



Financial Outlook

2nd Quarter 2020

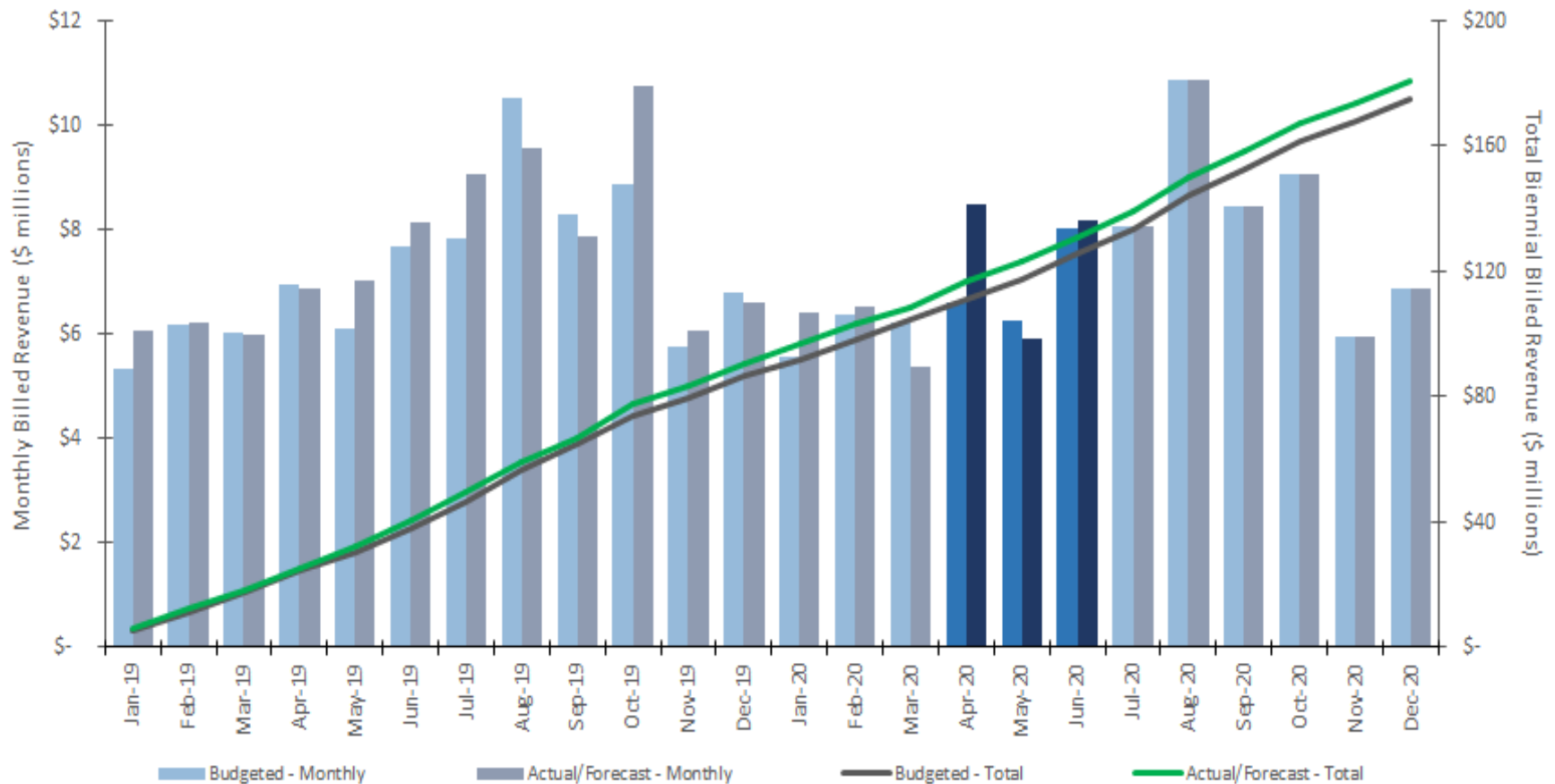
- **Forecast Assumptions**
- **Summary of Outlook**
- **Water Retail Sales and Revenues**
- **Revenue and Expense Summary**
- **Estimated Current Fund Cash**

- **Forecast includes actual revenues and expenses through June 2020.**
- **Water sales and revenue projection includes impacts from Stay Home, Stay Healthy mandate and economic impacts.**
- **Expense projections include planned savings in several programs offset by increases in customer assistance and bad debt expenses.**
- **All other revenue and expense projections are based on 2019/2020 budget.**

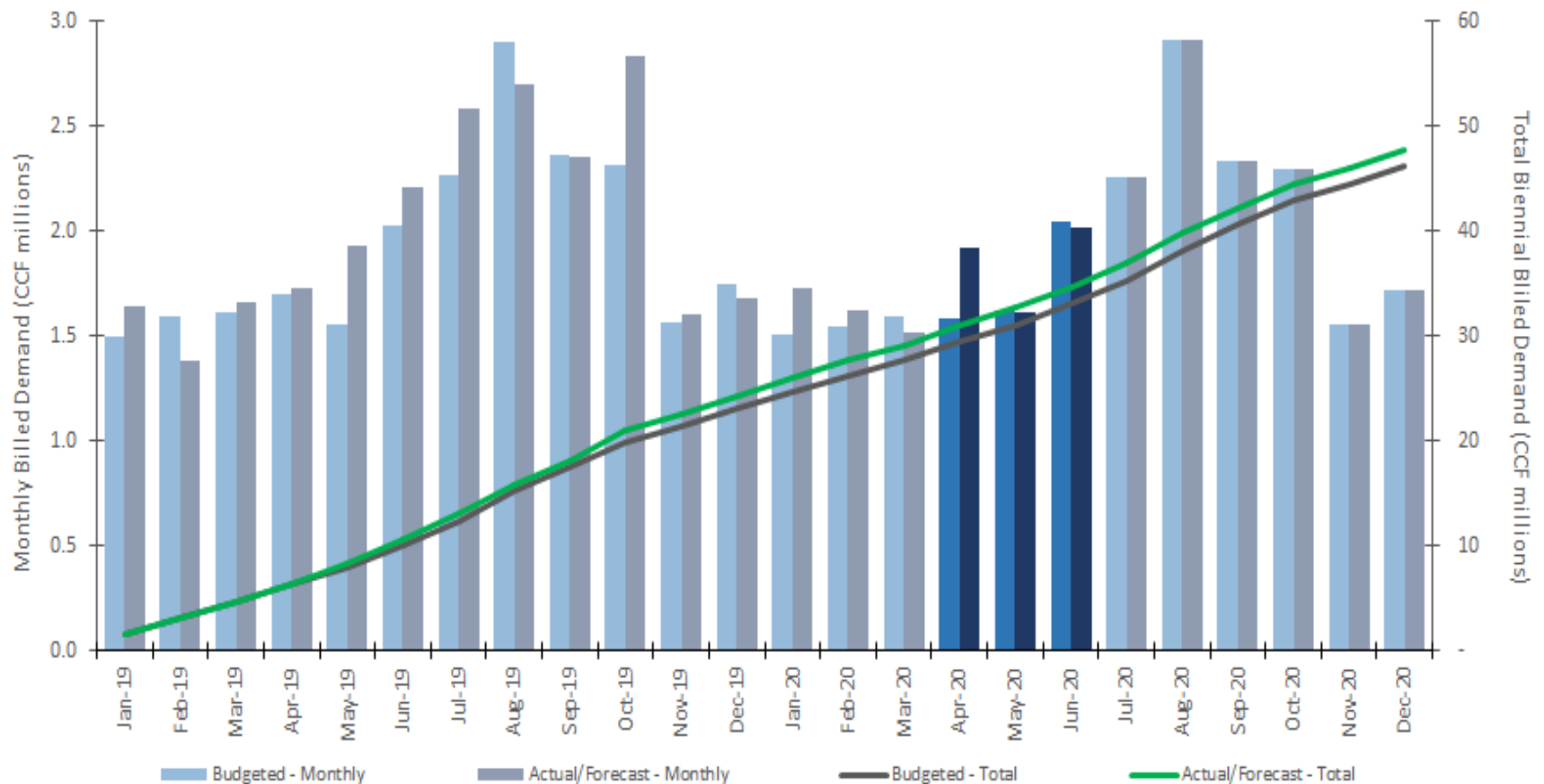
2019/2020 Biennium Summary of Financial Outlook

