

# Tacoma Water Financial Outlook

**2nd Quarter 2024**

August 28, 2024

Board Packet



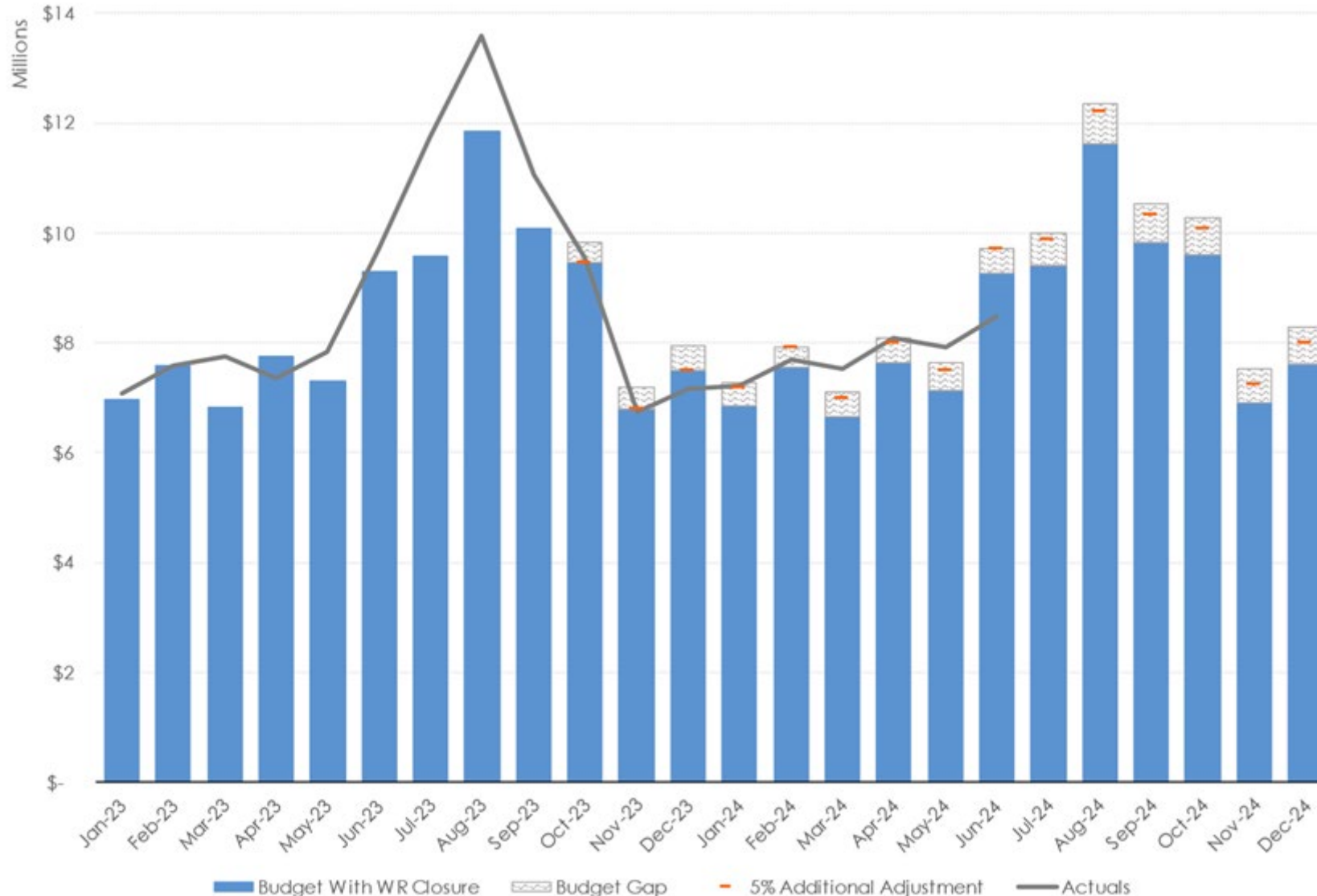
# 2023/2024 Biennium Summary of Financial Outlook

*This report incorporates actual revenues and expenditures through June 2024 with projections for the remainder of the biennium*

- **Forecast for total revenue is \$6.9M or 3% over budget**
  - Q2 challenges: Water sales \$932,000 under budget in the second quarter
  - Q2 strengths: Strong summer water sales in 2023 offset for biennium variance
  - Q3 outlook: Monitoring summer water sales, especially irrigation
- **Forecast for operating expenditures is \$5.5M or 2% under budget**
  - Q2 challenges: Ongoing supply chain disruptions; increased cost of electricity, insurance, and other necessities
  - Q2 strengths: Organizational awareness and support for cost efficiencies, savings
  - Q3 outlook: Continued focus on savings where possible; planning for 2025/26

# Billed Water Sales (Revenue)

Budget with WestRock (WR) closure includes 4% system average rate increase approved in 2022. Budget Gap, or the total difference from budget, is projected to be \$7.9 M. The additional 5% rate increase for 2024 recovers nearly \$5 M, leaving about \$2.9 M coming from reserves.



At the end of 2023, billed Water Sales were **\$5 M higher** than budget

Quarter 2 billed Water Sales were **\$932,000 lower** than budget

As of 6/30/2024, billed Water Sales were **\$4.2 M higher** than budget

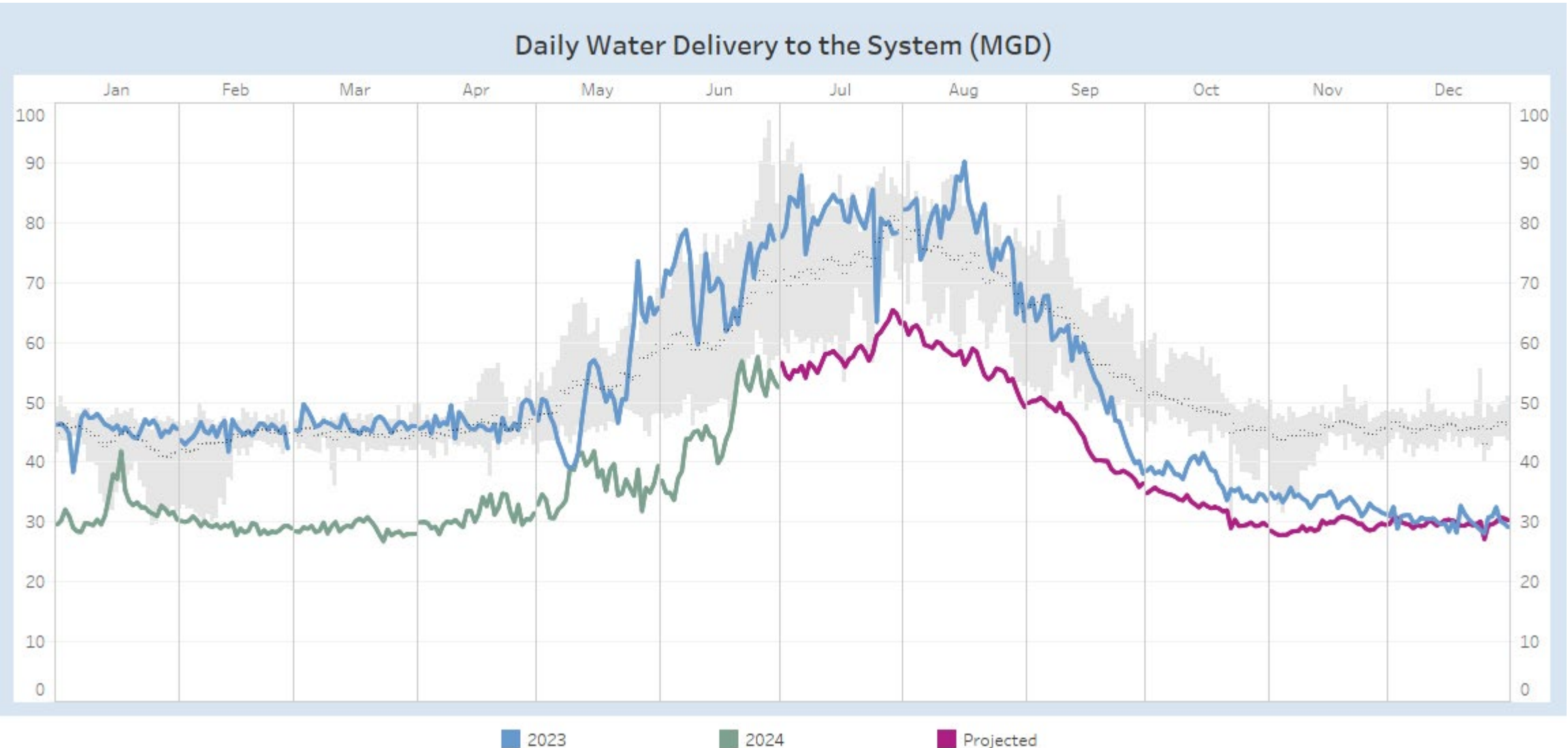
- Biennium to date revenue from WestRock was **\$4.2 M lower** than budgeted
- Other Water Sales were **\$8.4 M higher** than budget

