
For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Revenues:</b>				
Residential	21,878,563	\$ 22,493,753	\$ 615,190	2.8
Non-residential	11,056,517	11,468,150	411,633	3.7
Utility surcharge	2,579,779	2,799,944	220,165	8.5
<b>Total sales of water</b>	<b><u>35,514,859</u></b>	<b><u>36,761,847</u></b>	<b><u>1,246,988</u></b>	<b><u>3.5</u></b>
Transfer from (to) rate stabilization	(1,495,051)	347,214	1,842,265	(123.2)
Other revenue	3,105,646	3,563,209	457,563	14.7
Other income	189,804	382,541	192,737	101.5
Build America Bonds	782,392	784,074	1,682	0.2
<b>Total revenues</b>	<b><u>38,097,650</u></b>	<b><u>41,838,885</u></b>	<b><u>3,741,235</u></b>	<b><u>9.8</u></b>
<b>Operation, maintenance, and administrative expenses:</b>				
Transmission and distribution	3,403,914	4,572,455	1,168,541	34.3
Treatment	8,892,564	9,783,338	890,774	10.0
Administrative and general	5,861,747	5,412,384	(449,363)	(7.7)
<b>Total operation, maintenance, and administrative expenses</b>	<b><u>18,158,225</u></b>	<b><u>19,768,177</u></b>	<b><u>1,609,952</u></b>	<b><u>8.9</u></b>
<b>Total net revenues in accordance with bond resolution</b>	<b><u>19,939,425</u></b>	<b><u>22,070,708</u></b>	<b><u>2,131,283</u></b>	<b><u>10.7</u></b>
<b>Less transfer to (from) other funds:</b>				
Debt service	8,427,668	8,736,112	308,444	3.7
UPIF contributions	6,765,625	6,765,625	-	-
Transfer to City of Gainesville General Fund	4,426,217	4,426,217	-	-
Transfer to debt defeasance	319,915	319,915	-	-
Retain in revenue funds	-	1,822,839	1,822,839	-
<b>Net impact to rate stabilization - addition (reduction)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>-</u></b>

**Gainesville Regional Utilities**  
**Wastewater System**  
**Budget to Actual Comparison**  
**For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Revenues:</b>				
Residential	28,619,969	\$ 30,223,434	\$ 1,603,465	5.6
Non-residential	10,966,226	12,037,848	1,071,622	9.8
Utility surcharge	3,129,808	3,396,776	266,968	8.5
<b>Total sales of services</b>	<b>42,716,003</b>	<b>45,658,058</b>	<b>2,942,055</b>	<b>6.9</b>
Transfer from (to) rate stabilization	2,113,042	1,797,451	(315,591)	(14.9)
Other revenue	3,612,073	6,739,826	3,127,753	86.6
Other income	98,987	276,151	177,164	179.0
Build America Bonds	904,002	906,040	2,038	0.2
<b>Total revenues</b>	<b>49,444,107</b>	<b>55,377,526</b>	<b>5,933,419</b>	<b>12.0</b>
<b>Operation, maintenance, and administrative expenses:</b>				
Collection	5,302,843	6,134,498	831,655	15.7
Treatment	9,839,920	10,740,806	900,886	9.2
Administrative and general	8,582,140	5,836,662	(2,745,478)	(32.0)
<b>Total operation, maintenance, and administrative expenses</b>	<b>23,724,903</b>	<b>22,711,966</b>	<b>(1,012,937)</b>	<b>(4.3)</b>
<b>Total net revenues in accordance with bond resolution</b>	<b>25,719,204</b>	<b>32,665,560</b>	<b>6,946,356</b>	<b>27.0</b>
<b>Less transfer to (from) other funds:</b>				
Debt service	11,695,566	12,577,473	881,907	7.5
UPIF contributions	8,314,263	8,314,263	-	-
Transfer to City of Gainesville General Fund	5,346,802	5,346,802	-	-
Transfer to debt defeasance	362,573	362,573	-	-
Retain in revenue funds	-	6,064,449	6,064,449	-
<b>Net impact to rate stabilization - addition (reduction)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**Gainesville Regional Utilities**  
