

**GRU SUMMARY OF CHANGES IN POSITION (In thousands)  
FROM FYE SEPT 2018 TO 2021**

	2018 to 2021				
	Combined	Sep-21	Sep-20	Sep-19	Sep-18
<b>INCOME BEFORE TRANSFERS AND CAP CONTRIBUTIONS</b>	<b>96,962</b>	<b>23,936</b>	<b>16,620</b>	<b>25,503</b>	<b>30,903</b>
<b>CAPITAL CONTRIBUTED FROM 3RD PARTIES (1)</b>	<b>17,010</b>	<b>4,210</b>	<b>7,639</b>	<b>3,971</b>	<b>1,190</b>
Income Restated for 2021					
<b>*Income per Comprehensive Annual Financial Report (CAFR)</b>	<b>113,972</b>	<b>28,146</b>	<b>24,259</b>	<b>29,474</b>	<b>32,093</b>
<b>GSC TRANS OUT</b>	<b>151,234</b>	<b>38,285</b>	<b>38,285</b>	<b>38,285</b>	<b>36,379</b>
<b>CHANGE IN POSITION</b>	<b>(37,262)</b>	<b>(10,139)</b>	<b>(14,026)</b>	<b>(8,811)</b>	<b>(4,286)</b>
<b>NET POSITION Beg of Yr</b>	<b>436,496</b>	<b>409,373</b>	<b>423,399</b>	<b>432,210</b>	<b>436,496</b>
<b>NET POSITION End of Yr</b>	<b>399,234</b>	<b>399,234</b>	<b>409,373</b>	<b>423,399</b>	<b>432,210</b>
<b>Per GRU Analysis (3)</b>	<b>83,597</b>				
<b>Additional revenue due to restatement (2)</b>	<b>13,365</b>	<b>273</b>			<b>13,092</b>
<b>CAPITAL CONTRIBUTED FROM 3RD PARTIES (1)</b>	<b>17,010</b>				
<b>Sub-Total--Income omitted by GRU</b>	<b>30,375</b>				
<b>*Income per Comprehensive Annual Financial Report (CAFR)</b>	<b>113,972</b>				
<b>PER Comprehensive Annual Financial Report (CAFR)</b>					
<b>INCOME BEFORE TRANSFERS AND CAP CONTRIBUTIONS</b>	<b>96,962</b>	<b>23,936</b>	<b>16,620</b>	<b>25,503</b>	<b>30,903</b>
<b>PER GRU CALCULATION:</b>					
<b>INCOME BEFORE TRANSFERS AND CAP CONTRIBUTIONS</b>	<b>83,597</b>	<b>23,663</b>	<b>16,620</b>	<b>25,503</b>	<b>17,811</b>
<b>(1) Contributed CAPITAL is considered revenue per the CAFR</b>					
<b>(2) DIFFERENCE-- GRU IN ERROR DID NOT USE RESTATED INFO</b>	<b>13,365</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>13,092</b>

(2) 2018 CAFR was restated, Income was increased by Approx. \$13M & 2021 it was restated by \$273T.

GRU SUMMARY OF CHANGES IN POSITION (In thousands)  
FROM FYE SEPT 2017 TO 2023

	Combined	Sep-23	Sep-22	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17
NET INCOME	189,907	16,624	47,245	23,663	16,620	25,503	30,903	29,349
CAPITAL FROM 3RD PARTIES RESTATEMENT	34,355	366	9,401	4,210	7,639	3,971	1,190	7,578
SUB-TOTAL	224,262	16,990	56,646	27,873	24,259	29,474	32,093	36,927
GSC TRANS OUT	257,614	34,283	36,283	38,285	38,285	38,285	36,379	35,814
CHANGE IN POSITION	(33,352)	(17,293)	20,363	(10,412)	(14,026)	(8,811)	(4,286)	1,113
NET POSITION BOY	476,964	419,597	398,961	409,373	423,399	432,210	436,496	476,964
Restatement from prior yrs 2016 & earlier (1)	(41,308)		273					(41,581)
NET POSITION EOY	402,304	402,304	419,597	398,961	409,373	423,399	432,210	436,496

From 2018 to 2021 the net change was (37,535)

From 2018 to 2022 the net change was (17,172)

From 2017 to 2023 the net change was (33,352)

Why didn't he include 2022& 2017 in the calculation?

1)--NOTE 18 – RESTATEMENTS from 2017 financial Statements--(This restatement occurred during the years that EB was in charge.)

