

TRUCKEE MEADOWS WATER AUTHORITY
Comparative Statements of Revenues, Expenses and Changes in Net Position
Tentative Budget

	Tent. Budget FY 2024	Final Budget FY 2023	Variance \$	Variance %
OPERATING REVENUES				
Charges for Water Sales	\$ 116,653,419	\$ 113,142,185	\$ 3,511,234	3%
Hydroelectric Sales	2,845,576	2,407,214	438,362	18%
Other Operating Sales	3,322,025	3,861,065	(539,040)	-14%
Total Operating Revenues	122,821,020	119,410,464	3,410,556	7%
OPERATING EXPENSES				
Salaries and Wages	31,654,292	29,656,188	1,998,104	7%
Employee Benefits	13,865,891	12,842,853	1,023,038	8%
Services and Supplies	44,116,855	38,572,515	5,544,340	14%
Total Operating Expenses Before Depreciation	89,637,038	81,071,556	8,565,482	11%
Depreciation	35,460,610	34,628,346	832,264	2%
Total Operating Expenses	125,097,648	115,699,902	9,397,746	8%
OPERATING INCOME	(2,276,628)	3,710,562	(5,987,190)	-161%
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	4,870,030	3,064,024	1,806,006	59%
Loss on Disposal of Assets	(1,643,000)	(1,700,000)	57,000	-3%
Interest Expense	(11,028,721)	(11,499,699)	470,978	-4%
Total Nonoperating Revenues (Expenses)	(7,801,691)	(10,135,675)	2,333,984	-23%
Gain (Loss) Before Capital Contributions	(10,078,319)	(6,425,113)	(3,653,206)	57%
CAPITAL CONTRIBUTIONS				
Grants	2,687,700	3,585,635	(897,935)	-25%
Water Resource Sustainability Program	1,128,328	2,840,000	(1,711,672)	-60%
Developer Infrastructure Contributions	15,344,792	21,903,168	(6,558,376)	-30%
Developer Will-serve Contributions (Net of Refunds)	5,214,000	7,245,700	(2,031,700)	-28%
Developer Capital Contributions - Other	8,905,657	11,044,199	(2,138,542)	-19%
Developer Facility Charges (Net of Refunds)	7,946,883	13,186,258	(5,239,375)	-40%
Contributions from Others	-	94,924	(94,924)	-100%
Contributions from Other Governments	14,100,000	21,100,000	(7,000,000)	-33%
Net Capital Contributions	55,327,360	80,999,884	(25,672,524)	-32%
CHANGE IN NET POSITION	45,249,040	74,574,771	(29,325,731)	-39%
NET POSITION, BEGINNING PERIOD	923,089,911	848,515,140		
NET POSITION, END OF PERIOD	\$ 968,338,951	\$ 923,089,911		

TRUCKEE MEADOWS WATER AUTHORITY

Statements of Cash Flows

Tentative Budget

	Tent. Budget FY 2024	Final Budget FY 2023	Variance \$	Variance %
OPERATING ACTIVITIES				
Cash Received From Customers	\$ 122,821,020	\$ 119,410,464	\$ 3,410,556	3%
Cash Paid to Employees	(45,520,183)	(42,499,041)	(3,021,142)	7%
Cash Paid to Suppliers	(44,116,855)	(38,572,515)	(5,544,340)	14%
Net Cash From Operating Activities	33,183,982	38,338,908	(5,154,926)	-13%
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition & Construction of Capital Assets	(72,346,000)	(83,875,000)	11,529,000	-14%
Interest Paid on Financing	(15,149,934)	(15,829,559)	679,625	-4%
Principal Paid on Financing	(17,200,578)	(16,494,081)	(706,497)	4%
Grants	3,002,600	3,669,308	(666,708)	-18%
Contributions for Water Resource Sustainability Program	1,128,328	2,840,000	(1,711,672)	-60%
Contributions From Developers-Will-Serve Letters	5,214,000	7,245,700	(2,031,700)	-28%
Contributions from Developers - Other	8,905,657	11,044,199	(2,138,542)	-19%
Contributions from Developers - Facility Charges	7,946,883	13,186,258	(5,239,375)	-40%
Contributions from Others	-	94,924	(94,924)	-100%
Contributions from Other Governments	14,100,000	21,100,000	(7,000,000)	-33%
Net Cash Used For Capital & Relating Financing Activities	(64,399,044)	(57,018,251)	(7,380,793)	13%
INVESTING ACTIVITIES				
Interest Received	4,870,030	3,064,024	1,806,006	59%
Net Cash From Investing Activities	4,870,030	3,064,024	1,806,006	59%
NET CHANGE IN CASH AND CASH EQUIVALENTS	(26,345,032)	(15,615,319)	(10,729,713)	69%
CASH AND CASH EQUIVALENTS, BEGINNING PERIOD	219,800,000	216,227,461	3,572,539	2%
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 193,454,968	\$ 200,612,142	\$ (7,157,174)	-4%

