

**CITY OF KITCHENER****GASWORKS****STATEMENT OF REVENUE AND EXPENSES AND STABILIZATION RESERVE FUND**

for the nine months ended September 30, 2022

with comparative figures for the nine months ended September 30, 2021

	2022				2021
<u>DELIVERY OPERATIONS</u>	ACTUAL	BUDGET	VARIANCE *	Note	ACTUAL
<b>Gas delivery</b>					
Revenue	30,750,669	29,788,549	962,120	1	27,753,045
Expense	13,558,415	13,317,054	(241,361)	2	12,618,632
Gross Profit	17,192,254	16,471,495	720,759		15,134,413
Gross Profit Percentage	56%	55%			55%
<b>Other programs</b>					
(Dispatch, Rental Water Heaters & Customer Service)					
Revenue	9,654,854	9,207,784	447,070	3	9,093,712
Expense	6,892,185	6,347,152	(545,033)	4	6,059,360
	2,762,669	2,860,632	(97,963)		3,034,352
Transfer to Gasworks capital fund	(9,741,398)	(9,741,398)	-		(8,099,056)
<b>Net Profit before Dividend</b>	10,213,525	9,590,729	622,796		10,069,709
Dividend Transfer to City	(11,652,152)	(11,652,152)	-		(11,423,678)
<b>Net Revenue (Expense)</b>	<b>(1,438,627)</b>	<b>(2,061,423)</b>	<b>622,796</b>		<b>(1,353,969)</b>

**STABILIZATION RESERVE FUND**

Opening Balance	4,037,715	4,037,715	-	4,373,566
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**VARIANCE EXPLANATION:***\* Numbers in brackets are unfavourable variances*

- 1 - Gas Delivery sales revenues are higher than budget due to increased gas consumption because of the cold winter (January-March).
- 2 - Gas Delivery expenses are higher than budget due to increased maintenance costs.
- 3 - Other program revenues are higher than budget due to increase in rental revenues and recoveries from warranty items.
- 4 - Other program expenses are higher than budget due to increased depreciation costs.

<b><u>SUPPLY OPERATIONS</u></b>	<b>2022</b>			<b>Note</b>	<b>2021</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE *</b>		<b>ACTUAL</b>
<b>Gas supply</b>					
Revenue	25,668,135	23,325,643	2,342,492	5	19,530,077
Expense	24,989,164	23,826,162	(1,163,002)	6	19,952,044
<b>Net Revenue (Expense)</b>	<b>678,971</b>	<b>(500,519)</b>	<b>1,179,490</b>		<b>(421,967)</b>
Gross Profit Percentage	3%	-2%			-2%
<b><u>SUPPLY STABILIZATION RESERVE FUND</u></b>					
Opening Balance	3,598,855	3,598,855	-		4,239,902

**VARIANCE EXPLANATION:**

*\* Numbers in brackets are unfavourable variances*

5 - Gas Supply sales revenues are higher than budget due to increased gas consumption because of the cold winter (January-March).

6 - Gas Supply expenses are higher than budget due to increased volumes of gas consumed, offset by favourable hedging strategies.