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*APRIL*

*TACOMA WATER*

2020

**INTERIM  
FINANCIAL  
REPORT**





# Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

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Member

JACKIE FLOWERS

Director of Utilities

SCOTT DEWHIRST

Water Superintendent

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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City of Tacoma, Washington  
Department of Public Utilities, Water Division  
Doing Business as

# Tacoma Water

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*Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.*

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City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Statements of Net Position (Unaudited)  
 April 30, 2020 and April 30, 2019

	April 30,	
	2020	2019
<b>ASSETS</b>		
<b>UTILITY PLANT</b>		
Water Plant in Service	\$1,146,988,152	\$1,123,804,331
Less Depreciation and Amortization	(289,875,884)	(266,931,417)
Total	857,112,268	856,872,914
Construction Work in Progress	17,723,246	13,443,497
Net Utility Plant	874,835,514	870,316,411
<b>NON-UTILITY PROPERTY</b>	492,963	492,963
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	-	2,463,230
2013 Construction Fund	7,251,616	16,989,352
Regional Water Supply System Operating Fund	907,870	742,217
Provision for Debt Payment	13,829,359	13,851,424
Customer Water Main Deposits	3,459,073	3,366,064
Water Supply Forum Fund	616,826	465,294
Special Bond Reserves	22,117,233	22,110,856
Water Customer Contribution Fund	973,263	476,244
Water Capital Reserves	40,641,281	38,746,405
Water System Development Charge	73,928,228	70,170,319
Total Restricted Assets	163,724,749	169,381,405
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Current Fund	69,922,206	62,215,144
Customers' Deposits	310,362	312,136
Receivables:		
Customers	5,504,978	4,347,846
Accrued Unbilled Revenues	5,818,438	5,930,220
Others	1,186,673	1,060,104
BABs Interest Subsidies	1,505,901	1,501,103
Provision for Uncollectible Accounts	(409,258)	(547,361)
Materials and Supplies	2,910,592	2,538,592
Prepayments	1,889,881	1,852,097
Total Current Assets	88,639,773	79,209,881
<b>TOTAL ASSETS</b>	<b>1,127,692,999</b>	<b>1,119,400,660</b>
<b>OTHER ASSETS</b>		
Regulatory Assets - Surcharges	1,989,662	1,538,205
Net Pension Asset	-	3,438,481
Total Other Assets	1,989,662	4,976,686
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized Losses on Refunding Bonds	926,524	1,113,768
Deferred Outflows for Pensions	12,149,265	4,409,587
Deferred Outflows for OPEB	471,177	295,709
Total Deferred Outflows	13,546,966	5,819,064
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$1,143,229,627</b>	<b>\$1,130,196,410</b>