**Truckee Meadows Water Authority
Summary of Changes by Expense Element
FY24 vs FY23 Budget**

Expense Element	FY24	FY23	Variance \$	Variance %
Contracted Services	\$ 9,310,750	\$ 7,674,900	\$ 1,635,850	21%
Supplies/Equipment Rental	5,088,400	4,003,990	1,084,410	27%
Professional Services	3,652,530	2,939,500	713,030	24%
Electric Power	8,594,900	8,072,004	522,896	6%
Project Related	1,786,000	1,326,000	460,000	35%
Hardware/Software	2,940,513	2,486,995	453,518	18%
Insurance/Claims	1,655,372	1,395,000	260,372	19%
Employee Related/Training	776,710	582,600	194,110	33%
Internet/Other Utility	967,500	795,500	172,000	22%
Land/Leases/Permitting	1,034,700	942,100	92,600	10%
Street Repairs	350,000	270,000	80,000	30%
Property Taxes	802,500	752,500	50,000	7%
Chemicals	4,921,988	4,911,988	10,000	0%
Miscellaneous Expenses	6,500	-	6,500	0%
Agency Reimbursements	(261,419)	(267,509)	6,090	-2%
Resource Fees	1,049,000	1,044,500	4,500	0%
Bank/Investment Fees	29,000	50,000	(21,000)	-42%
Postage/Printing	841,251	864,100	(22,849)	-3%
Sponsorships/Community	1,261,300	1,326,500	(65,200)	-5%
Overhead Allocations	(690,640)	(581,413)	(109,227)	19%
Total	\$ 44,116,855	\$ 38,589,255	\$ 5,527,600	14%

Notes:

A - The increase in budget noted here is primarily from security (physical and cyber), street patching, and landscape maintenance. TMWA has added additional physical security services to improve monitoring and response effectiveness across the service territory. TMWA has also invested in cybersecurity network monitoring, endpoint monitoring, and incident preparedness and response. Further, as TMWA's infrastructure ages, more street patching will be needed to respond to leaks. Finally, landscape maintenance services will soon be up for bid, and TMWA expects to see a price increase.

B - The addition in budget noted here is mostly attributable to a general increase in the cost of supplies. However, this line item also includes a large increase related to generator rentals for when NV Energy engages in public safety outages to reduce the risk of wildfire. TMWA budgeted for three months of rentals in FY23 but budgeted for six months of rentals in FY24.

C - The budget for Professional Services was increased in FY24 to account for Arc Flash (breaker) testing and the development of water tank design standards.

D - In the last 12 months, NV Energy has instituted several rate increases, including quarterly Base Tariff Energy Rate (BTER) increases, Deferred Energy Accounting Adjustment (DEAA) increases, and a general rate increase. The BTER and DEAA increases occur each quarter and reflect changes in fuel and purchased power costs incurred by NV Energy. Quarterly increases have totaled approximately 35% since April 1, 2022, with the largest on January 1, 2023 at 15%. An additional 8% increase is expected on April 1, 2023. TMWA budgeted another 8% increase for July 1, 2023 and then assumed flat rates after that. The General Rate Case increase is broader and reflects general business operation and infrastructure needs. This increase was effective January 1, 2023 and was approximately 14% for TMWA.

E - This line item relates to well head TTHM mitigation, well rehab and testing, and system-wide asphalt rehabilitation and varies from year-to-year based on project scope.

F - There aren't many large, notable additions to the Computer Hardware/Software budget. The increase here is mainly resulting from price increases and the addition of new or upgrades to existing software. The largest expenses in this category are related to Microsoft Office, enQuesta, Sensus, Cisco, and Cityworks/PLL, which are all systems and software TMWA uses to operate its business.

G - This budget increase in insurance is mainly related to property coverage. Over the last five years, the property insurance market has experienced significant losses which has driven premiums up across the country.