GRU has restated its 2016 financial statements to correct recording of utility plant retirements in prior years. Based on prior auditor guidance, GRU recorded utility plant retirements as a reduction to accumulated depreciation instead of recording any gain or loss on the utility plant retirements to net income in the year the assets were retired. A portion of the utility plant retirements were purchased or built with debt that is still outstanding. Those costs, approximately \$6.4 million, will be recovered in future years from ratepayers as the outstanding debt is fully repaid.

Beginning and ending net positions were restated as shown below.

Utility Fund

Business-type

Activities

Restatement of net position accounts-Electric Fund --(38,157,715)

Restatement of net position accounts-Water Fund --(463,343)

Restatement of net position accounts-Wastewater Fund (999,986)

Restatement of net position accounts-Gas Fund (621,493)

Restatement of net position accounts-GRUCOM Fund (1,337,725)

Total Restatement for 2016 & prior in thousands

(41,581)

GAAP BASIS: GFT PAID VS AVAILABLE TO PAY

Fiscal Year	Total Operating Revenue Less	Total Operating Expense=	= Operating Income	Less Total Non-Operating Income (Expense)	= Income Before Capital Contributions & Transfers	Less GFT Paid	= GFT Paid (In Excess Of) Less Than Funds Available
2023	457,670,774	381,167,871	76,502,903	(54,266,513)	22,236,390	34,283,000	(12,046,610)
2022	524,637,589	417,228,033	107,609,556	(60,364,600)	47,244,956	36,283,000	10,961,956
2021	412,186,754	331,352,639	80,834,115	(57,170,963)	23,663,152	38,285,000	(14,621,848)
2020	390,570,096	311,973,248	78,596,848	(61,976,709)	16,620,139	38,285,000	(21,664,861)
2019	416,692,900	329,896,343	86,796,557	(61,290,346)	25,506,211	38,285,001	(12,781,790)
2018	402,554,119	328,936,572	73,617,547	(55,806,140)	17,811,407	36,379,080	(18,567,673)
							FY18 - FY21 = (67,636,172)

Gainesville Regional Utilities  
Notes to Financial Statements  
September 30, 2023 and 2022

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**1. Summary of Significant Accounting Policies (continued)**

**Capital Assets and Depreciation (concluded)**

removal of an asset that is not replaced with a new asset is recorded as an expense in the income statement. GRU has a capitalization threshold of \$2,500 for general plant assets and no capitalization threshold for utility plant.

Depreciation of capital assets is computed using the straight-line method over the estimated lives of the assets ranging from 2 to 83 years. The overall depreciation rate was 3.10% and 3.26% for the years ending September 30, 2023 and 2022, respectively.

**Subscription-Based Information Technology Arrangements (SBITA)**

GRU enters into SBITA arrangements with other entities as a subscriber of information technology in accordance with GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*, and establishes an accounting model for subscription assets that requires the recognition of a SBITA liability and an intangible right-to-use subscription asset in the Statement of Net Position for fiscal year 2023. See Note 11 Subscription-Based Information Technology Arrangements for additional information.

**Leases**

GRU enters into leases of capital assets with other entities as a lessor in accordance with GASB Statement No. 87 *Leases*, and records a lease receivable and corresponding deferred inflow of resources in the Statement of Net Position for fiscal years 2023 and 2022. GRU continues to report and depreciate the capital assets being leased. See Note 10 Leases for additional information.

GRU enters into leases of capital assets of other entities as a lessee in accordance with GASB Statement No. 87 *Leases*, and records a lease liability and an intangible right-to-use capital asset (known as the lease asset) in the Statement of Net Position for fiscal years 2023 and 2022. See Note 10 Leases for additional information.

**Contributions in Aid of Construction**

GRU recognizes capital contributions to the electric and gas systems as revenues which are subsequently expensed in the same period. Depreciation on these assets is recorded on a straight-line basis over the estimated lives of the assets.

GRU recognizes capital contributions to the water, wastewater, and telecommunications systems as revenues in the period received. Depreciation on these assets is recorded on a straight-line basis over the estimated lives of the assets.

**Hedging Derivative Instruments**

GRU records fuel and financial-related derivative instruments in accordance with GASB Statement No. 53, *Accounting and Reporting for Financial and Derivative Instruments*. All effective derivative instruments are included in the Statements of Net Position as either an asset

**CITY OF GAINESVILLE, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Deferred Outflows of Resources (Concluded)**

*Accumulated decrease in fair value of hedging derivatives*

GRU has two types of hedging instruments: interest rate swap agreements and natural gas hedges. Each is associated with an item that is eligible to be hedged. For effective hedging transactions, hedge accounting is applied and fair market value changes are recorded on the statement of net position as either a deferred inflow of resources or a deferred outflow of resources until such time that the transaction ends.