We are projecting Water Sales to be **\$1.2 M lower** than budget for the remainder of the biennium

Total Water Sales for the 2023/2024 biennium expected to be **\$3.0 M higher** than budget

# Unprecedented Reduction in Water Demand

Projections for average daily water delivery in 2024 are significantly lower than we've seen over the period 2014-2022 and requires changes to our system to ensure we are able to continue to meet our mission to provide clean, reliable water for our customers.



# 2023/2024 Biennium Forecast vs. Budget

All \$'s in 1000's	2023			2024			Total Biennium		Biennium	
	Budget	Actuals	Difference	Budget	Forecast	Difference	Budget	Forecast	Difference \$	Difference %
<b>Revenue</b>										
Residential Water Sales	71,451	72,149	698	74,621	78,578	3,957	146,072	150,727	4,655	3%
Pulp Mill Water Sales	7,607	7,069	(538)	7,912	785	(7,127)	15,519	7,854	(7,665)	-49%
Wholesale Water Sales	2,812	2,522	(290)	2,937	3,013	76	5,749	5,535	(214)	-4%
Other Water Sales	20,327	25,492	5,165	21,229	22,305	1,076	41,556	47,797	6,241	15%
Other Operating Revenue	3,652	3,613	(39)	3,711	3,671	(40)	7,363	7,284	(79)	-1%
<b>Total Operating Revenue</b>	<b>105,849</b>	<b>110,845</b>	<b>4,996</b>	<b>110,410</b>	<b>108,352</b>	<b>(2,058)</b>	<b>216,259</b>	<b>219,197</b>	<b>2,938</b>	<b>1%</b>
Non-Operating Revenue (includes BAB's subsidy)	3,737	6,340	2,603	3,387	4,804	1,417	7,124	11,144	4,020	56%
<b>Total Revenue</b>	<b>109,586</b>	<b>117,185</b>	<b>7,599</b>	<b>113,797</b>	<b>113,156</b>	<b>(641)</b>	<b>223,383</b>	<b>230,341</b>	<b>6,958 (1)</b>	<b>3%</b>
<b>Expenditures</b>										
Personnel Costs	35,596	34,068	(1,528)	37,547	37,400	(147)	73,143	71,468	(1,675)	(2) -2%
Supplies, Other Services & Charges	36,678	33,725	(2,953)	38,215	36,965	(1,250)	74,893	70,690	(4,203)	(3) -6%
Debt Service	23,928	23,928	-	22,171	21,908	(263)	46,099	45,836	(263)	-1%
Taxes	14,961	16,721	1,760	15,520	14,394	(1,126)	30,481	31,115	634	2%
<b>Total Expenditures</b>	<b>111,163</b>	<b>108,442</b>	<b>(2,721)</b>	<b>113,453</b>	<b>110,667</b>	<b>(2,786)</b>	<b>224,616</b>	<b>219,109</b>	<b>(5,507)</b>	<b>-2%</b>
<b>Total Revenue less Total Expenditures</b>	<b>(1,577)</b>	<b>8,743</b>	<b>10,320</b>	<b>343</b>	<b>2,489</b>	<b>2,145</b>	<b>(1,233)</b>	<b>11,232</b>	<b>12,465</b>	
Reconciling Cash Items		518			-					
<b>Appropriation from Current Fund</b>	<b>(1,577)</b>	<b>9,261</b>	<b>10,838</b>	<b>344</b>	<b>2,489</b>	<b>2,145</b>	<b>(1,233)</b>	<b>11,232</b>	<b>12,465</b>	
<b>Capital Outlay Financing Detail</b>										
Funded from Operating Reserve	12,692	9,685	(3,007)	12,692	6,162	(6,530)	25,384	15,847	(9,537)	-38%
Funded from Capital Reserves	23,684	26,838	3,154	23,684	17,788	(5,896)	47,368	44,626	(2,742)	-6%
Funded from ARPA Grant	-	1,890	1,890	-	-	-	-	1,890	1,890	0%
<b>Total Capital Outlay</b>	<b>36,376</b>	<b>38,413</b>	<b>2,037</b>	<b>36,376</b>	<b>23,950</b>	<b>(12,426)</b>	<b>72,752</b>	<b>62,363</b>	<b>(10,389) (4)</b>	<b>-14%</b>
<b>Debt Service Coverage Ratio</b>		<b>3.32x</b>			<b>2.25x</b>			<b>2.25x</b>		
<b>EOY Current Fund (Jan 2023 Beg Balance \$60,380)</b>		<b>59,956</b>			<b>56,283</b>			<b>56,283</b>		

# 2023/2024 Biennium Forecast vs. Budget

## 1. Total Revenue

- Billed Water Sales for the second quarter of 2024 were \$932,000 less than budget
- Strong water sales in 2023, primarily due to dry weather, resulted in revenue \$5M higher than budgeted for the year
- Projections for 2024 are for revenue lower than budget by \$2.0M due to mill closure, resulting in net \$3.0M over budget in water sales for the biennium
- Interest earned on cash balances is \$3.4M higher than budget, biennium to date, fair market value adjustments are hard to predict, and we could see reductions at year-end
- Total revenue is projected to be \$6.9M higher than budget for the biennium

## 2. Personnel Expense

- Actual personnel expense is under budget by about \$1.7M with 31 vacancies at the end of the second quarter

## 3. Supplies, Other Services & Charges

- Assessments are \$2.5M under budget, including \$1.6M Customer Services, \$632,000 UTS
- RWSS debt service was reduced \$446,000 with the Refunding
- Bad debt expense is \$337,000 under budget due to the reduction in doubtful accounts
- These reductions are partially offset by increases in several areas including electricity, insurance, operating supplies, audit expense, and equipment rental

# Capital Budget Spending Summary

<b>Tacoma Water Capital Outlay Budget Approved</b>	<b>\$76,309,722</b>
Add Capital Carryforward Factor Reduction	7,856,944
Add 2 <sup>nd</sup> Diversion RWSS – Tacoma	1,482,418
Add 2 <sup>nd</sup> Diversion RWSS – Other Partners	2,075,386
<b>Total Capital Projects Planned for 2023/2024</b>	<b>\$87,724,470</b>
<b>Total Capital Spent to Date (June 2024)</b>	<b>\$50,469,758</b>
Less 2 <sup>nd</sup> Diversion RWSS – Other Partners	1,291,345
<b>Water Capital Budget Spent (68%)</b>	<b>\$49,178,413</b>
Capital Projects Deferred (GPL Wells, 5A, 3A/13A)	\$8,941,807
Delayed Projects (fleet carryforward)	7,500,000
Capital Grant Received (Tacoma Mall MRP)	1,890,000
<b>Spending Projections (July – December 2024)</b>	<b>16,741,117</b>
<b>Capital Budget Performance Projection (under)</b>	<b>(\$10,390,192)</b>

## 4. Total Capital Outlay

- The 2023/24 capital plan is funded entirely from operating and capital reserves and includes a carryforward factor reduction of \$7.9M to account for projects that span biennia.
- Regional Water Supply System (RWSS) Projects are unique because they are funded by the RWSS Participants through a shared allocation. Although these expenditures are considered O&M Contract Resource Obligations (CRO), they can be paid with capital funding sources such as revenue bonds.
- Due to the loss of demand from the pulp mill, several projects have been paused and deferred.
- Supply chain issues continue, and many of our fleet replacement orders have been delayed, causing about \$7.5 million carryforward to 25/26.
- Capital grant for \$1.9M provided additional funding.
- We have spent about 68% of the capital budget at the end of Quarter 2 2024 and forecast to be nearly \$10.4 million under budget by the end of the biennium.