- Water sales are projected to be \$5.5 million higher than budget for the biennium, \$3.9 million was due to actual increased demand in 2019.
- Total expenditures are projected to be nearly \$11.3 million under budget for the biennium. This forecast includes \$5.4 million actual savings in 2019 as well as projected savings for 2020 due to COVID impacts.
- Net total revenues less expenditures is expected to be approximately \$18.6 million over budget.
- The Current Fund cash balance is expected to be \$62.5 million, \$526,000 increase over the biennium.

Billed Revenue



Billed Demands



2019/2020 Biennium Forecast vs. Budget

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- 1.** The projection for Residential revenue has increased \$3.5 million from budget, \$1.9 million is due to increased actual revenue collected in 2019. 2020 Residential demand increased approximately 10% or about \$1.6 million during Quarter 2 with the Stay Home, Stay Healthy mandate. Demand is expected to decrease during a recovery period and is modeled using recessionary levels for the next 18 months after June 2020.
- 2.** Other Water Sales are expected to increase about \$1.7 million over the biennium primarily due to higher than budgeted Commercial demand in 2019. Commercial revenue in the second quarter was nearly \$500,000 below budget. Although demand is expected to increase as businesses reopen, current assumptions apply recessionary levels for the anticipated recovery period after June 2020.
- 3.** Other Operating revenue includes an 80% projected reduction in revenue from Customer Fees, including interest on late payments and turn-off fees.

2019/2020 Biennium Forecast vs. Budget

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4. The projection for Non-Operating revenue has increased \$1.8 million from budget primarily due to higher than anticipated interest earned on cash balances in 2019. 2020 interest projections are as budgeted.
5. Total revenue is projected to increase \$7.3 million from budget due to the items discussed above.
6. Personnel expenditures are projected to be \$6.0 million lower than budget, half of this difference is due to lower than anticipated personnel expenses as a result of higher than expected vacancies of nearly 38 FTE's in 2019. The remaining \$3.0 million is projected as a result of prioritizing critical hiring and limiting expenses.
7. Supplies, Other Services and Charges is expected to be nearly \$6.4 million less than budgeted for the biennium. Actual expenses in 2019 make up half of this reduction and the remaining half is due to planned decreases in expenses including travel, training, professional and external contract services offset by anticipated increases in customer assistance grants and bad debt expense.

2019/2020 Biennium Forecast vs. Budget

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8. The Bank Loan Refunding of Water 2010 Series A Bonds is expected to save \$168,000 in 2020.
9. As a result of the items discussed above, total revenue less expenditures is forecast to increase \$18.6 million from budget over the biennium.
10. Capital expenditures are expected to decrease \$17.3 million over the biennium primarily due to planned delays in spending on several capital projects.
11. Although the planned appropriation from the operating reserve was to decrease the current fund cash balance by \$17 million, due to actual and forecast savings discussed above the fund is expected to increase \$526,000 over the biennium.

2019/2020 Biennium Forecast vs. Budget

All \$'s in 1000's	2019 Budget	2019 Actual	2019 Difference	2020 Budget	2020 Forecast	2020 Difference	Total Biennium Budget	Total Biennium Forecast	Biennium Difference \$	Biennium Difference %
Revenue										
Residential Water Sales	57,535	59,446	1,911	58,888	60,492	1,604	116,423	119,938	3,515 (1)	3%
Pulp Mill Water Sales	6,819	6,883	64	6,989	7,215	226	13,808	14,098	290	2%
Wholesale Water Sales	2,754	2,787	33	2,664	2,628	(36)	5,418	5,415	(3)	0%
Other Water Sales	19,294	21,192	1,898	19,792	19,605	(187)	39,086	40,797	1,711 (2)	4%
Other Operating Revenue	4,021	4,255	234	3,972	3,698	(274)	7,993	7,953	(40) (3)	0%
Total Operating Revenue	90,423	94,563	4,140	92,305	93,638	1,333	182,728	188,201	5,473	3%
Non-Operating Revenue (includes BAB's subsidy)	3,279	4,980	1,701	3,327	3,421	94	6,606	8,401	1,795 (4)	27%
Total Revenue	93,702	99,543	5,841	95,632	97,059	1,427	189,334	196,602	7,268 (5)	4%
Expenditures										
Personnel Costs	28,209	25,150	(3,059)	29,741	26,780	(2,961)	57,950	51,930	(6,020) (6)	-10%
Supplies, Other Services & Charges	28,876	25,631	(3,245)	28,270	25,079	(3,191)	57,146	50,710	(6,436) (7)	-11%
Debt Service	26,650	26,657	7	26,566	26,398	(168)	53,216	53,055	(161) (8)	0%
Taxes	12,286	13,209	923	12,581	12,980	399	24,867	26,189	1,322	5%
Total Expenditures	96,021	90,647	(5,374)	97,158	91,237	(5,921)	193,179	181,884	(11,295)	-6%
Total Revenue less Total Expenditures	(2,319)	8,897	11,216	(1,526)	5,822	7,348	(3,845)	14,719	18,564 (9)	
Reconciling Cash Items	-	(1,082)	(1,082)	-	-	-	-	-	-	
Appropriation from Current Fund	2,319	(7,815)	(10,134)	1,526	(5,822)	(7,348)	3,845	(14,719)	(18,564)	
Capital Outlay Financing Detail										
Funded from Bond Funds	13,128	12,695	(433)	13,128	13,561	433	26,256	26,256	-	0%
Funded from Operating Reserve	4,377	1,767	(2,610)	8,734	11,344	2,610	13,111	13,111	-	0%
Funded from Capital Reserve	2,047	3,977	1,930	19,956	687	(19,269)	22,003	4,664	(17,339)	-79%
Total Capital Outlay	19,552	18,439	(1,113)	41,818	25,592	(16,226)	61,370	44,031	(17,339) (10)	
Debt Service Coverage Ratio		2.91X			2.44X			2.44X		
EOY Current Fund (Jan 19 Balance \$61,952)		68,000			62,478			62,478	526 (11)	

Qtr 2/2020 Vs. Qtr 1/2020 Outlook

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- 1. Total revenue is projected to be about 1% or \$1.7 million higher than forecast last quarter and includes impacts from the Stay Home, Stay Healthy mandate in the second quarter. Water production during July 2020 is higher than the same month in 2019 and water sales revenue may be higher than anticipated during the third quarter as a result.**
- 2. Expenditures are nearly \$900,000 higher than projected due to increased taxes on water sales.**
- 3. As a result of these updates, the cash balance is forecast to increase about \$557,000 from the previous projection.**

