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*APRIL*

*TACOMA WATER*

2022

**INTERIM  
FINANCIAL  
REPORT**





# Public Utility Board

CHRISTINE COOLEY

Chair

CARLOS M. WATSON

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Member

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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.*

*Reclassification: Changes have been made to prior period account classifications as needed to conform to the current period presentation format.*

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City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Statements of Net Position (Unaudited)  
 April 30, 2022 and April 30, 2021

	APRIL 30,	
	2022	2021
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,225,281,531	\$1,186,344,223
Less Depreciation and Amortization	(342,607,385)	(323,131,729)
Total	882,674,146	863,212,494
Construction Work in Progress	31,263,768	33,006,031
Net Utility Plant	913,937,914	896,218,525
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	-	287
Regional Water Supply System Operating Fund	769,896	891,915
Provision for Debt Payment	12,930,673	13,605,522
Customer Water Main Deposits	3,626,559	3,569,304
Water Supply Forum Fund	627,323	623,420
Special Bond Reserves	21,692,804	21,690,340
Water Customer Contribution Fund	2,962,296	2,275,182
Water Capital Reserves	26,501,036	41,802,371
Water System Development Charge	79,437,597	76,813,183
Total Restricted Assets	148,548,184	161,271,524
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	61,689,783	62,660,422
Grant Loan Fund	499,510	500,706
Customers' Deposits	123,792	131,439
Receivables:		
Customers	9,622,177	7,588,366
Accrued Unbilled Revenues	6,407,783	5,922,259
Others	691,981	787,169
BABs Interest Subsidies	1,509,101	1,509,101
Provision for Uncollectible Accounts	(4,014,696)	(2,306,373)
Materials and Supplies	3,518,934	3,070,846
Prepayments	2,481,137	2,089,329
Total Current Assets	82,529,502	81,953,264
TOTAL ASSETS	1,145,508,563	1,139,936,276
OTHER ASSETS		
Regulatory Assets - Surcharges	3,387,571	3,626,040
Net Pension Asset	-	1,636,678
Total Other Assets	3,387,571	5,262,718
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	552,034	739,279
Deferred Outflows for Pensions	8,570,873	4,855,703
Deferred Outflows for OPEB	1,484,797	597,712
Total Deferred Outflows	10,607,704	6,192,694
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,159,503,838	\$1,151,391,688

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

	APRIL 30,	
	2022	2021
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$517,809,035	\$483,687,475
Restricted for:		
Water Capital Reserves	23,307,666	38,129,995
Water System Development Charge	43,862,150	41,237,736
Debt Service Funds	5,369,133	5,891,845
Pension Asset	-	1,636,678
Unrestricted	<u>62,733,040</u>	<u>62,544,791</u>
<b>TOTAL NET POSITION</b>	<b>653,081,024</b>	<b>633,128,520</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	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	74,355,000	74,355,000
2015 Water Refunding Bonds, Series A	5,805,000	7,560,000
2010 RWSS Revenue Bonds, Series A	700,000	1,030,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	52,045,000	54,030,000
2020 Water Revenue Bonds Refunding	<u>4,119,343</u>	<u>8,667,758</u>
Total Outstanding Revenue Bonds	333,034,343	341,652,758
Plus: Unamortized Bond Premium	<u>6,293,739</u>	<u>7,423,904</u>
Net Outstanding Revenue Bonds	339,328,082	349,076,662
PWTF Pre-Construction Loans	106,725	160,087
PWTF Construction Loans	9,757,572	11,760,836
State Drinking Water Loans	<u>48,848,868</u>	<u>52,919,062</u>
Total Long-Term Debt	<b>398,041,247</b>	<b>413,916,647</b>
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable	553,706	527,717
Purchases and Contracts Payable	2,503,862	1,582,456
Interest Expense Accrued	7,561,540	7,713,677
Taxes Accrued	1,856,689	1,794,417
Customers' and Contractors' Deposits	179,228	178,729
Current Portion of Long-Term Debt	14,905,527	15,457,074
Other Current Liabilities	3,983,644	3,905,529
Current Accrued Compensated Absences	<u>326,953</u>	<u>300,025</u>
Total Current Liabilities	<b>31,871,149</b>	<b>31,459,624</b>
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements	5,919,906	6,080,198
Customer Advances for Construction	11,984,865	10,136,908
Unearned Revenue	5,927,886	7,051,544
Other Long-Term Liabilities	1,379,943	1,077,759
Pension Liability	6,337,863	-
OPEB Liability	4,780,773	3,675,963
Long-Term Accrued Compensated Absences	<u>2,942,578</u>	<u>2,700,222</u>
Total Long-Term Liabilities	<b>39,273,814</b>	<b>30,722,594</b>
<b>TOTAL LIABILITIES</b>	<b>469,186,210</b>	<b>476,098,865</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	1,356,280	6,237,055
Deferred Inflows for OPEB	<u>304,877</u>	<u>351,801</u>
Total Deferred Inflows	<b>37,236,604</b>	<b>42,164,303</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$1,159,503,838</b>	<b>\$1,151,391,688</b>