# Capital Budget Spending Summary

## Summary of 23/24 Biennium Capital Spending (\$ and % of Total Spent)

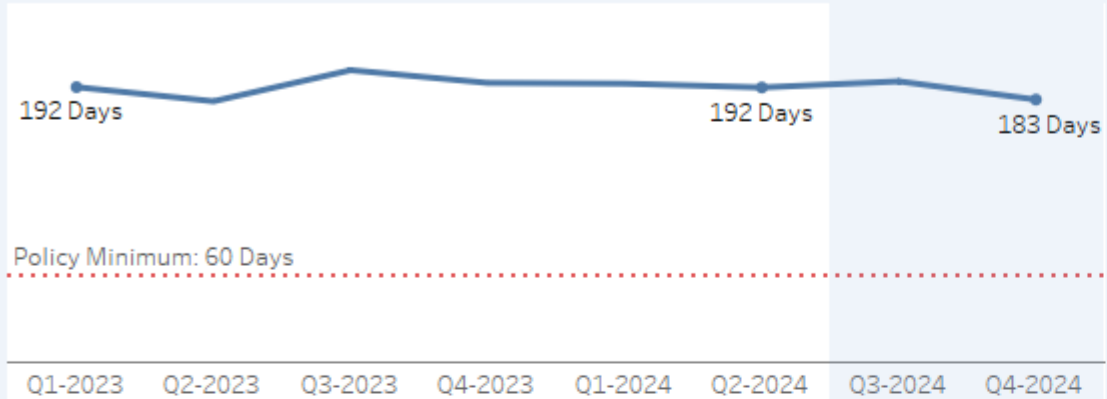
Project or Program	Status	Capital \$ Spent	% of Total Spent
Pinnacle Ridge Tank and Pump Station	<i>Construction</i>	\$11,098,027	22.0%
Automated Meter Infrastructure (AMI)	<i>Substantially Complete</i>	10,135,257	20.1%
Main Replacement Program (+ Curran Rd)	<i>Program with Various Projects</i>	8,507,823	16.9%
Distribution Renewal and Replacement	<i>Ongoing R&amp;R</i>	5,610,640	11.1%
Fleet Purchases and Replacement	<i>Purchases Delayed</i>	* 3,034,857	6.0%
Muckleshoot Indian Tribe Agreement	<i>Contract</i>	1,750,000	3.5%
Additional Water Storage Project	<i>Planning</i>	* 1,279,141	2.5%
Pipeline 1 Pressurization Program	<i>Pre-design</i>	* 891,524	1.8%
Service Division Projects (primarily CEP)	<i>Substantially Complete</i>	875,666	1.7%
Water Operations Warehouse	<i>Pre-design</i>	* 518,420	1.0%
Smart Water (Pressure Monitoring, DMA)	<i>Planning</i>	* 316,679	0.6%
Other Capital Projects	<i>Various</i>	6,451,724	12.8%
<b>Total</b>		<b>\$50,469,758</b>	

\*Significant expenditures planned for upcoming biennia



# 2023/2024 Projected Liquidity & Cash Balance as of 06/30/24

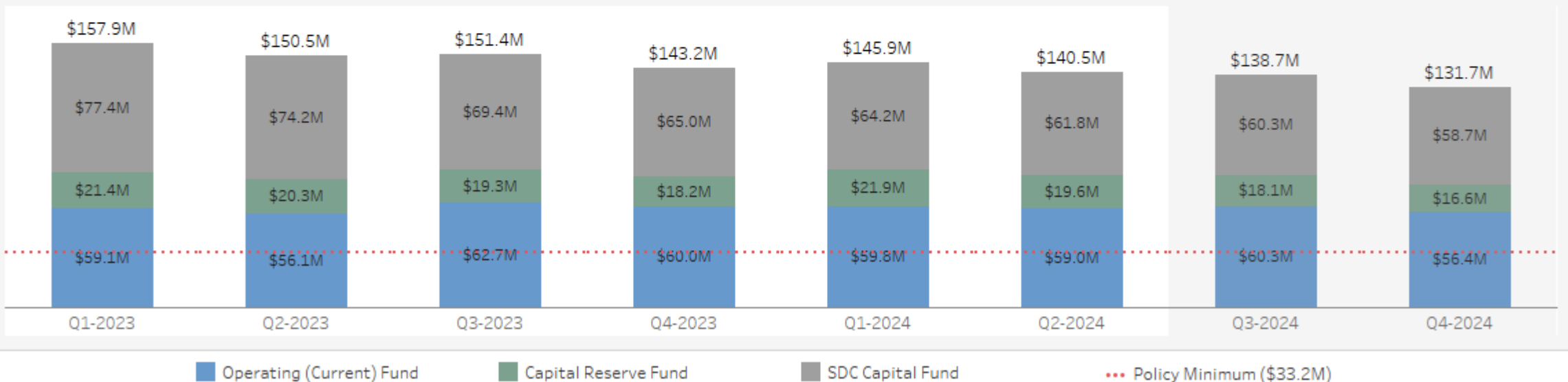
### Operating Fund Liquidity (in days)