*These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.*

	April 30,	
	2020	2019
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$453,495,331	\$445,271,873
Restricted for:		
Water Capital Reserves	36,010,894	34,116,018
Water System Development Charge	38,352,781	34,594,872
Debt Service Funds	5,719,706	5,539,459
Pension Asset	-	3,438,481
Unrestricted	<u>69,421,790</u>	<u>59,849,937</u>
<b>TOTAL NET POSITION</b>	<b>603,000,502</b>	<b>582,810,640</b>
<b>LIABILITIES</b>		
<b>LONG-TERM DEBT</b>		
Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	5,000	5,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds Refunding	13,530,000	17,790,000
2010 Water Revenue Bonds	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	74,355,000	74,355,000
2015 Water Refunding Bonds, Series A	9,230,000	10,820,000
2010 RWSS Revenue Bonds, Series A	1,345,000	1,655,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	<u>55,920,000</u>	<u>57,710,000</u>
Total Outstanding Revenue Bonds	350,390,000	358,340,000
Plus: Unamortized Bond Premium	<u>8,679,598</u>	<u>10,055,153</u>
Net Outstanding Revenue Bonds	359,069,598	368,395,153
PWTF Pre-Construction Loans	320,261	480,435
PWTF Construction Loans	14,297,433	16,834,030
State Drinking Water Loans	<u>57,150,308</u>	<u>61,381,554</u>
Total Long-Term Debt	430,837,600	447,091,172
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable	2,534,335	1,110,218
Purchases and Contracts Payable	1,660,140	1,047,038
Interest Expense Accrued	8,109,653	8,311,963
Taxes Accrued	1,892,575	1,728,946
Customers' and Contractors' Deposits	343,185	367,402
Current Portion of Long-Term Debt	15,046,423	14,710,633
Other Current Liabilities	3,828,955	3,753,876
Current Accrued Compensated Absences	<u>237,357</u>	<u>244,160</u>
Total Current Liabilities	33,652,623	31,274,236
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements	6,244,496	6,412,903
Customer Advances for Construction	7,878,567	6,521,196
Unearned Revenue	7,219,973	7,492,923
Other Long-Term Liabilities	1,133,998	1,133,294
Pension Liability	10,264,957	-
OPEB Liability	3,565,886	3,780,897
Long-Term Accrued Compensated Absences	<u>2,136,217</u>	<u>2,197,439</u>
Total Long-Term Liabilities	<u>38,444,094</u>	<u>27,538,652</u>
<b>TOTAL LIABILITIES</b>	<b>502,934,317</b>	<b>505,904,060</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	1,348,807	5,853,098
Deferred Inflows for OPEB	<u>370,554</u>	<u>53,165</u>
Total Deferred Inflows	37,294,808	41,481,710
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b><u>\$1,143,229,627</u></b>	<b><u>\$1,130,196,410</u></b>

City of Tacoma, Washington  
Department of Public Utilities  
Tacoma Water  
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)  
April 30, 2020 and April 30, 2019

	April 2020	April 2019
OPERATING REVENUES		
Sales of Water	\$8,500,081	\$6,859,840
Other Operating Revenues	526,860	575,023
Contract Resource Obligation Revenue	402,914	370,650
Total Operating Revenues	<u>9,429,855</u>	<u>7,805,513</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	435,297	531,139
Water Treatment	767,548	579,340
Total Production Expense	<u>1,202,845</u>	<u>1,110,479</u>
Power Pumping Expense	56,220	71,407
Transmission and Storage Expense	133,207	205,055
Distribution Expense	1,459,322	1,164,099
Customer Accounting and Consumer Service	476,035	406,062
Taxes	502,452	431,280
Depreciation	2,146,186	2,105,312
Administrative and General	1,043,210	950,165
Total Operating Expenses	<u>7,019,477</u>	<u>6,443,859</u>
OPERATING INCOME (LOSS)	2,410,378	1,361,654
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	342,584	401,198
Miscellaneous	(135,185)	(361)
Interest on Long-Term Debt	(1,338,156)	(1,359,262)
Interest on Long-Term Debt BABs Sub	(247,703)	(240,688)
Amortization Of Debt Premium	92,464	102,307
Interest Charged to Construction	-	-
Total Non-Operating Revenues (Expenses)	<u>(1,285,996)</u>	<u>(1,096,806)</u>
Net Income (Loss) Before Capital Contributions and Transfers	1,124,382	264,848
Capital Contributions:		
Cash	385,597	477,971
Donated Fixed Assets	-	171,662
Federal BABs Subsidies	301,180	300,220
Transfers:		
City Gross Earnings Tax	(721,188)	(603,445)
CHANGE IN NET POSITION	<u>\$1,089,971</u>	<u>\$611,256</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - APRIL 30		