*Pension and OPEB related*

Increases in the net pension and OPEB liability resulting from changes of assumptions, differences between projected and actual earnings on plan investments, and differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred outflows of resources, to be recognized as an increase in expense as disclosed in Note 5 – Retirement Plans and Note 6 – Other Postemployment Benefits Plan.

**(J) Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and, therefore, will not be recognized as an inflow of resources until that future time.

*Rate stabilization*

GRU designs its rates to recover costs of providing services. In order to stabilize future rate increases or decreases, GRU determines a rate stabilization amount to be charged or credited to revenues on an annual basis. These amounts are reflected as increases or decreases in deferred inflows.

*Business taxes not yet earned*

Business taxes are due to the City on October 1 for the fiscal year beginning that day. Payments received prior to that date are recorded as a deferred inflow of resources.

*Pension and OPEB related*

Decreases in the net pension and OPEB liability resulting from changes of assumptions, differences between projected and actual earnings on plan investments, and differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred inflows of resources, to be recognized as a decrease in expense as disclosed in Note 5 – Retirement Plans and Note 6 – Other Postemployment Benefits Plan.

**(K) Contributions in Aid of Construction**

Capital contributions to the electric and gas systems are recognized as revenues and subsequently expensed in the same period for capital contributions that will not be recovered in rates in accordance with GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Capital contributions to the water, wastewater, and GRUCom systems, as well as to other proprietary funds of the City, are recognized as revenues in the periods received. Depreciation on these assets is recorded on a straight-line basis over the estimated lives of the assets.

**Gainesville Regional Utilities**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended September 30, 2019 and 2018**

	<b>2019</b>	Restated <b>2018</b>
Operating revenue:		
Sales and service charges	\$ 384,777,714	\$ 383,202,896
Transfers from rate stabilization	4,954,864	3,839,787
Amounts to be recovered from future revenue	18,071,378	16,540,399
Other operating revenue	8,888,944	12,062,184
Total operating revenues	416,692,900	415,645,266
Operating expenses:		
Operation and maintenance	203,155,987	210,340,751
Administrative and general	29,406,672	24,515,688
Depreciation and amortization	97,336,684	94,080,133
Total operating expenses	329,899,343	328,936,572
Operating income	86,793,557	86,708,694
Non-operating income (expense):		
Interest income	4,774,240	2,986,003
Interest expense, net of AFUDC	(62,247,527)	(58,034,716)
Other interest related income, BABs	5,211,950	5,259,227
Other expense	(9,029,009)	(6,016,654)
Total non-operating expense	(61,290,346)	(55,806,140)
Income before capital contributions and transfer	25,503,211	30,902,554
Capital contributions:		
Contributions from third parties	4,154,415	1,313,407
Reduction of plant costs recovered through contributions	(183,434)	(123,165)
Net capital contributions	3,970,981	1,190,242
Transfer to City of Gainesville General Fund	(38,285,001)	(36,379,080)
Change in net position	(8,810,809)	(4,286,284)
Net position – beginning of year	432,210,089	436,496,373
Net position – end of year	\$ 423,399,280	\$ 432,210,089

See accompanying notes.

Gainesville Regional Utilities  
 Statements of Revenues, Expenses, and Changes in Net Position  
 For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>Restated 2021</u>
Operating revenue:		
Sales and service charges	\$ 488,284,460	\$ 398,711,373
Transfers from (to) rate stabilization	12,276,987	(7,660,342)
Amounts to be recovered from future revenue	5,308,072	5,350,573
Other operating revenue	18,968,070	15,256,161
Total operating revenues	<u>524,837,589</u>	<u>411,657,765</u>
Operating expenses:		
Operation and maintenance	278,191,870	200,660,484
Administrative and general	35,350,622	30,336,691
Depreciation and amortization	103,685,541	100,511,726
Total operating expenses	<u>417,228,033</u>	<u>331,508,901</u>
Operating income	<u>107,609,556</u>	80,148,864
Non-operating income (expense):		
Interest income	2,696,956	1,899,317
Interest expense, net of AFUDC (2021 Only)	(63,510,409)	(57,822,991)
Other interest related income, BABs	5,012,110	5,112,590
Other income (expense)	(4,563,257)	(5,401,838)
Total non-operating income (expense)	<u>(60,364,600)</u>	<u>(56,212,922)</u>
Income before capital contributions and transfer	<u>47,244,956</u>	23,935,942
Capital contributions:		
Contributions from third parties	9,441,273	4,455,329
Reduction of plant costs recovered through contributions	(39,928)	(245,918)
Net capital contributions	<u>9,401,345</u>	<u>4,209,411</u>
Transfer to City of Gainesville General Fund	<u>(36,283,000)</u>	<u>(38,285,000)</u>
Change in net position	20,363,301	(10,139,647)
Net position – beginning of year	399,233,567	409,373,214
Net position – end of year	<u>\$ 419,596,868</u>	<u>\$ 399,233,567</u>