### Capital Funds Liquidity (in dollars)



### Total Liquidity (Cash Balances)



# Tacoma Power Financial Outlook

**2nd Quarter 2024**

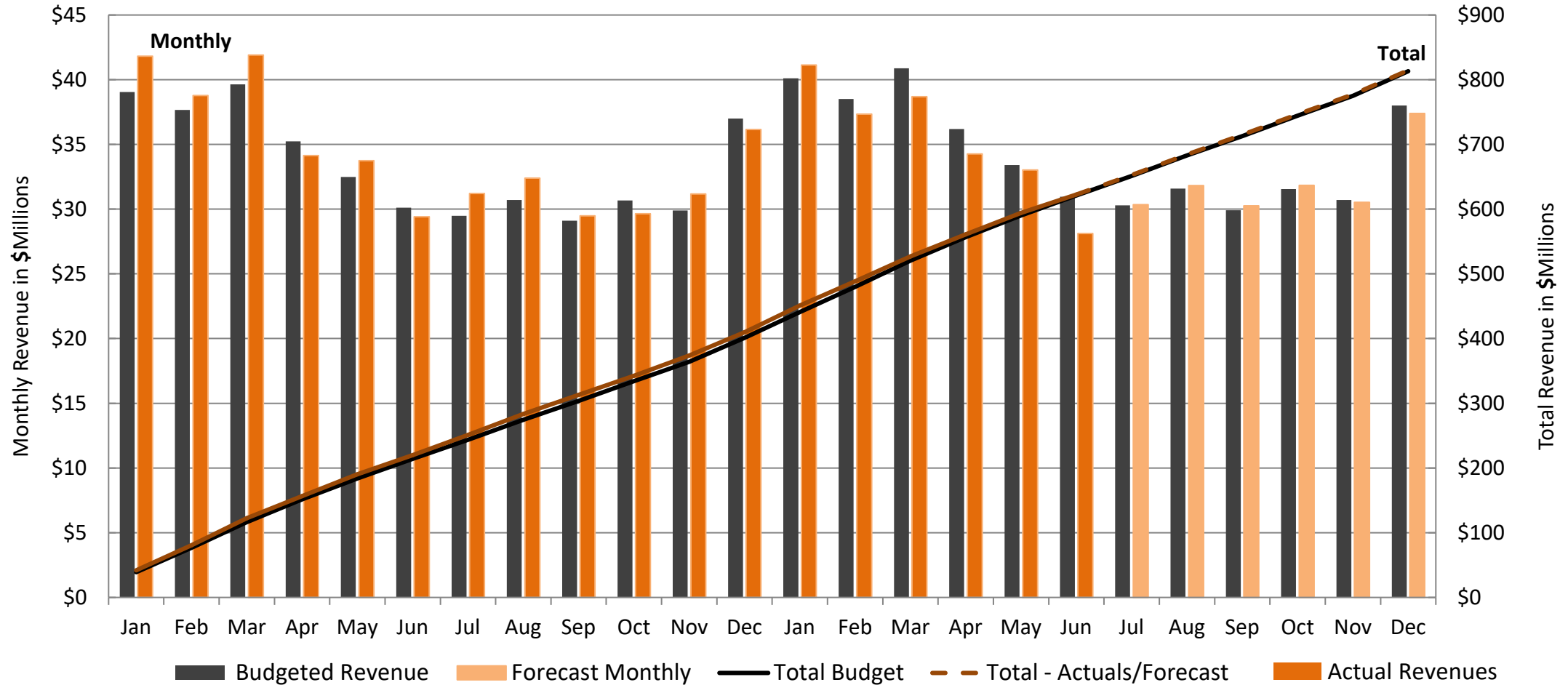
August 28, 2024

## Forecasting Practices

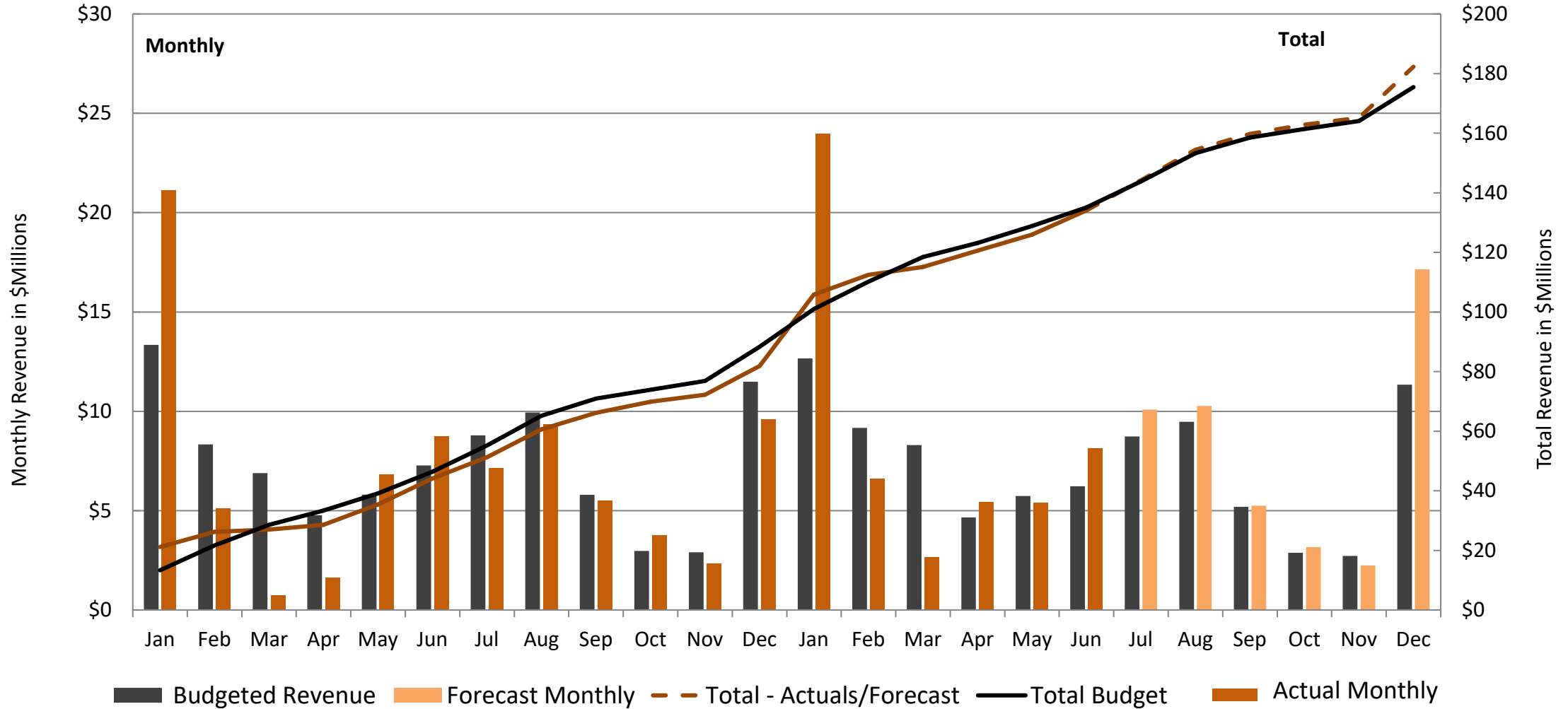


- June 2024 Actuals
  - Adverse water conditions
  - 2024 load forecast
  - Budgeted Personnel and O&M expenditures
  - Project estimates of capital spending
- **Forecast for total revenue is \$28.0 million more than budget**
    - Q2 Strengths: Wholesale market prices were 207% higher than the budgeted prices.
    - Q2 Challenges: Inflows to our hydro projects are below average biennium to date.
    - Q3 2024 Outlook: High wholesale market prices projected for upcoming months.
  - **Forecast for total expenditures is \$73.6 million less than budget**
    - Q2 Strengths: Most expenses are currently under budget through Q2 2024.
    - Q2 Challenges: Ongoing supply chain disruptions and increased costs in supplies.
    - Q3 2024 Outlook: Continued focus on cost efficiencies and savings where possible; planning for 2025/26.

# 2023/2024 Electric Retail Revenues



# 2023/2024 Gross Wholesale Revenues



# 2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Revenue More Than Budget: \$28.0 million (2.6%)

1. Retail Revenues: forecast to be \$1.4 million more than budget (0.2%).
  - Retail revenues were \$2.3 million more than budget through the second quarter of 2024 mostly due to colder than forecasted weather in 2023, which resulted in higher than forecasted heating loads and electricity sales.
  - Future retail revenues are expected to be below budget due to the loss of WestRock.
2. Gross Wholesale Revenues: forecast is \$6.8 million more than budget (3.9%).
  - Gross biennium wholesale revenues through 2nd quarter were \$1.0 million lower than budget.
  - Hydro inflows improved in June 2024 but remain below average for the water year.
  - Wholesale power prices through Q2 2024 were approximately 207% higher than budgeted.
3. Other Electric Revenues: forecast is \$3.6 million more than budget (6.8%)
  - Other electric revenues were more than budget due to higher than planned transmission sales, energy efficiency incentives from BPA, and miscellaneous revenues.
4. Other Revenues: forecast is \$16.2 million more than budget (67.9%)
  - Other revenues were more than budget due to higher than planned interest revenues.

# 2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Expenditures Less Than Budget: \$73.6 million (-6.7%)

5. Purchased power expenses: forecast is \$41.5 million less than budget (-11.8%)
  - Purchased power expenses are \$43.0 million below budget through Q2 2024.
    - BPA purchases are \$24.6 million below budget due to a reduction in load from the loss of WestRock and a rate reduction credit we are receiving this year.
  - Wholesale purchases through the end of the biennium are forecasted close to budget.
6. Personnel expenses: forecast is \$15.6 million less than budget (-5.9%)
  - Actual personnel expenses were below budget through Q2 2024 by \$15.7 million due to vacancies and delayed hiring.
  - Future personnel expense forecasts reflect approved budget.
7. Supplies, Other Services, & Charges: forecast is \$30.0 million less than budget (-14.8%)
  - Biennium spending through Q2 2024 is below budget by \$26.8 million, primarily in external contracts and professional services, related to:
    - Timing differences between planned spending and when actual costs occurred,
    - Projects that began later than planned,
    - Project costs that have been moved to capital.