*These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.*



YEAR TO DATE		2020 OVER (UNDER)	PERCENT CHANGE
April 30, 2020	April 30, 2019	2019	
\$26,842,364	\$25,103,404	\$1,738,960	6.9%
2,564,670	2,691,124	(126,454)	-4.7%
1,888,265	1,539,317	348,948	22.7%
<u>31,295,299</u>	<u>29,333,845</u>	<u>1,961,454</u>	6.7%
1,656,722	2,181,883	(525,161)	-24.1%
<u>2,873,567</u>	<u>2,192,535</u>	<u>681,032</u>	31.1%
4,530,289	4,374,418	155,871	3.6%
253,012	249,925	3,087	1.2%
542,450	691,482	(149,032)	-21.6%
5,384,055	4,683,357	700,698	15.0%
1,835,906	1,705,186	130,720	7.7%
1,613,625	1,445,947	167,678	11.6%
8,570,166	8,419,355	150,811	1.8%
4,453,344	4,610,067	(156,723)	-3.4%
<u>27,182,847</u>	<u>26,179,737</u>	<u>1,003,110</u>	3.8%
4,112,452	3,154,108	958,344	30.4%
91,371	2,732,682	(2,641,311)	-96.7%
349,843	34,133	315,710	924.9%
(5,352,628)	(5,276,846)	(75,782)	-1.4%
(990,812)	(1,200,880)	210,068	17.5%
369,855	409,227	(39,372)	-9.6%
-	(25,962)	25,962	100.0%
<u>(5,532,371)</u>	<u>(3,327,646)</u>	<u>(2,204,725)</u>	-66.3%
(1,419,919)	(173,538)	(1,246,381)	-718.2%
1,754,904	2,087,111	(332,207)	-15.9%
972,944	358,085	614,859	171.7%
1,204,720	1,200,880	3,840	0.3%
<u>(2,328,709)</u>	<u>(2,400,255)</u>	<u>71,546</u>	3.0%
183,940	1,072,283	(888,343)	-82.8%
602,816,562	581,738,357	21,078,205	
<u>\$603,000,502</u>	<u>\$582,810,640</u>	<u>\$20,189,862</u>	3.5%

City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Summary of Revenues and Billings (Unaudited)  
 April 30, 2020 and April 30, 2019

	<u>APRIL 2020</u>	<u>APRIL 2019</u>
SALES OF WATER		
Residential and Domestic	\$6,185,738	\$4,729,539
Commercial and Industrial	1,562,571	1,406,940
Special Rate	623,799	601,500
Wholesale	<u>127,973</u>	<u>121,861</u>
Total	<u><u>\$8,500,081</u></u>	<u><u>\$6,859,840</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	132,485	103,792
Commercial and Industrial	7,873	6,833
Wholesale	<u>24</u>	<u>14</u>
Total	<u><u>140,382</u></u>	<u><u>110,639</u></u>

YEAR TO DATE		2020 OVER (UNDER) 2019	PERCENT CHANGE
APRIL 30, 2020	APRIL 30, 2019		
\$18,272,715	\$17,017,036	\$1,255,679	7.4%
5,650,822	5,299,063	351,759	6.6%
2,369,997	2,130,821	239,176	11.2%
<u>548,830</u>	<u>656,484</u>	<u>(107,654)</u>	-16.4%
<u>\$26,842,364</u>	<u>\$25,103,404</u>	<u>\$1,738,960</u>	6.9%
404,657	396,374	8,283	2.1%
27,657	26,601	1,056	4.0%
<u>77</u>	<u>63</u>	<u>14</u>	22.2%
<u>432,391</u>	<u>423,038</u>	<u>9,353</u>	2.2%

City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Summary of Water Billed (Unaudited)  
 April 30, 2020 and April 30, 2019

	MILLION GALLONS, TOTAL			
	APRIL 2020	APRIL 2019	YEAR TO DATE	
			APRIL 30, 2020	APRIL 30, 2019
WATER BILLED				
Residential and Domestic	693.04	558.26	2,117.30	2,077.67
Commercial and Industrial	203.53	213.65	814.13	829.08
Special Rate	512.90	509.36	1,956.95	1,781.96
Wholesale	41.69	41.91	179.49	238.27
	<u>1,451.16</u>	<u>1,323.18</u>	<u>5,067.87</u>	<u>4,926.98</u>

NOTE: For conversion purposes, there are approximately 748 gallons in every 100 cubic feet of water.