Qtr 2/2020 Vs. Qtr 1/2020 Outlook

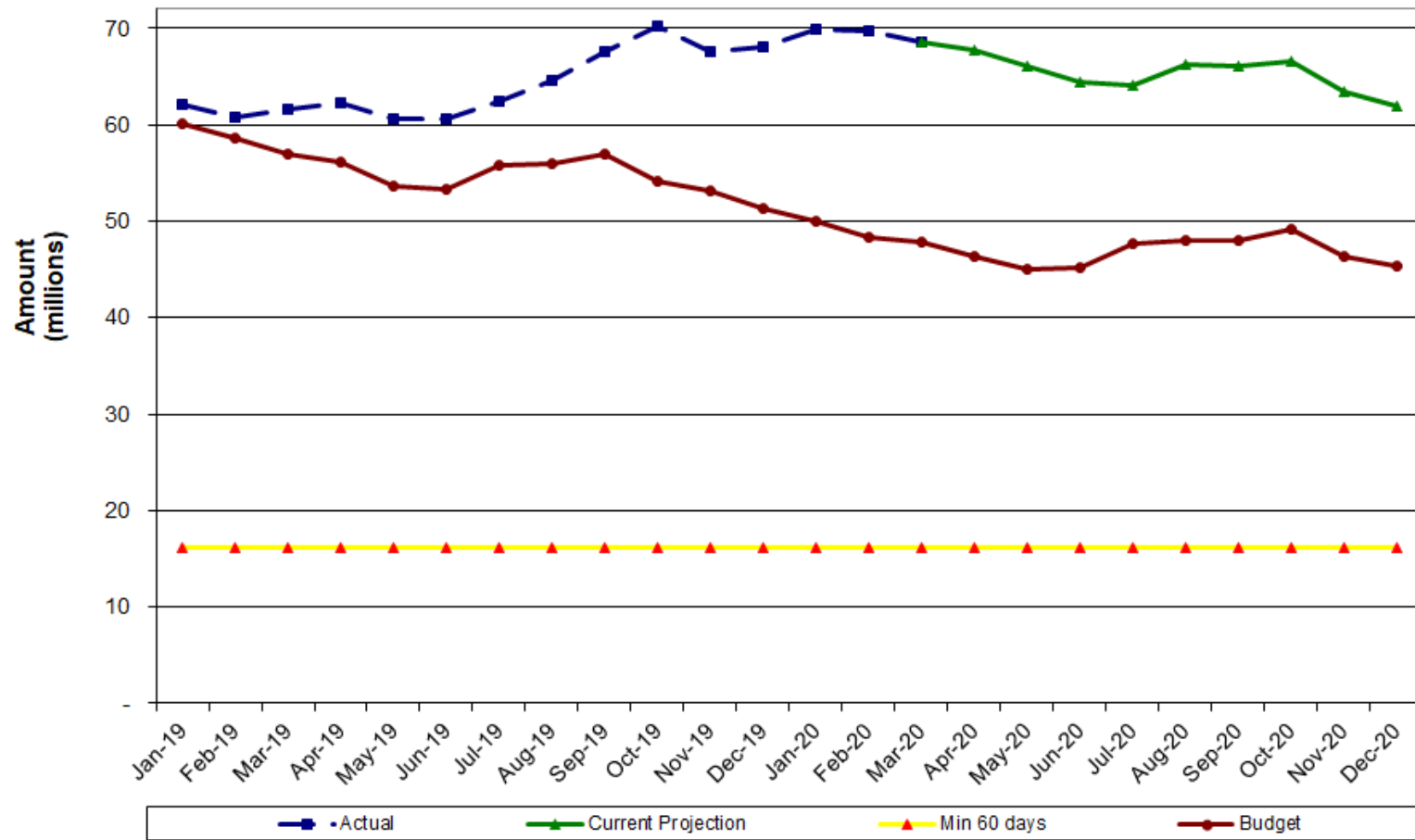
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All \$'s in 1000's	Previous Forecast	Biennium Forecast As of Qtr 2 2020	Difference \$	Difference %
Revenue				
Residential Water Sales	119,559	119,938	379	0%
Pulp Mill Water Sales	14,009	14,098	89	1%
Wholesale Water Sales	5,351	5,415	64	1%
Other Water Sales	39,808	40,797	989	2%
Other Operating Revenue	7,808	7,953	145	2%
Total Operating Revenue	186,536	188,201	1,665	1%
Non-Operating Revenue (includes BABs subsidy)	8,625	8,401	(224)	-3%
Total Revenue	195,161	196,602	1,441	(1) 1%
Expenditures				
Personnel Costs	51,930	51,930	-	0%
Supplies, Other Services & Charges	50,654	50,710	56	0%
Debt Service	53,055	53,055	-	0%
Taxes	25,361	26,189	828	3%
Total Expenditures	181,000	181,884	884	(2) 0%
Total Revenue less Total Expenditures	14,161	14,719	557	
EOY 2020 Current Fund Balance Projection	61,920	62,478	557	
Change in Current Fund Projection Reconciliation				
Change in Operating Activities			557	
Change in Current Fund Cash Projection			557	(3)

Cash Projection

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TACOMAWATER
CURRENT FUND CASH PROJECTIONS
Actual & Estimated Cash for 2019/2020





Financial Outlook

2nd Quarter 2020

August 12, 2020

2019/2020 Biennium:

- Assumptions
- Electric Retail Revenues
- Wholesale Revenues
- Revenue & Expense Details
- Projected Liquidity Balance

2019/20 Biennium Summary of Assumptions¹⁶

- Actuals updated through June 2020.
- Wholesale revenue forecast:
 - Forecast water conditions for July & August 2020.
 - Adverse water conditions through remainder of biennium.
 - Forward prices updated as of 7/8/20.
- Capital spending forecast updated as of 4/25/2020.

Forecasting Practices

- Personnel expenditures forecast reflect a vacancy rate.
- O&M expenditures are forecast based on historical trends with estimated \$8 million in spending cuts.
- Capital spending forecasts are based on estimates from project managers.

NOTES LISTED ON THIS SLIDE CORRELATE TO THE GRAPH ON THE NEXT SLIDE.

Total Biennium Projected Retail Sales: \$9.2 million less than budget (-2.5%)

Actual Total Retail Revenues

Actual retail sales through second quarter 2020 are \$7.6 million less than budget.