# 2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Expenditures, Less Than Budget: \$73.6 million (cont.)

8. Revenue funded capital expenses: forecast to be \$7.1 million more than budget (8.6%)
  - Actual biennium revenue-funded capital spending is \$10.5 million more than budget through Q2 2024, with temporary funding of all Q2 project expenses from revenues.
  - With forecasted reimbursement and likely delays in receipt of materials, revenue-funded capital is anticipated to come in at, or just below, budget by the end of the biennium.
9. Taxes: forecast is \$7.0 million more than budget (5.7%)
  - Our Gross Earnings Taxes through Q2 2024 are higher than budget, primarily due to higher than budgeted revenues.
10. Overall, we are forecasting total expenditures to be less than budget, not including bond-funded capital spending.

## Forecast for Net Revenues More Than Budget: \$101.6 million

10. Net Revenue forecast to be \$101.6 million more than budget, not including our bond-funded capital spending.

# 2023/2024 Biennium Forecast vs. Budget

## Tacoma Power 2023/2024 Biennium Adjusted Estimates Comparison to Budget

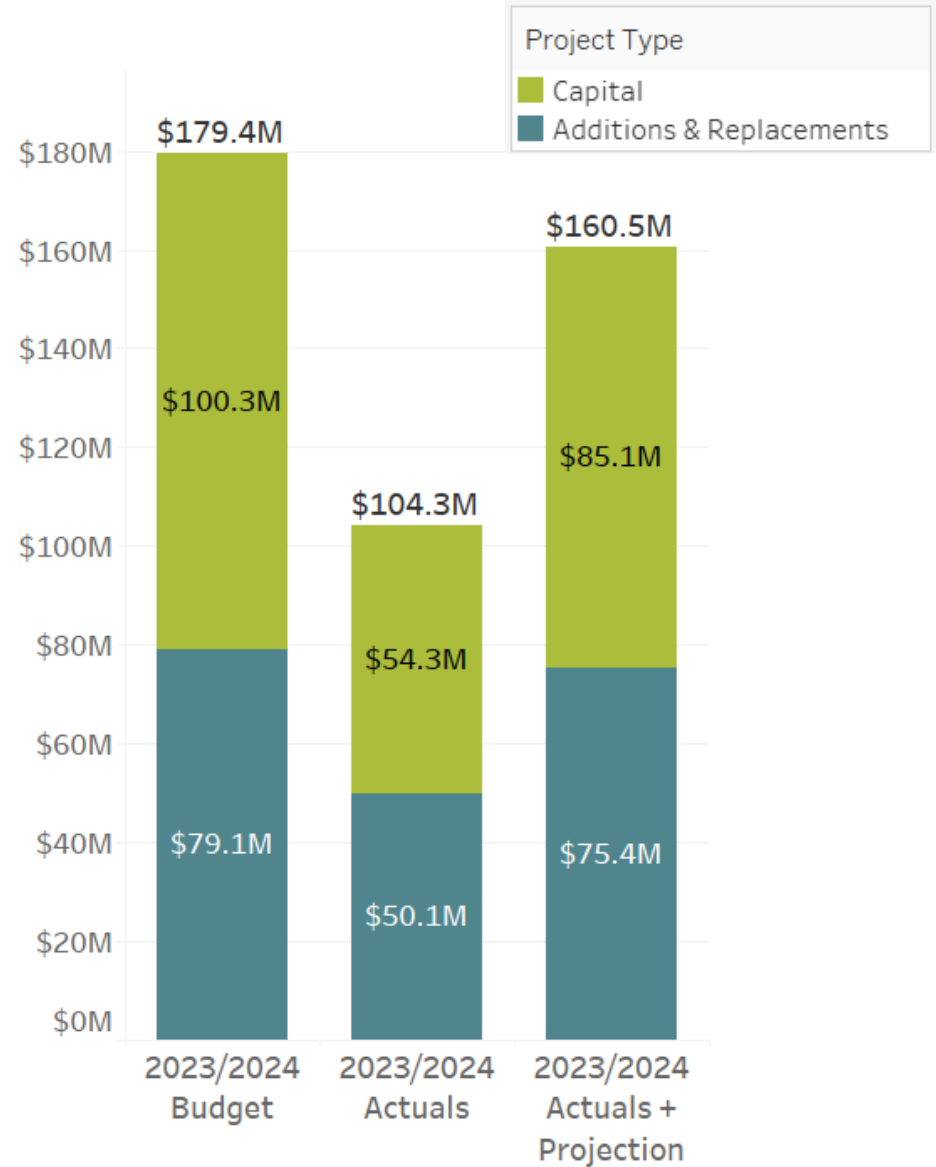
as of 6/30/2024

All \$'s in 1000's

	2023 Budget	2023 Actual	2023 Difference	2024 Budget	2024 Actual / Forecast	2024 Difference	Total Biennium Budget	Total Biennium Forecast	Biennium Difference	Note	Biennium Diff. (%)
<b>Revenue</b>											
Retail Sales	\$401,034	\$409,814	\$8,779	\$412,109	\$404,749	(\$7,360)	\$813,143	\$814,563	\$1,420	(1)	0.2%
Bulk Power (wholesale) Sales	\$88,337	\$81,853	(\$6,485)	\$87,109	\$100,418	\$13,309	\$175,446	\$182,271	\$6,824	(2)	3.9%
Other Electric Revenue	\$24,047	\$28,916	\$4,869	\$28,428	\$27,140	(\$1,288)	\$52,475	\$56,056	\$3,582	(3)	6.8%
<b>Total Operating Revenue</b>	<b>\$513,418</b>	<b>\$520,582</b>	<b>\$7,164</b>	<b>\$527,646</b>	<b>\$532,308</b>	<b>\$4,662</b>	<b>\$1,041,064</b>	<b>\$1,052,890</b>	<b>\$11,826</b>		1.1%
Other Income	\$11,494	\$20,238	\$8,744	\$12,295	\$19,701	\$7,406	\$23,788	\$39,939	\$16,150	(4)	67.9%
<b>Total Revenue</b>	<b>\$524,912</b>	<b>\$540,820</b>	<b>\$15,908</b>	<b>\$539,940</b>	<b>\$552,009</b>	<b>\$12,068</b>	<b>\$1,064,852</b>	<b>\$1,092,829</b>	<b>\$27,976</b>		2.6%
<b>Expenses</b>											
Purchased Power & RECs	\$175,354	\$151,575	(\$23,779)	\$176,643	\$158,914	(\$17,729)	\$351,997	\$310,489	(\$41,508)	(5)	-11.8%
Personnel Costs	\$126,681	\$117,940	(\$8,742)	\$136,522	\$129,678	(\$6,845)	\$263,204	\$247,617	(\$15,587)	(6)	-5.9%
Supplies, Other Services & Charges	\$103,339	\$81,660	(\$21,679)	\$98,555	\$90,271	(\$8,284)	\$201,894	\$171,931	(\$29,963)	(7)	-14.8%
Revenue Funded Capital Outlay	\$41,319	\$35,681	(\$5,638)	\$41,319	\$54,096	\$12,777	\$82,637	\$89,777	\$7,140	(8)	8.6%
Debt Service	\$32,137	\$32,920	\$783	\$35,922	\$34,416	(\$1,506)	\$68,059	\$67,336	(\$723)		-1.1%
Taxes	\$60,797	\$63,865	\$3,068	\$62,696	\$66,645	\$3,949	\$123,493	\$130,511	\$7,017	(9)	5.7%
<b>Total Expenses</b>	<b>\$539,628</b>	<b>\$483,641</b>	<b>(\$55,987)</b>	<b>\$551,657</b>	<b>\$534,020</b>	<b>(\$17,637)</b>	<b>\$1,091,285</b>	<b>\$1,017,661</b>	<b>(\$73,624)</b>		-6.7%
<b>Total Revenues less Expenses</b>	<b>(\$14,716)</b>	<b>\$57,179</b>	<b>\$71,895</b>	<b>(\$11,717)</b>	<b>\$17,989</b>	<b>\$29,706</b>	<b>(\$26,432)</b>	<b>\$75,168</b>	<b>\$101,601</b>	(10)	
<b>Capital Outlay Financing Detail</b>											
Funded From Revenue Funds	\$41,319	\$35,681	(\$5,638)	\$41,319	\$54,096	\$12,777	\$82,637	\$89,777	\$7,140		8.6%
Funded From Bond Fund	\$48,371	\$31,816	(\$16,555)	\$48,371	\$38,913	(\$9,458)	\$96,742	\$70,728	(\$26,014)		-26.9%
<b>Total Capital Outlay</b>	<b>\$89,690</b>	<b>\$67,496</b>	<b>(\$22,193)</b>	<b>\$89,690</b>	<b>\$93,008</b>	<b>\$3,319</b>	<b>\$179,379</b>	<b>\$160,505</b>	<b>(\$18,874)</b>		-10.5%
<b>Ratios</b>	<b>2023 Budget</b>	<b>2023 Actual</b>	<b>2023 Diff.</b>	<b>2024 Budget</b>	<b>2024 Actual / Forecast</b>	<b>2024 Diff.</b>					
Debt Service Coverage Ratio	1.83	3.82	1.99	2.03	3.08	1.05					
Days Liquidity	339	412	73	322	366	43					
EOY Rate Stabilization Fund Balance	\$63,000	\$158,000	\$95,000	\$63,000	\$158,000	\$95,000					
EOY Current Fund Balance	\$239,410	\$265,261	\$25,851	\$226,213	\$246,376	\$20,163					
<b>Total Liquidity</b>	<b>\$302,410</b>	<b>\$423,261</b>		<b>\$289,213</b>	<b>\$404,376</b>						