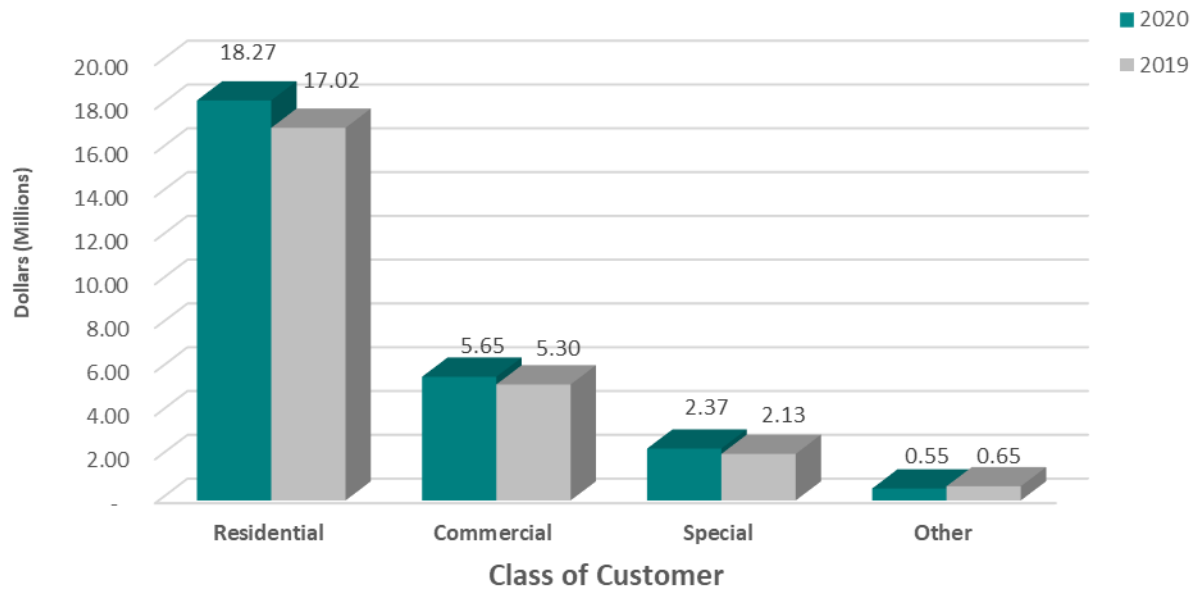
MILLION GALLONS, AVERAGE DAILY

<u>APRIL 2020</u>	<u>APRIL 2019</u>
23.09	18.61
6.78	7.12
17.10	16.98
<u>1.39</u>	<u>1.40</u>
<u><u>48.36</u></u>	<u><u>44.11</u></u>