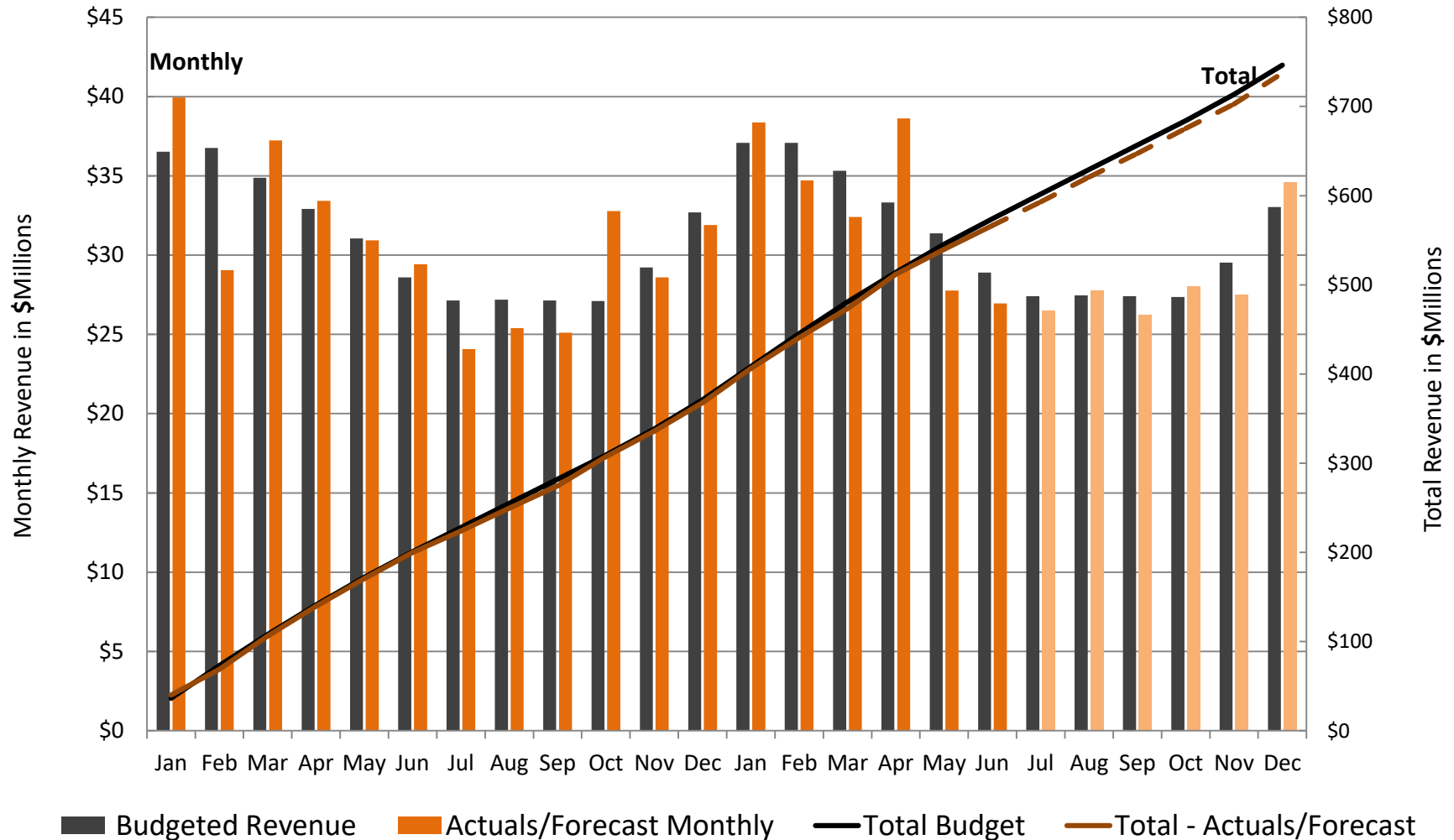
- 2019 retail sales were \$3.4 million less than budget due to lower-than-budget industrial load in the first quarter and mild temperatures during summer months.
- In first quarter 2020, retail sales were lower than budget due to warmer-than-forecasted weather, which reduced heating loads.
- In second quarter 2020, April had higher retail revenues due to cooler-than-expected weather. This offset lower-than-budget May and June revenues, which were negatively impacted due to COVID-19–related economic shutdowns.

Forecasted Total Retail Revenues

We are forecasting an additional \$1.6 million shortfall compared to budget due to assumption of a mild recession for July through December 2020.

2019/2020 Electric Retail Revenues

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Cumulative Biennium Projected Wholesale Sales: \$3.0 million less than budget (-3.2%)

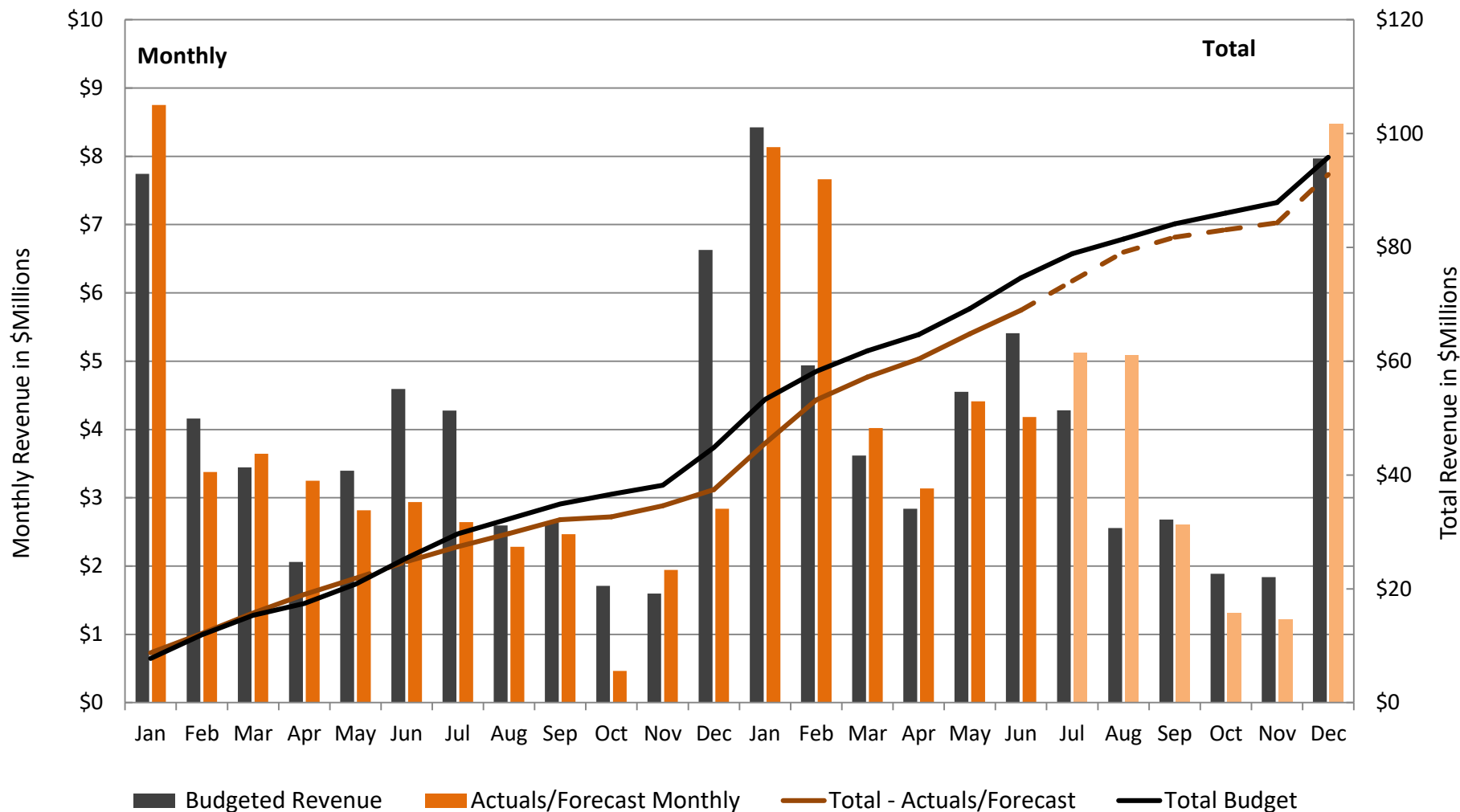
Actual and Forecast Gross Wholesale Revenues

Biennial gross wholesale revenue are forecast to be less than budget.

- Hydro inflows were near-Critical at the projects in 2019. Historically, the highest inflows into the Tacoma projects occur in November. November 2019 was unusually dry; below Critical water. This resulted in lower sales and higher bulk power purchases relative to budget.
- Inflows into Tacoma's hydro projects have been above average in the first half of 2020. 2020 forecasted water conditions are expected to be near average levels.
- 2020 wholesale revenues are forecasted to be better than budget for the remainder of the biennium due to reduced retail loads from the COVID-19 economic downturn.
 - In a recession, the decline in retail load increases the amount of energy available to sell on the wholesale market.
 - Forecasted power market prices decreased in the 2nd quarter but are forecasted to be higher than budgeted through the remainder of the biennium.

2019/2020 Gross Wholesale Revenues

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NOTES LISTED ON THIS SLIDE CORRELATE TO THE SUBSEQUENT CHART.