# 2023/2024 Capital Budget

	2023/2024 Budget	2023/2024 Actuals	% Spent
<b>Additions &amp; Replacements</b>	\$79.1M	\$50.1M	63%
<b>Aging Infrastructure/Reliability Upgrades</b>	\$33.6M	\$21.1M	63%
<b>Facilities Replacements/Improvements</b>	\$8.4M	\$1.1M	13%
<b>Relicensing/License Implementation</b>	\$9.3M	\$1.9M	20%
<b>Other Capital</b>	\$7.8M	\$3.1M	40%
<b>Regulatory</b>	\$10.0M	\$6.1M	61%
<b>Technology</b>	\$31.2M	\$21.0M	67%
<b>Grand Total</b>	<b>\$179.4M</b>	<b>\$104.3M</b>	<b>58%</b>

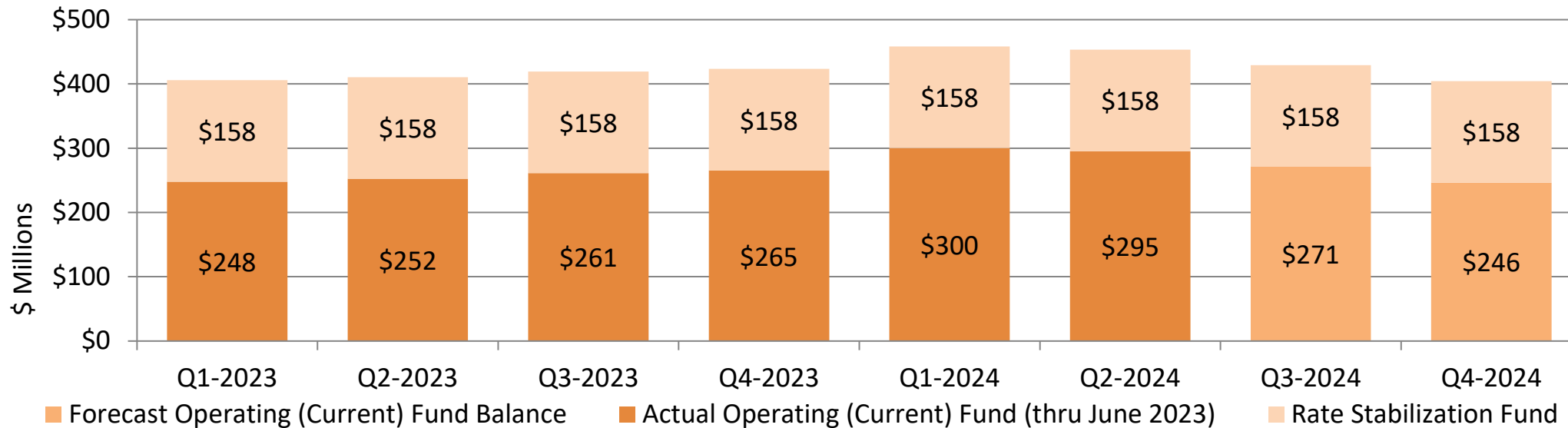
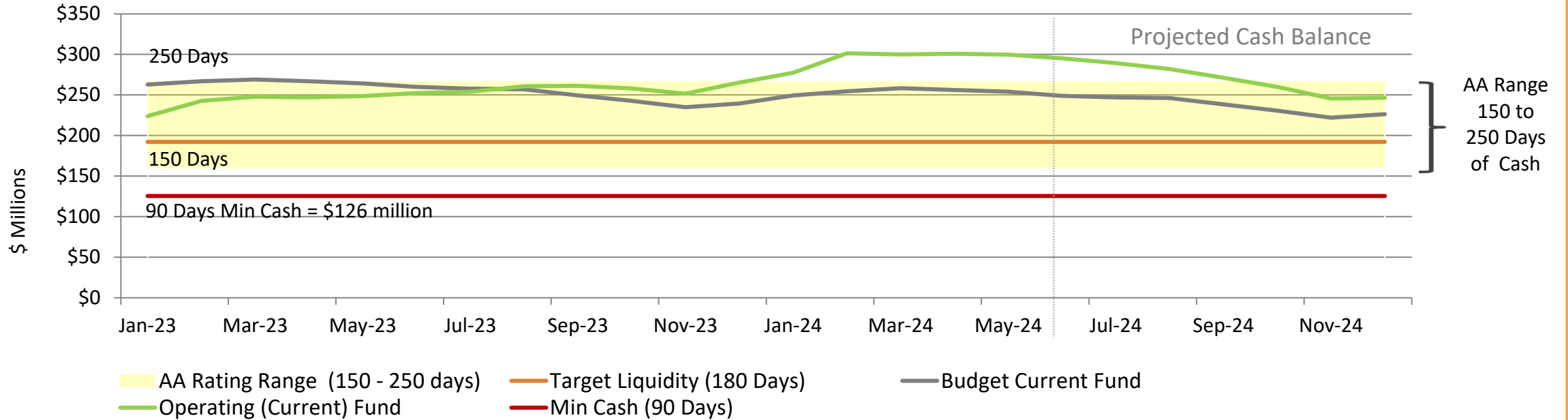


# Capital Projects above \$5M

Active Projects	Current Phase	Life-to-Date* Budget	Life-to-Date Actuals
Advanced Metering Infrastructure (AMI)	Construction	\$48,418,000	\$41,166,852
Automated Distribution Mgmt System (ADMS)	Design/Procure	\$13,997,000	\$21,393
Hydro Generator Life-Extension Program	Construction	\$13,731,000	\$12,501,762
Cushman #2 U31, U32 Rebuild	Design/Procure	\$12,168,000	\$9,158,174
TPU Admin Complex Storage & Parking Facility	Design/Procure	\$5,293,000	\$306,195
Mayfield Fish Passage Modification	Design/Procure	\$5,129,000	\$1,633,263
Completed Projects			
Cowlitz Salmon Hatchery Barrier Dam Repair	Completed	\$15,790,000	\$15,937,979
Mayfield Bank 1 Transformer Replacement	Completed	\$6,297,000	\$6,423,712

\*Life-to-Date (LTD) refers to all funding to-date that has been appropriated for the project, independent of the biennium. A significant portion of Tacoma Power's project portfolio is considered multi-biennium due to the long duration of the projects.