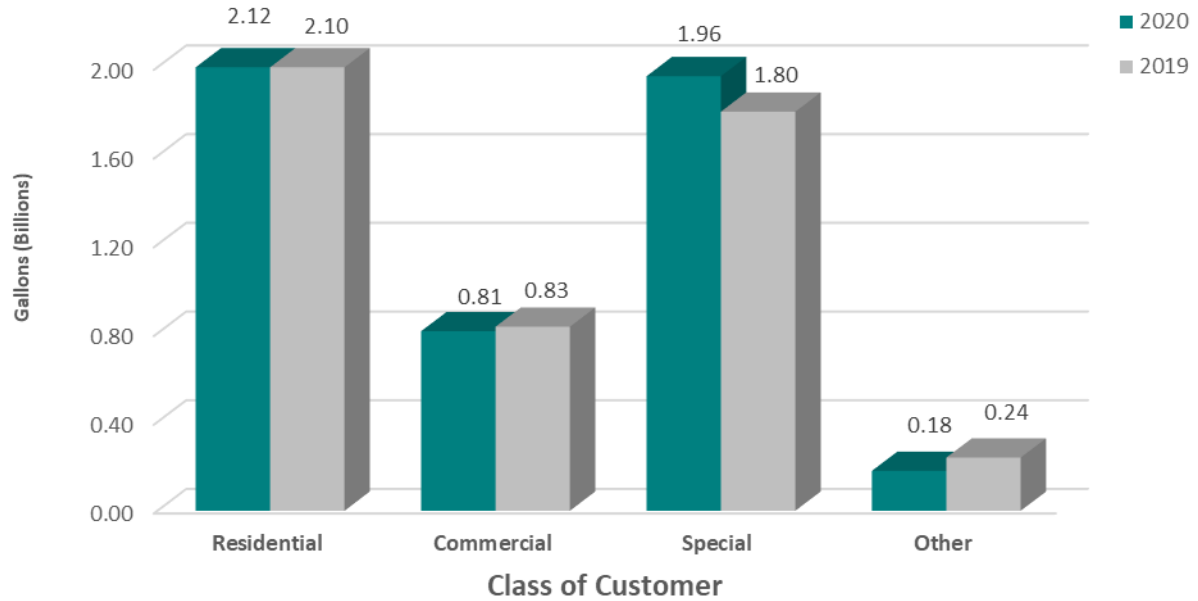
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# Supplemental Data