See accompanying notes.

**Gainesville Regional Utilities**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Sales and service charges	\$ 399,240,362	\$ 370,167,945
Transfers from (to) rate stabilization	(7,660,342)	(4,578,087)
Amounts to be recovered from future revenue	5,350,573	5,479,529
Other operating revenue	15,256,161	19,500,709
Total operating revenues	<u>412,186,754</u>	<u>390,570,096</u>
Operating expenses:		
Operation and maintenance	200,660,484	178,555,049
Administrative and general	30,336,691	32,371,679
Depreciation and amortization	100,355,464	101,046,520
Total operating expenses	<u>331,352,639</u>	<u>311,973,248</u>
Operating income	<u>80,834,115</u>	<u>78,596,848</u>
Non-operating income (expense):		
Interest income	1,093,496	3,039,395
Interest expense, net of AFUDC	(57,801,796)	(62,588,476)
Other interest related income, BABs	5,112,590	5,154,906
Other expense	(5,575,253)	(7,582,534)
Total non-operating expense	<u>(57,170,963)</u>	<u>(61,976,709)</u>
Income before capital contributions and transfer	<u>23,663,152</u>	<u>16,620,139</u>
Capital contributions:		
Contributions from third parties	4,455,329	7,778,464
Reduction of plant costs recovered through contributions	(245,918)	(139,669)
Net capital contributions	<u>4,209,411</u>	<u>7,638,795</u>
Transfer to City of Gainesville General Fund	<u>(38,285,000)</u>	<u>(38,285,000)</u>
Change in net position	<u>(10,412,437)</u>	<u>(14,026,066)</u>
Net position – beginning of year	<u>409,373,214</u>	<u>423,399,280</u>
Net position – end of year	<u>\$ 398,960,777</u>	<u>\$ 409,373,214</u>

*See accompanying notes.*



**Gainesville Regional Utilities**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Sales and service charges	\$ 370,167,945	\$ 384,777,714
Transfers from (to) rate stabilization	(4,578,087)	4,954,864
Amounts to be recovered from future revenue	5,479,529	18,071,378
Other operating revenue	19,500,709	8,888,944
Total operating revenues	<u>390,570,096</u>	<u>416,692,900</u>
Operating expenses:		
Operation and maintenance	178,555,049	197,073,619
Administrative and general	32,371,679	35,489,040
Depreciation and amortization	101,046,520	97,336,684
Total operating expenses	<u>311,973,248</u>	<u>329,899,343</u>
Operating income	<u>78,596,848</u>	<u>86,793,557</u>
Non-operating income (expense):		
Interest income	3,039,395	4,774,240
Interest expense, net of AFUDC	(62,588,476)	(62,247,527)
Other interest related income, BABs	5,154,906	5,211,950
Other expense	(7,582,534)	(9,029,009)
Total non-operating expense	<u>(61,976,709)</u>	<u>(61,290,346)</u>
Income before capital contributions and transfer	<u>16,620,139</u>	<u>25,503,211</u>
Capital contributions:		
Contributions from third parties	7,778,464	4,154,415
Reduction of plant costs recovered through contributions	(139,669)	(183,434)
Net capital contributions	<u>7,638,795</u>	<u>3,970,981</u>
Transfer to City of Gainesville General Fund	<u>(38,285,000)</u>	<u>(38,285,001)</u>
Change in net position	<u>(14,026,066)</u>	<u>(8,810,809)</u>
Net position – beginning of year	423,399,280	432,210,089
Net position – end of year	<u>\$ 409,373,214</u>	<u>\$ 423,399,280</u>

See accompanying notes.