# 2023/2024 Projected Liquidity Balance as of 6/30/24



# Financial Outlook

**2<sup>nd</sup> Quarter 2024**

August 28, 2024

# Summary of Financial Outlook

- Incorporates actual revenues and expenditures through June 2024 with projections for the remainder of the biennium
- **Forecast for total revenues is \$12.2M or 17% above budget**
  - Q2 Challenges: Intermodal volumes were 5% below budget for Q1, however, Q2 was 26% above budget. Intermodal continues to be strong with labor challenges in Canada and the Gulf Coast.
  - Q2 Strengths: Commercial railcar volume is 13% above budget for Q2 and continues to look strong.
  - Q3 Outlook: Railcar volumes to continue to be strong with intermodal volumes higher than expected.
- **Forecast for total expenditures is \$1.5M or 2% over budget**
  - Q2 Challenges: Supply chain constraints continue to affect expenses and capital project completions.
  - Q2 Strengths: Filling vacant budgeted FTE's needed for railroad service.
  - Q3 Outlook: Continue to work through supply chain challenges and associated costs.

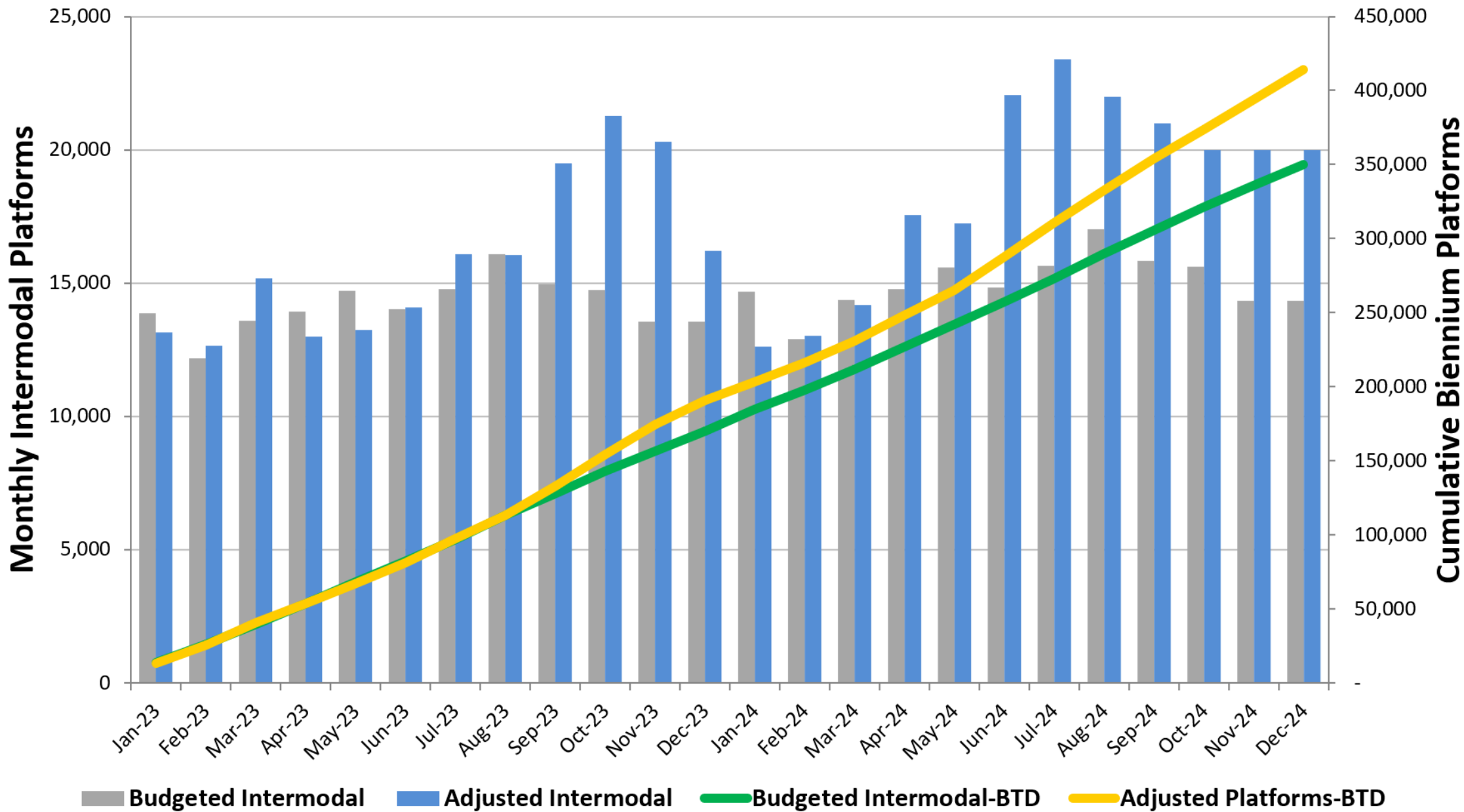


# Summary of Rail Volumes

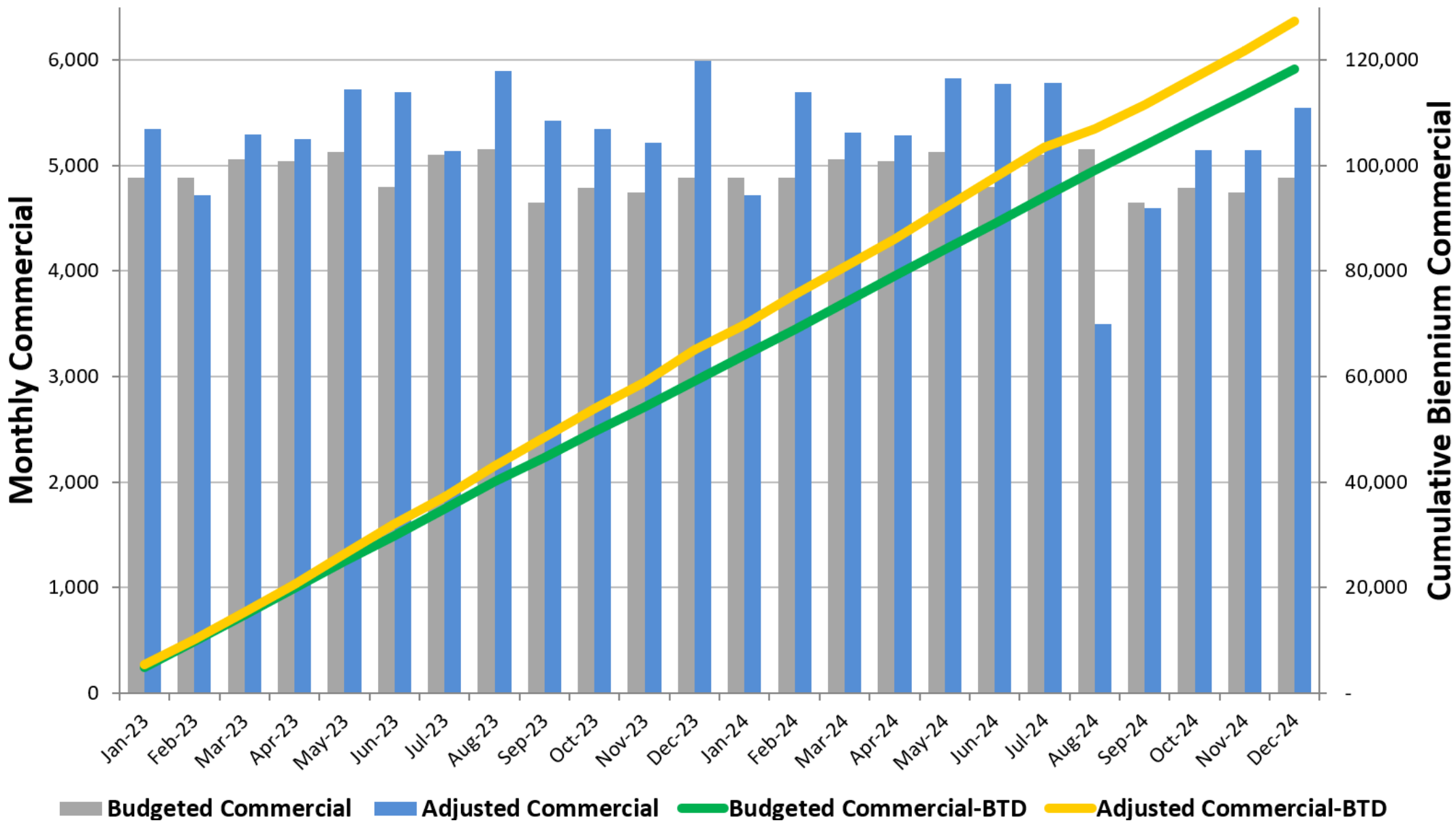
Quarter	2023		2024		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	41,007	15,361	39,833	15,730	-3%	2%
2	40,319	16,667	56,851	16,888	41%	1%
3						
4						
<b>Total</b>	<b>81,326</b>	<b>32,028</b>	<b>96,684</b>	<b>32,618</b>	<b>19%</b>	<b>2%</b>