**Gas System**  
**Budget to Actual Comparison**  
**For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Revenues:</b>				
Residential	8,385,440	\$ 8,437,770	\$ 52,330	0.6
Non-residential	5,246,116	5,663,328	417,212	8.0
Purchased gas adjustment	7,925,032	15,875,371	7,950,339	100.3
Utility surcharge	577,385	587,152	9,767	1.7
Other gas sales	1,194,755	1,344,796	150,041	12.6
<b>Total sales of gas</b>	<b>23,328,728</b>	<b>31,908,417</b>	<b>8,579,689</b>	<b>36.8</b>
Transfer from (to) rate stabilization	1,044,896	815,474	(229,422)	(22.0)
Other revenue	713,905	507,408	(206,497)	(28.9)
Other income	134,216	198,056	63,840	47.6
Build America Bonds	574,673	575,905	1,232	0.2
<b>Total revenues</b>	<b>25,796,418</b>	<b>34,005,260</b>	<b>8,208,842</b>	<b>31.8</b>
<b>Operation, maintenance, and administrative expenses:</b>				
Fuel expense - purchased gas	7,925,032	15,875,371	7,950,339	100.3
Operation and maintenance	2,826,878	2,821,399	(5,479)	(0.2)
Administrative and general	3,294,397	2,733,163	(561,234)	(17.0)
<b>Total operation, maintenance, and administrative expenses</b>	<b>14,046,307</b>	<b>21,429,933</b>	<b>7,383,626</b>	<b>52.6</b>
<b>Total net revenues in accordance with bond resolution</b>	<b>11,750,111</b>	<b>12,575,327</b>	<b>825,216</b>	<b>7.0</b>
<b>Less transfer to (from) other funds:</b>				
Debt service	5,024,427	4,762,668	(261,759)	(5.2)
UPIF contributions	4,762,422	4,762,422	-	-
Transfer to City of Gainesville General Fund	1,799,797	1,799,797	-	-
Transfer to debt defeasance	163,465	163,465	-	-
Retain in revenue funds	-	1,086,975	1,086,975	-
<b>Net impact to rate stabilization - addition (reduction)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**Gainesville Regional Utilities  
Telecommunications System  
Budget to Actual Comparison  
For the Year Ended September 30, 2022**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Actual Over/&lt;Under&gt; Budget</u>	<u>% Variance</u>
<b>Revenues:</b>				
Telecommunications	7,460,181	\$ 7,282,003	\$ (178,178)	(2.4)
Trunking radio	2,744,485	2,760,010	15,525	0.6
Tower leasing	2,039,213	2,230,657	191,444	9.4
<b>Total sales of services</b>	<u>12,243,879</u>	<u>12,272,670</u>	<u>28,791</u>	<u>0.2</u>
Transfer from (to) rate stabilization	2,354,796	-	(2,354,796)	(100.0)
Other revenue	35,000	69,854	34,854	99.6
Other income	16,276	109,636	93,360	573.6
<b>Total revenues</b>	<u>14,649,951</u>	<u>12,452,160</u>	<u>(2,197,791)</u>	<u>(15.0)</u>
<b>Operation, maintenance, and administrative expenses:</b>				
Operation and maintenance	8,745,949	8,900,755	154,806	1.8
Administrative and general	1,183,604	1,129,918	(53,686)	(4.5)
<b>Total operation, maintenance, and administrative expenses</b>	<u>9,929,553</u>	<u>10,030,673</u>	<u>101,120</u>	<u>1.0</u>
<b>Total net revenues in accordance with bond resolution</b>	<u>4,720,398</u>	<u>2,421,487</u>	<u>(2,298,911)</u>	<u>(48.7)</u>
<b>Less transfer to (from) other funds:</b>				
Debt service	2,135,759	2,048,319	(87,440)	(4.1)
UPIF contributions	1,149,559	1,149,559	-	-
Transfer to City of Gainesville General Fund	1,321,815	1,321,815	-	-
Transfer to debt defeasance	113,265	113,265	-	-
Intercompany loan	-	(2,211,471)	(2,211,471)	-
<b>Net impact to rate stabilization - addition (reduction)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>