Forecast for Revenue less than Budget: \$17.3 million (-1.8%)

1. **Retail Revenues:** forecast to be \$9.2 million less than budget (-1.2%)
 - Lower-than-budget revenues in 2019.
 - Three-month delay of the 2% rate increase in 2020.
 - Forecast of moderate recession from July through December 2020.
 - Second quarter actual results were close to budget due to greater-than-expected revenues in April that offset impacts of COVID-related economic shutdown in May and June.
2. **Wholesale Revenues:** forecast is \$3.0 million lower than budget (-3.2%)
 - Lower precipitation resulted in near-Critical water flows in 2019.
 - Forecasts reflect higher wholesale sales and projected power market prices vs. budget in future months.
3. **Rate Stabilization Fund:** unbudgeted \$10 million transfer
 - Applied \$10 million of the Rate Stabilization Fund to 2019 Wholesale revenues
4. **Click! Revenues:** forecast \$21.4 million under budget
 - Forecasts reflect the separation of Click! revenues as of April 2020.

NOTES LISTED ON THIS SLIDE CORRELATE TO THE SUBSEQUENT CHART.

Forecast for Expenditures less than Budget: \$37.3 million (-3.9%)

5. Purchased power expenses: forecast \$10.9 million over budget (3.3%)

- Higher bulk power purchases in 2019 due to a near-Critical water year.
- These costs are offset by a reduction in BPA costs due to a forecasted rate increase that did not materialize.
- The forecast includes potential costs for entering the Energy Imbalance Market.
- Second quarter 2020 purchased power expenses were slightly under budget (\$59,000) due to higher inflows into the projects and less power purchased.

6. Personnel expenses: forecast is \$11.1 million over budget (6.0%)

- Actual personnel expenses are \$8.1 million overspent compared to budget, biennium-to-date.
- Personnel forecast includes \$5.4 million of unbudgeted reductions in personnel expenses as part of the target \$8 million in 2020 spending reductions.
- 2020 forecasts are based on historical actual spending in 2019 inflated with a 3% COLA.
- Vacancies are being filled more quickly than anticipated. The vacancy rate assumed in the budget was 8% and the actual vacancy rate to-date is only 3.8%.

NOTES LISTED ON THIS SLIDE CORRELATE TO THE CHART ON THE NEXT SLIDE.

7. Other Operation & Maintenance expenses: forecast is \$14.6 million under budget (-8.2%)
 - Actual Other O&M expenses are \$4.8 million underspent compared to budget.
 - The Other O&M forecasts include:
 - underspending from the separation of Click! from Power financials.
 - \$2.7 million of unbudgeted reductions in Other O&M expenses as part of the target \$8 million in total 2020 spending reductions.
8. Capital expenses funded from the Current Fund: forecast \$39.6 million under budget (-44.2%)
 - Actual underspending in revenue-funded capital is \$28.3 million through June 2020 due to delays from change requests or feasibility studies that impact the schedule, or because of negotiations with contractors.
 - Forecasted revenue-funded capital spending has decreased due to changing the planned funding source of some projects from revenue funding to bond funding.

Forecast for Net Revenue compared to Budget:

9. Net Revenue forecast to be \$20.0 million more than budget

2019/2020 Biennium Forecast vs. Budget

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Tacoma Power

2019/2020 Biennium Adjusted Estimates Comparison to Budget

Forecasted Adverse Water

as of 6/31/2020

All \$'s in 1000's

	2019 Budget	2019 Actual	2019 Diff.	2020 Budget	2020 Forecast	2020 Diff.	Total Biennium Budget	Total Biennium Forecast	Biennium Diff.	Biennium Diff. (%)
Revenue										
Retail Sales	\$371,209	\$367,829	(\$3,381)	\$375,261	\$369,447	(\$5,814)	\$746,471	\$737,276	(\$9,195)	(1) -1.2%
Bulk Power (wholesale) Sales	\$44,846	\$37,421	(\$7,425)	\$50,994	\$55,383	\$4,389	\$95,840	\$92,804	(\$3,037)	(2) -3.2%
Rate Stabilization Fund Transfer to Revenue	\$0	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$10,000	(3)
Other Electric Revenue	\$19,330	\$19,210	(\$120)	\$20,414	\$22,421	\$2,007	\$39,744	\$41,631	\$1,887	4.7%
Telecommunications Revenue	\$26,634	\$25,499	(\$1,135)	\$28,098	\$7,863	(\$20,235)	\$54,732	\$33,362	(\$21,370)	(4) -39.0%
Total Operating Revenue	\$462,020	\$459,958	(\$2,062)	\$474,767	\$455,114	(\$19,653)	\$936,787	\$915,072	(\$21,715)	-2.3%
Other Income	\$6,375	\$9,279	\$2,905	\$6,490	\$8,016	\$1,526	\$12,865	\$17,295	\$4,430	34.4%
Total Revenue	\$468,395	\$469,238	\$843	\$481,257	\$463,129	(\$18,128)	\$949,652	\$932,367	(\$17,285)	-1.8%
Expenses										
Purchased Power & RECs	\$163,943	\$180,525	\$16,582	\$167,348	\$161,713	(\$5,635)	\$331,291	\$342,238	\$10,947	(5) 3.3%
Personnel Costs	\$92,708	\$98,389	\$5,682	\$92,708	\$98,131	\$5,423	\$185,416	\$196,521	\$11,105	(6) 6.0%
Supplies, Other Services & Charges	\$89,476	\$95,627	\$6,151	\$89,476	\$68,730	(\$20,746)	\$178,952	\$164,356	(\$14,595)	(7) -8.2%
Revenue Funded Capital Outlay	\$44,836	\$26,908	(\$17,928)	\$44,836	\$23,140	(\$21,696)	\$89,672	\$50,048	(\$39,624)	(8) -44.2%
Debt Service	\$29,853	\$30,432	\$579	\$29,269	\$28,192	(\$1,077)	\$59,123	\$58,624	(\$499)	-0.8%
Taxes	\$56,528	\$55,018	(\$1,510)	\$57,850	\$54,695	(\$3,156)	\$114,378	\$109,713	(\$4,665)	-4.1%
Total Expenses	\$477,344	\$486,899	\$9,555	\$481,487	\$434,600	(\$46,887)	\$958,831	\$921,500	(\$37,331)	-3.9%
Total Revenues less Expenses	(\$8,949)	(\$17,661)	(\$8,712)	(\$230)	\$28,529	\$28,759	(\$9,179)	\$10,868	\$20,047	(9)
Capital Outlay Financing Detail										
Funded From Current Fund	\$44,836	\$26,908	(\$17,928)	\$44,836	\$23,140	(\$21,696)	\$89,672	\$50,048	(\$39,624)	-44.2%
Funded From Bond Fund	\$30,026	\$20,079	(\$9,946)	\$30,026	\$37,419	\$7,393	\$60,051	\$57,498	(\$2,553)	-4.3%
Total Capital Outlay	\$74,862	\$46,987	(\$27,874)	\$74,862	\$60,559	(\$14,303)	\$149,723	\$107,546	(\$42,177)	-28.2%
Ratios										
Debt Service Coverage Ratio	3.06	2.20	1.30 ¹	(0.90)	2.52	2.83	0.31			
Days Liquidity	205.9	172.6	157.25	(15.37)	179.1	189.2	10.1			
EOY Rate Stabilization Fund Balance	\$48,000	\$48,000	\$38,000	(\$10,000)	\$48,000	\$38,000	(\$10,000)			
EOY Current Fund Balance	\$144,675	\$126,059	\$132,421	\$6,362	\$134,461	\$142,962	\$8,501			
Total Liquidity	\$192,675	\$174,059	\$170,421		\$182,461	\$180,962				

Footnotes

1. See note 3 on following page for explanation of the 2019 Debt Service Coverage.

Previous Qtr 1/2020 vs. Current Qtr 2/2020

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- 1. Retail sales projected to be \$9.2 million more than previous forecast.**
 - Second quarter actual results were close to budget due to cooler-than-forecasted weather in March which affected April revenues.
 - Forecast for July through December 2020 reflects revised economic downturn assumptions that are not as severe as the initial COVID-adjusted forecast.
 - Conservation acquisition was lower than forecast due, in part, to COVID shutdown and reduced economic activity.
- 2. Wholesale sales projected to be \$3.3 million less than previous forecast.**
 - Because the revised economic downturn assumptions are not as severe as the initial COVID-adjusted forecast, there will be less to sell on the Wholesale market.
 - Forecasted power market prices for remainder of biennium have decreased in the second quarter.
- 3. Purchased power expenses are \$1.4 million more than previous forecast.**
 - Purchased power expense forecasts are close to the previous quarter (0.4%).