Quarter	2024 Budget		2024 Actuals		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	41,953	14,832	39,833	15,730	-5%	6%
2	45,202	14,965	56,851	16,888	26%	13%
3						
4						
<b>Total</b>	<b>87,155</b>	<b>29,797</b>	<b>96,684</b>	<b>32,618</b>	<b>11%</b>	<b>9%</b>

# Intermodal Volumes



# Commercial Volumes



# 2023/2024 Biennium Forecast vs. Budget

1. Railcar volumes above budget.
2. Railcar dwell above budgeted demurrage revenue.
3. Unfilled budgeted positions. New FTE's being added. Latest conductor CBA not factored into expenses until Q3 report.
4. Primarily due to extended locomotive leases, locomotive maintenance and related costs.
5. Capital outlay reduction due to the majority of battery electric locomotive costs not expected at this time in 2024. If the battery electric locomotives come to fruition in 2024, capital outlay costs could change dramatically. Projects shifting between 2022, 2023 and 2024 due to supply chain constraints and expectations.

# 2023/2024 Biennium Forecast vs. Budget

	2023 Budget	2023	2023 Difference	2024 Budget	2024 Forecast	2024 Difference	Budget Biennium	Adjusted Forecast	Biennium Difference	Biennium Diff. (%)
<b>Revenue</b>										
Switching Revenue	\$ 30,482	\$ 34,827	\$ 4,345	\$ 32,677	\$ 37,790	\$ 5,113	\$ 63,159	\$ 72,616	\$ 9,457	15% (1)
Demurrage Fees	1,500	2,243	743	1,500	1,661	161	3,000	3,905	905	30% (2)
Locomotive Servicing	1,227	1,695	468	1,227	2,201	974	2,454	3,897	1,443	59%
Other	213	490	277	213	367	153	427	857	430	101%
<b>Total Operating Revenue</b>	<b>\$ 33,422</b>	<b>\$ 39,256</b>	<b>\$ 5,833</b>	<b>\$ 35,617</b>	<b>\$ 42,019</b>	<b>\$ 6,401</b>	<b>\$ 69,040</b>	<b>\$ 81,274</b>	<b>\$ 12,235</b>	<b>18%</b>
Interest	118	195	77	118	361	243	235	556	320	136%
Rent & Misc Income	481	311	(170)	481	293	(189)	962	604	(359)	-37%
<b>Total Revenue &amp; Avail Funds</b>	<b>\$ 34,021</b>	<b>\$ 39,762</b>	<b>5,740</b>	<b>\$ 36,216</b>	<b>\$ 42,672</b>	<b>\$ 6,456</b>	<b>\$ 70,238</b>	<b>\$ 82,434</b>	<b>\$ 12,196</b>	<b>17%</b>
<b>Expenditures</b>										
Personnel Costs	\$ 17,887	\$ 16,963	\$ (924)	\$ 18,572	\$ 18,678	\$ 106	\$ 36,459	\$ 35,641	\$ (817)	-2% (3)
Supplies, Other Services	9,787	10,467	680	9,686	10,829	1,143	19,473	21,296	1,823	9% (4)
Current Fund Capital Outlay	1,355	3,667	2,312	4,365	1,409	(2,956)	5,720	5,076	(644)	-11% (5)
Debt Service	968	908	(61)	897	897	-	1,865	1,805	(61)	-3%
Taxes	3,309	3,841	532	3,432	4,124	692	6,741	7,966	1,225	18%
<b>Total Expenditures</b>	<b>\$ 33,306</b>	<b>\$ 35,846</b>	<b>\$ 2,540</b>	<b>\$ 36,952</b>	<b>\$ 35,938</b>	<b>\$ (1,014)</b>	<b>\$ 70,258</b>	<b>\$ 71,784</b>	<b>\$ 1,526</b>	<b>2%</b>
<b>Total Revenues Less Expenditures</b>	<b>\$ 716</b>	<b>\$ 3,915</b>	<b>\$ 3,200</b>	<b>\$ (736)</b>	<b>\$ 6,734</b>	<b>\$ 7,470</b>	<b>\$ (20)</b>	<b>\$ 10,650</b>	<b>\$ 10,670</b>	
<b>Appropriation from Current Fund</b>	<b>\$ (716)</b>	<b>\$ (962)</b>	<b>\$ (247)</b>	<b>\$ 736</b>	<b>\$ (5,448)</b>	<b>\$ (6,184)</b>	<b>\$ 20</b>	<b>\$ (10,650)</b>	<b>\$ (10,670)</b>	
<b>Capital Outlay Financing Detail</b>										
Funded from Current Fund	\$ 1,355	\$ 3,667	\$ 2,312	\$ 4,365	\$ 1,409	\$ (2,956)	\$ 5,720	\$ 5,076	\$ (644)	-11%
Grants, Transfers & Pledges	1,715	267	(1,448)	4,645	1,022	(3,623)	6,360	1,289	(5,071)	-80%
Funded from New Debt	590	903	313	1,400	1,355	(45)	1,990	2,258	268	13%
<b>Total Capital Outlay</b>	<b>\$ 3,660</b>	<b>\$ 4,838</b>	<b>\$ 1,178</b>	<b>\$ 10,410</b>	<b>\$ 3,786</b>	<b>\$ (6,624)</b>	<b>\$ 14,070</b>	<b>\$ 8,624</b>	<b>\$ (5,446)</b>	<b>-39%</b>
<b>Starting Cash Balance</b>	<b>\$ 10,589</b>	<b>\$ 10,589</b>	<b>-</b>	<b>\$ 11,305</b>	<b>\$ 11,551</b>	<b>247</b>	<b>\$ 10,589</b>	<b>\$ 10,589</b>	<b>0%</b>	<b>0%</b>
<b>EOY Current Fund Balance</b>	<b>\$ 11,305</b>	<b>\$ 11,551</b>	<b>247</b>	<b>\$ 10,569</b>	<b>\$ 17,000</b>	<b>6,431</b>	<b>\$ 10,569</b>	<b>\$ 17,000</b>	<b>61%</b>	<b>61%</b>
<b>Volume Investment Fund</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>1,500</b>	<b>\$ 500</b>	<b>\$ 2,000</b>	<b>300%</b>	<b>300%</b>

Values in thousands

# Biennium Cash Projection

