

CITY OF KITCHENER
GASWORKS
STATEMENT OF REVENUE AND EXPENSES AND STABILIZATION RESERVE FUND
for the twelve months ended December 31, 2022
with comparative figures for the twelve months ended December 31, 2021

DELIVERY OPERATIONS	2022			Note	2021
	ACTUAL	BUDGET	VARIANCE *		ACTUAL
Gas delivery					
Revenue	42,526,473	41,290,695	1,235,778	1	38,513,662
Expense	18,696,790	18,326,647	(370,143)	2	16,958,279
Gross Profit	23,829,683	22,964,048	865,635		21,555,383
Gross Profit Percentage	56%	56%			56%
Other programs					
(Dispatch, Rental Water Heaters & Customer Service)					
Revenue	12,990,089	12,275,824	714,265	3	12,353,859
Expense	9,522,132	8,609,190	(912,942)	4	8,260,882
	3,467,957	3,666,634	(198,677)		4,092,977
Transfer to Gasworks capital fund	(12,988,530)	(12,988,530)	-		(10,798,742)
Net Profit before Dividend	14,309,110	13,642,152	666,958		14,849,618
Dividend Transfer to City	(15,536,202)	(15,536,202)	-		(15,231,571)
Net Revenue (Expense)	(1,227,092)	(1,894,050)	666,958		(381,953)

STABILIZATION RESERVE FUND

Opening Balance	4,037,715	4,037,715	-	4,373,566
Net Revenue (Expense) year end only	(1,227,092)	(1,894,050)	666,958	(381,953)
Interest Revenue (Expense) year end only	84,521	34,527	49,994	46,102
Closing Balance	2,895,144	2,178,192	716,952	4,037,715

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, December).
- 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.

<u>SUPPLY OPERATIONS</u>	2022			Note	2021
	ACTUAL	BUDGET	VARIANCE *		ACTUAL
Gas supply					
Revenue	40,320,864	33,792,932	6,527,932	5	28,546,577
Expense	37,956,435	35,534,597	(2,421,838)	6	29,232,320
Net Revenue (Expense)	2,364,429	(1,741,665)	4,106,094		(685,743)
Gross Profit Percentage	6%	-5%			-2%
<u>SUPPLY STABILIZATION RESERVE FUND</u>					
Opening Balance	3,598,855	3,598,855	-		4,239,902
Net Revenue (Expense) year end only	2,364,429	(1,741,665)	4,106,094		(685,743)
Interest Revenue (Expense) year end only	75,336	34,313	41,023		44,696
Closing Balance	6,038,620	1,891,503	4,147,117		3,598,855

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, December).

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