## WATER SALES Year to Date - April 2020 & 2019

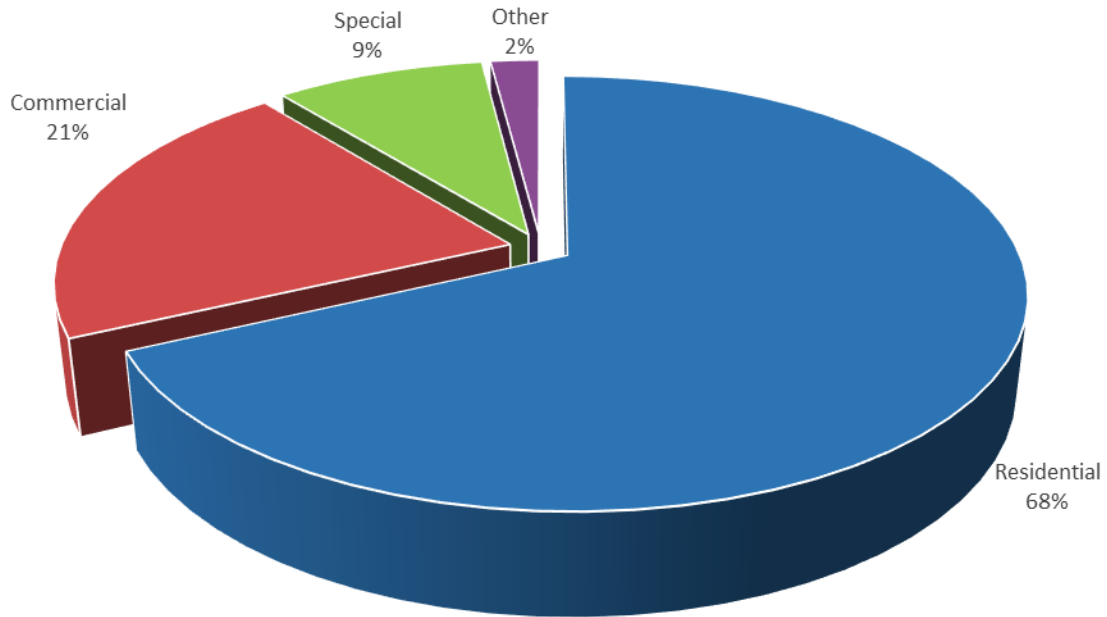


## WATER CONSUMPTION Year to Date - April 2020 & 2019

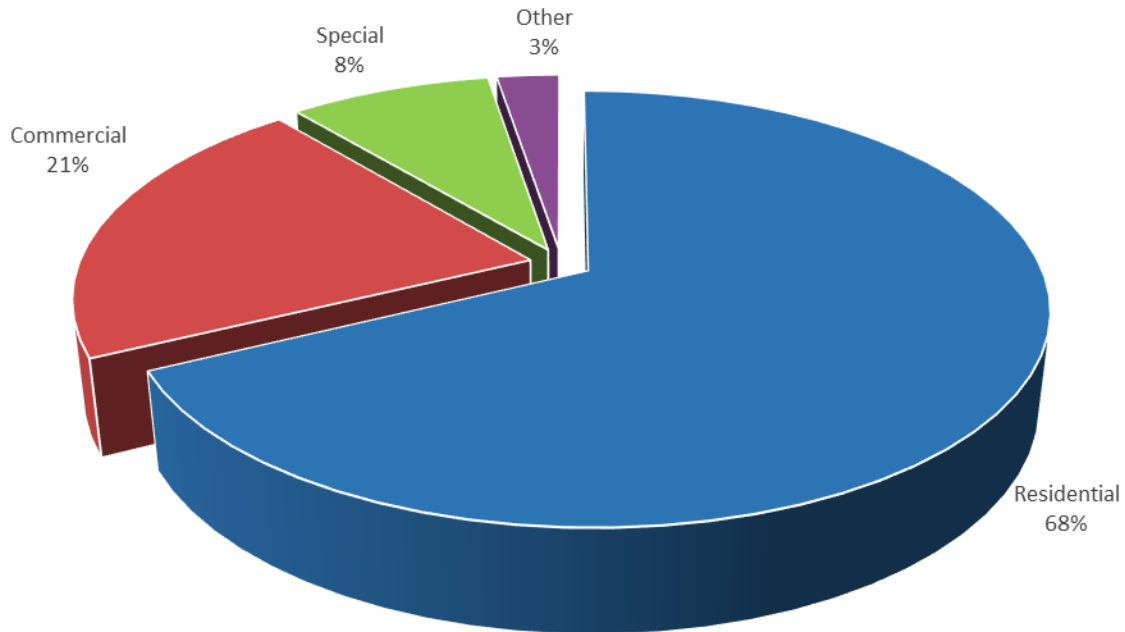




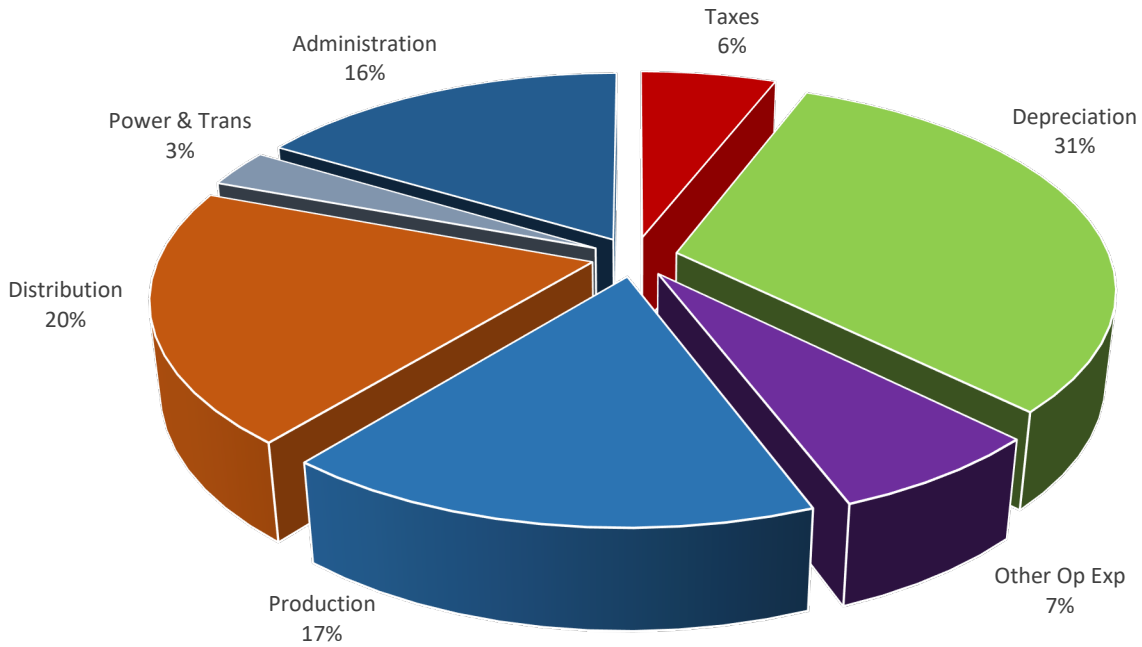
**WATER SALES**  
**Year to Date - April 2020**  
**(\$26,842,364)**