Previous Qtr 1/2020 vs. Current Qtr 2/2020

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- 4. Personnel expenses are \$3.8 million more than the previous forecast.**
 - Higher expense due to fewer vacancies than budgeted.
 - 2020 forecasts include unbudgeted reductions in Personnel expenses as part of the targeted 2020 spending reductions.
- 5. Other O&M expenses are \$5.0 million less than the last forecast.**
 - Lower expense due to lower Other O&M spending in second quarter compared to budget.
 - 2020 forecasts include unbudgeted reductions in Other O&M expenses as part of the targeted 2020 spending reductions.
- 6. Designated revenue-funded capital is \$2.9 million more than the last forecast.**
 - Planned shifting of revenue-funded projects to bond funding will not occur until August.

Previous Qtr 1/2020 vs. Current Qtr 2/2020

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Biennium Projection Compared to Prior Outlook Forecast

#s in 1000's

	19/20 Projection as of 3/31/2020	19/20 Projection as of 6/31/2020	Difference	% Diff.
Revenue				
Retail Sales	\$728,115	\$737,276	\$9,161	(1) 1.3%
Bulk Power (wholesale) Sales	96,100	92,804	(3,296)	(2) -3.4%
Rate Stabilization Fund Withdrawal (Deposit)	10,000	10,000	0	
Other Electric Revenue	42,142	41,631	(511)	-1.2%
Telecommunications Revenue	31,693	31,695	2	0.0%
Total Operating Revenue	\$908,050	\$913,406	\$5,356	0.6%
Other Income	17,666	17,295	(371)	-2.1%
Total Revenue	\$925,716	\$930,701	\$4,985	0.5%
Expenditures				
Purchased Power & RECs	\$342,798	\$344,187	\$1,389	(3) 0.4%
Personnel Costs	191,952	\$195,751	\$3,799	(4) 2.0%
Supplies, Other Services & Charges	167,391	162,408	(4,983)	(5) -3.0%
Revenue Funded Capital Outlay	47,114	50,048	2,934	(6) 6.2%
Debt Service	58,802	58,624	(178)	-0.3%
Taxes	109,654	109,713	59	0.1%
Total Expenditures	\$917,711	\$920,730	\$3,019	0.3%
Total Revenue less Total Expenditures	\$8,005	\$9,971	\$1,966	
EOY 2020 Current Fund Balance Projection	\$140,086	\$142,962	\$2,876	2.1%
Change in Current Fund Projection Reconciliation				
Change in Operating Activities			\$1,966	
Change in Cash provided by (used for) Changes in Operating Assets and Liabilities *			(\$5,914)	
Change in Cash due to Changes in Capital Outlay			\$6,824	
Change in Current Fund Projection			\$2,876	
EOY 2019 Rate Stabilization Fund Balance	\$48,000	\$38,000	(\$10,000)	

* Includes items such as Accounts Receivable, Unbilled Revenues, and other Payables and Receivables.

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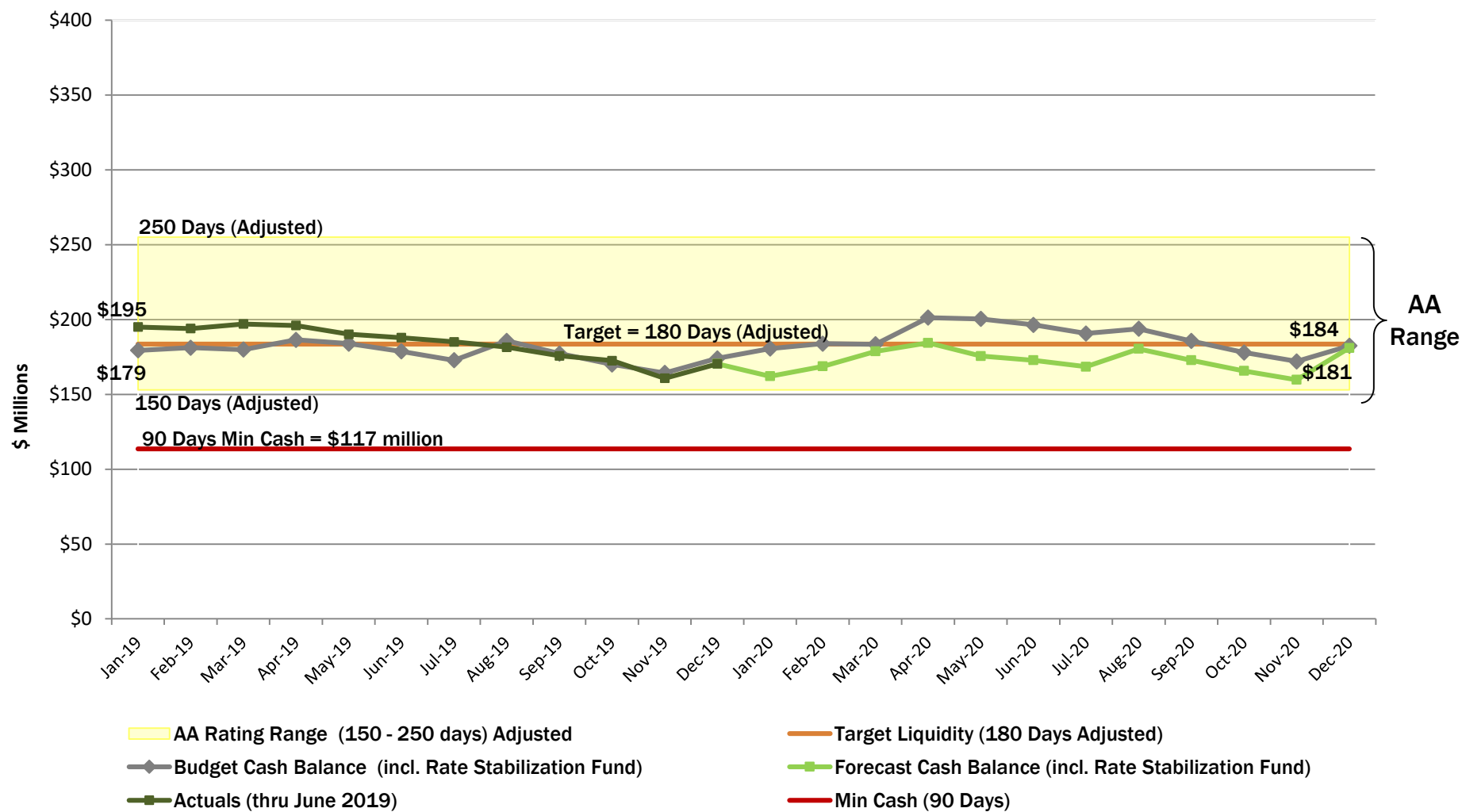
Cumulative Projected Liquidity Balance

At the end of the biennium, current projected cash balance is near the 180 Day target (the orange line) and close to budget.

- The goal is to stay in the **shaded yellow area**. This represents 150 to 250 Days of Cash range for AA-rated utilities.
- The target is 180 days, shown as the **orange line**. This is what the utility budgets to be near at the end of the biennium.
- The **dark green line** illustrates actual financial performance followed by the light green projections for the remainder of the biennium.

2019/2020 Projected Liquidity Balance as of 6/30/2020

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Financial Outlook

2nd Quarter 2020

Summary of Assumptions

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- Projections include actual revenue and expense through June 2020
- Budget reporting is based on 2019 budget re-appropriation
- Rail traffic
 - Decrease in both intermodal and commercial volumes from 2019
 - Increase from current volumes in Q3 and Q4
- Capital Fund Outlay
 - East End Locomotive Facility postponed till 2021
 - Awaiting grant application outcome

Summary of Financial Situation

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- Traffic analysis

Quarter	2019		2020		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	53,953	12,902	45,864	15,392	-15%	19%
2	60,293	13,881	40,321	11,710	-33%	-16%
3						
4						
Total	114,246	26,783	86,185	27,102	-25%	1%

- Intermodal:

- Year over year: NIM **-18%**, PCT **-49%**, WUT **-25%**, SIM **-6%**
 - Down **-24%** from budgeted volumes

- Commercial:

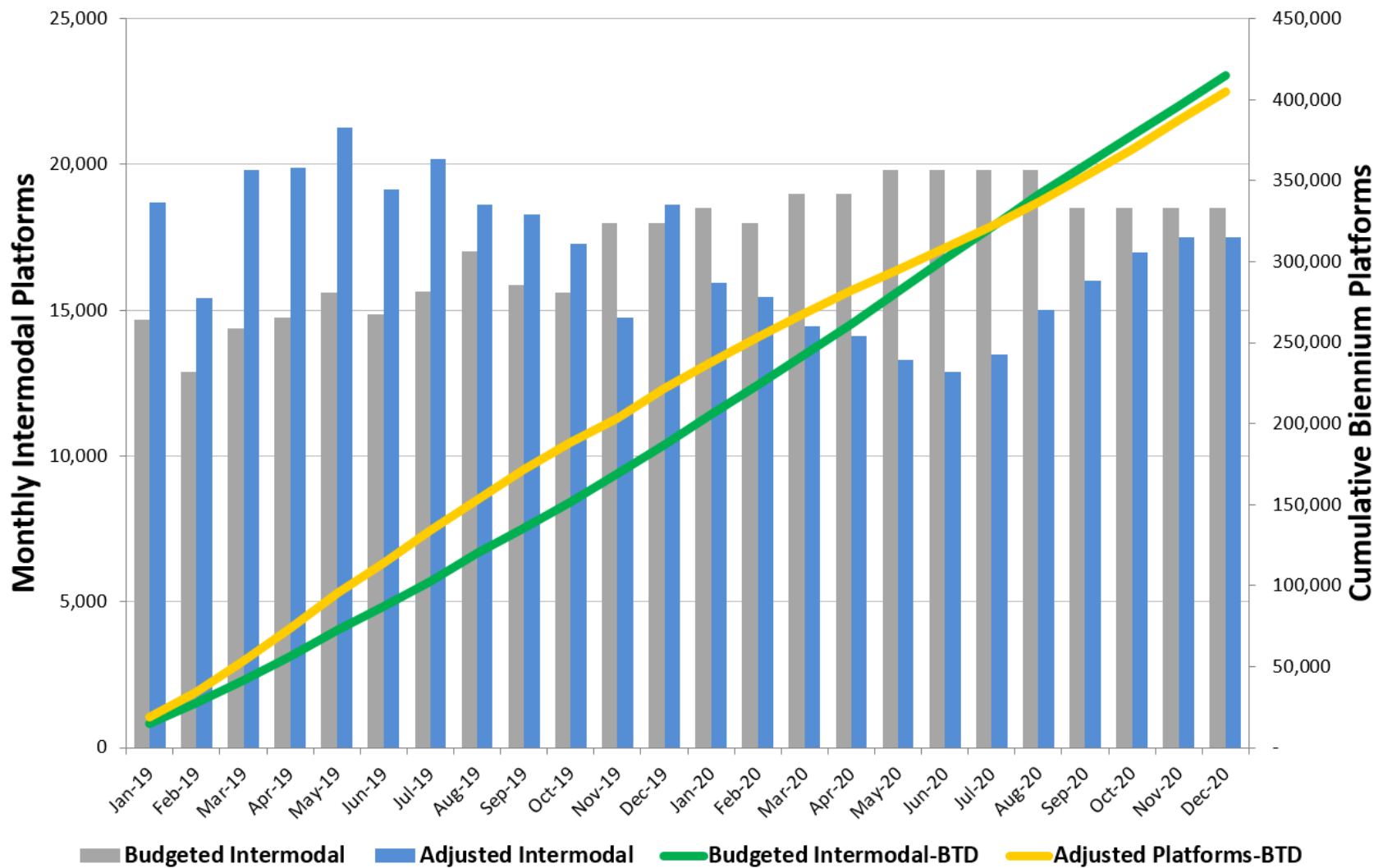
- Year over year: US Oil **+21%**, SeaPort Sound **-3%**, AWC **-14%**
 - Down **-6%** from budgeted volumes