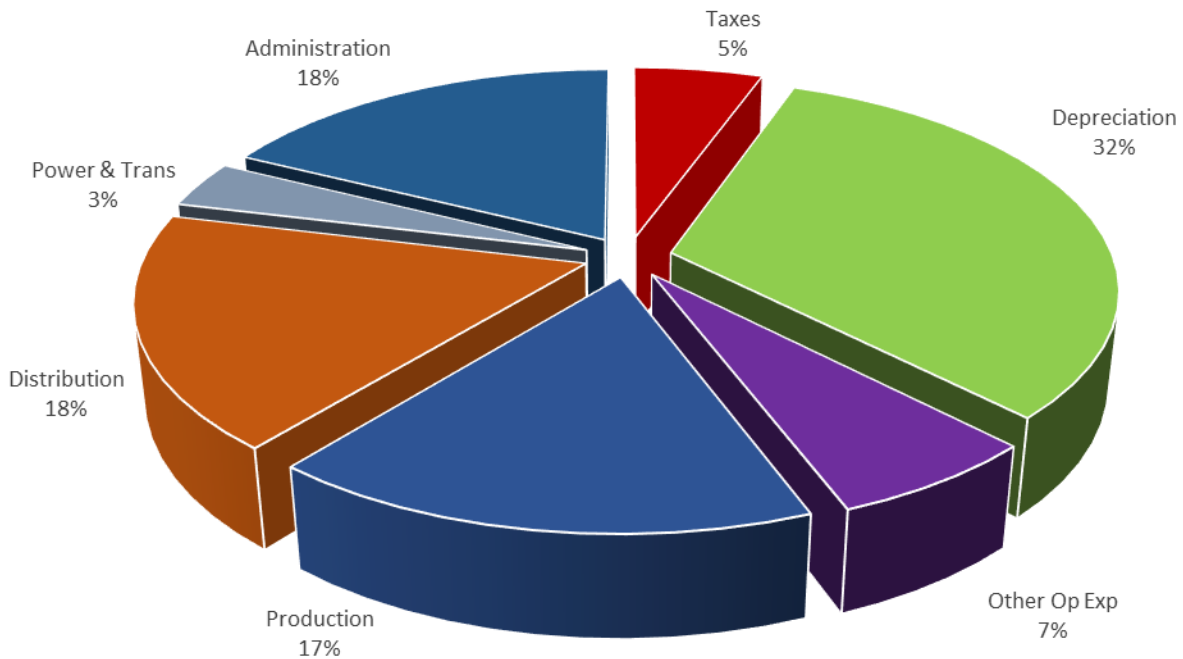
**WATER SALES**  
**Year to Date - April 2019**  
**(\$25,103,404)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - April 2020**  
**(\$27,182,847)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - April 2019**  
**(\$26,179,737)**



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