- Cash is projected above the 60 days of budget threshold

Intermodal Volumes

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7/27/2020

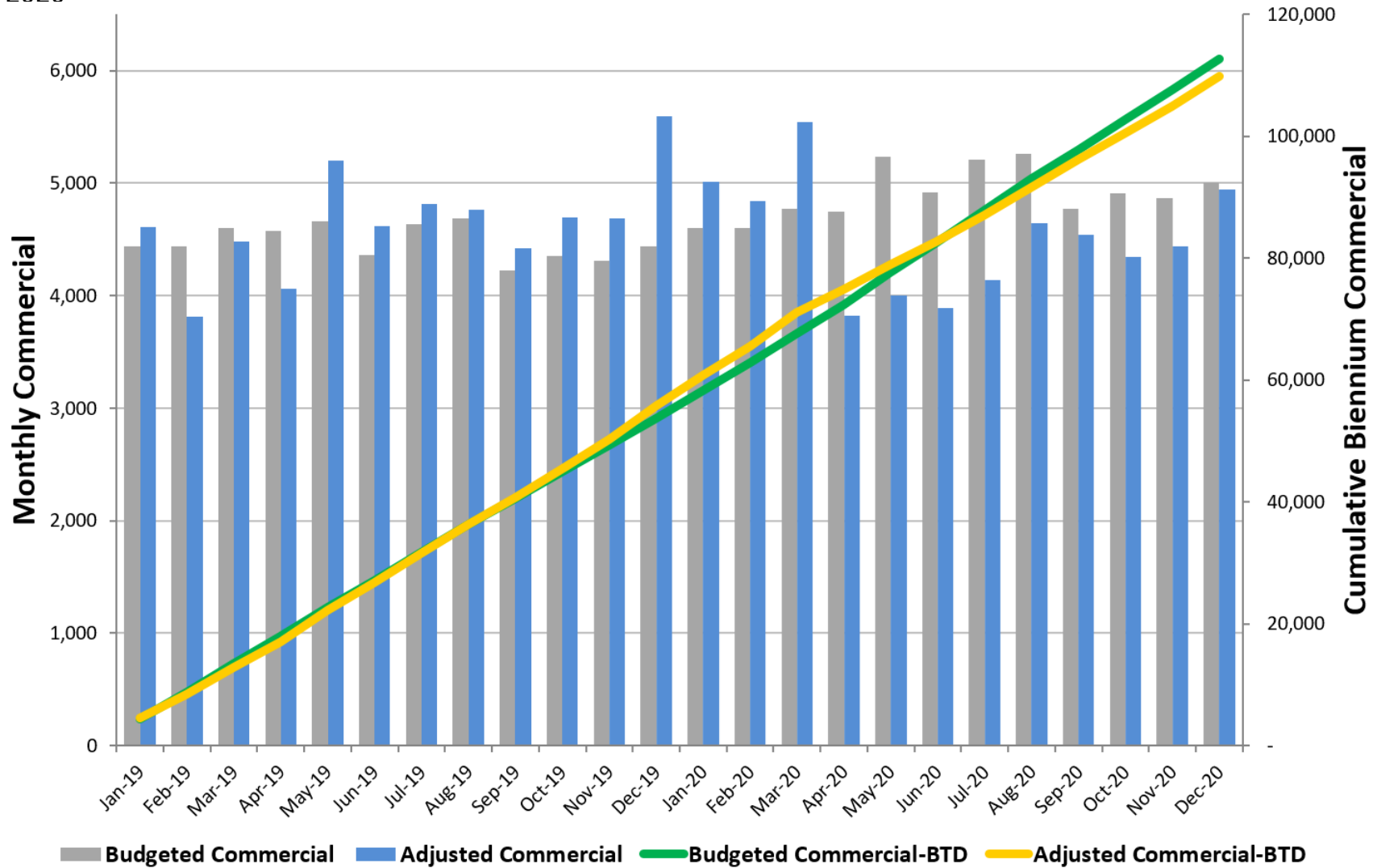


*Re-appropriated Budget

Commercial Volumes

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7/27/2020



*Re-appropriated Budget

2019/2020 Biennium Forecast vs. Budget

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- 1. Decreased line haul and miscellaneous switching revenues**
- 2. Increase in railcar dwell increases demurrage revenue**
- 3. Locomotive servicing revenue due to increased fueling needs by the Union Pacific**
- 4. Taylor Way project in coordination with Public Works determined to be an expensed contribution until it can be capitalized**
 - Increase of \$500K due to bid, \$725K total
- 5. Capital Outlay decrease due to East Locomotive Facility being postponed till 2021**
- 6. Decrease in Volume Incentive Allowance due to intermodal volumes**

2019/2020 Biennium Forecast vs. Budget

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All \$'s in 1,000s
7/27/2020

	2019 Budget*	2019	2019 Difference	2020 Budget*	2020 Forecast	2020 Difference	Budget* Biennium	Adjusted Forecast	Biennium Difference	Biennium Diff. (%)	
Revenue											
Switching Revenue	\$ 30,234	\$ 29,891	\$ (343)	\$ 31,422	\$ 27,285	\$ (4,137)	\$ 61,657	\$ 57,177	\$ (4,480)	-7%	(1)
Demurrage Fees	1,565	1,859	294	1,150	1,647	497	2,715	3,506	791	29%	(2)
Locomotive Servicing	4,350	4,802	452	3,000	4,077	1,077	7,350	8,880	1,530	21%	(3)
Other	349	555	206	349	182	(167)	698	737	39	6%	
Total Operating Revenue	\$ 36,498	\$ 37,108	\$ 609	\$ 35,921	\$ 33,191	\$ (2,730)	\$ 72,420	\$ 70,299	\$ (2,121)	-3%	
Interest	110	260	150	115	253	138	225	513	288	128%	
Rent & Misc Income	1,080	990	(90)	1,140	1,122	(18)	2,220	2,112	(108)	-5%	
Total Revenue & Avail Funds	\$ 37,688	\$ 38,358	670	\$ 37,176	\$ 34,566	\$ (2,610)	\$ 74,865	\$ 72,924	\$ (1,940)	-3%	
Expenditures											
Personnel Costs	\$ 16,799	\$ 16,036	\$ (764)	\$ 17,185	\$ 16,631	\$ (554)	\$ 33,984	\$ 32,667	\$ (1,317)	-4%	
Supplies, Other Services	11,010	11,376	365	10,516	11,061	545	21,526	22,437	911	4%	(4)
Current Fund Capital Outlay	2,666	2,848	182	7,034	4,281	(2,753)	9,700	7,128	(2,572)	-27%	(5)
Debt Service	820	820	-	820	820	-	1,641	1,641	-	0%	
Incentive Allowance	583	542	(42)	917	(333)	(1,250)	1,500	208	(1,292)	-86%	(6)
Taxes	3,475	3,549	74	3,540	3,299	(241)	7,015	6,849	(166)	-2%	
Total Expenditures	\$ 35,354	\$ 35,170	\$ (184)	\$ 40,012	\$ 35,759	\$ (4,253)	\$ 75,366	\$ 70,930	\$ (4,436)	-6%	
Total Revenues Less Expenditures	\$ 2,334	\$ 3,188	\$ 853	\$ (2,836)	\$ (1,193)	\$ 1,642	\$ (501)	\$ 1,995	\$ 2,496		
Appropriation from Current Fund	\$ (2,334)	\$ (2,871)	\$ (537)	\$ 2,836	\$ 2,776	\$ (59)	\$ 501	\$ (1,995)	\$ (2,496)		
Capital Outlay Financing Detail											
Funded from Current Fund	\$ 2,666	\$ 2,848	\$ 182	\$ 7,034	\$ 4,281	\$ (2,753)	\$ 9,700	\$ 7,128	\$ (2,572)	-27%	
Grants, Transfers & Pledges	1,000	46	(954)	1,100	1,879	779	2,100	1,925	(175)	-8%	
Funded from New Debt	-	-	-	450	856	406	450	856	406	90%	
Total Capital Outlay	\$ 3,666	\$ 2,893	\$ (773)	\$ 8,584	\$ 7,016	\$ (1,568)	\$ 12,250	\$ 9,909	\$ (2,341)	-19%	
Starting Cash Balance	\$ 10,700	\$ 11,584	884	\$ 13,034	\$ 14,455	1,421	\$ 10,700	\$ 11,584	8%	8%	
EOY Current Fund Balance	\$ 13,034	\$ 14,455	1,421	\$ 10,198	\$ 11,679	1,480	\$ 10,198	\$ 11,679	15%	15%	

*Re-appropriated

- 1. Decrease in railcar traffic and railroad services due to COVID-19**
- 2. Increase in railcar dwell increases demurrage revenue**
- 3. Capital Outlay decrease due to East Locomotive Facility being postponed till 2021**

Qtr 1/2020 Vs. Qtr 2/2020 Outlook

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All \$'s in 1,000s
7/27/2020

	Previous Forecast Biennium	Current Forecast Biennium	Biennium Diff.	Biennium Diff. (%)
Revenue				
Switching Revenue	58,552	57,177	(1,375)	-2% (1)
Demurrage Fees	3,374	3,506	132	4% (2)
Locomotive Servicing	9,014	8,880	(134)	-1% (3)
Other	767	737	(30)	-4%
Interest	496	513	17	4%
Rent & Misc Income	2,119	2,112	(7)	0%
Total Revenue & Avail Funds	\$ 74,322	\$ 72,924	(1,398)	-2%
Expenditures				
Personnel Costs	\$ 32,871	\$ 32,667	\$ (204)	-1%
Supplies, Other Services	22,583	22,437	(146)	-1%
Current Fund Capital Outlay	10,062	7,128	(2,934)	-29% (4)
Debt Service	1,641	1,641	(0)	0%
Volume Incentive	208	208	0	0%
Taxes	6,924	6,849	(75)	-1%
Total Expenditures	\$ 74,289	\$ 70,930	(3,359)	-5%
Total Revenues Less Expenditures	\$ 33	\$ 1,995	\$ 1,962	5945%
EOB Current Fund Balance	\$ 10,087	\$ 11,679	\$ 1,592	16%

Biennium Cash Projection

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7/27/2020