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City of Tacoma, Washington  
Department of Public Utilities  
Tacoma Water  
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)  
April 30, 2022 and April 30, 2021

			YEAR TO DATE		2022 OVER (UNDER) 2021	PERCENT CHANGE
	APRIL 2022	APRIL 2021	APRIL 30 2022	APRIL 30 2021		
<b>OPERATING REVENUES</b>						
Sales of Water	\$7,667,054	\$7,648,123	\$29,229,168	\$27,532,071	\$1,697,097	6.2%
Other Operating Revenues	640,260	569,141	2,678,680	2,485,729	192,951	7.8%
Contract Resource Obligation Revenue	436,580	408,021	1,923,651	1,692,537	231,114	13.7%
Total Operating Revenues	<u>8,743,894</u>	<u>8,625,285</u>	<u>33,831,499</u>	<u>31,710,337</u>	<u>2,121,162</u>	6.7%
<b>OPERATING EXPENSES</b>						
Production Expense:						
Source of Supply	297,728	180,268	1,072,810	1,073,789	(979)	-0.1%
Water Treatment	862,929	541,641	3,428,996	3,034,225	394,771	13.0%
Total Production Expense	<u>1,160,657</u>	<u>721,909</u>	<u>4,501,806</u>	<u>4,108,014</u>	<u>393,792</u>	9.6%
Power Pumping Expense	58,197	40,108	172,820	191,482	(18,662)	-9.7%
Transmission and Storage Expense	340,652	278,752	1,265,957	1,068,274	197,683	18.5%
Distribution Expense	1,350,846	1,446,183	5,479,377	5,413,792	65,585	1.2%
Customer Accounting and Consumer Service	460,296	482,369	1,853,999	1,882,628	(28,629)	-1.5%
Taxes	483,063	461,970	1,838,693	1,615,384	223,309	13.8%
Depreciation	2,363,017	2,306,070	9,446,210	9,333,882	112,328	1.2%
Administrative and General	1,551,450	1,674,357	5,711,856	5,886,979	(175,123)	-3.0%
Total Operating Expenses	<u>7,768,178</u>	<u>7,411,718</u>	<u>30,270,718</u>	<u>29,500,435</u>	<u>770,283</u>	2.6%
<b>OPERATING INCOME (LOSS)</b>	<b>975,716</b>	<b>1,213,567</b>	<b>3,560,781</b>	<b>2,209,902</b>	<b>1,350,879</b>	<b>61.1%</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment Income (Loss)	161,304	191,196	369,250	(2,508,966)	2,878,216	114.7%
Miscellaneous	(2,061)	4,057	144,418	2,059,472	(1,915,054)	-93.0%
Interest on Long-Term Debt	(1,234,877)	(1,262,145)	(4,939,508)	(5,051,490)	111,982	2.2%
Interest on Long-Term Debt BABs Sub	(247,703)	(247,703)	(990,812)	(990,812)	-	0.0%
Amortization Of Debt Premium	71,368	82,181	285,471	328,723	(43,252)	-13.2%
Total Non-Operating Revenues (Expenses)	<u>(1,251,969)</u>	<u>(1,232,414)</u>	<u>(5,131,181)</u>	<u>(6,163,073)</u>	<u>1,031,892</u>	16.7%
<b>Net Income (Loss) Before Capital Contributions and Transfers</b>						
Contributions and Transfers	(276,253)	(18,847)	(1,570,400)	(3,953,171)	2,382,771	60.3%
<b>Capital Contributions:</b>						
Cash	964,926	305,384	2,648,811	1,986,596	662,215	33.3%
Donated Fixed Assets	-	-	380,656	278,368	102,288	36.7%
Federal BABs Subsidies	301,820	301,820	1,207,281	1,207,281	-	0.0%
Capital Grant	107,932	-	266,306	-	266,306	NA
<b>Transfers:</b>						
City Gross Earnings Tax	(634,195)	(648,810)	(2,446,741)	(2,456,112)	9,371	0.4%
Transfer from (to) Other Funds	-	3,519	-	120	(120)	NA
<b>CHANGE IN NET POSITION</b>	<u><b>\$464,230</b></u>	<u><b>(\$56,934)</b></u>	<u><b>485,913</b></u>	<u><b>(2,936,918)</b></u>	<u><b>3,422,831</b></u>	<u><b>116.5%</b></u>
<b>NET POSITION - JANUARY 1</b>			<b>652,595,111</b>	<b>636,065,438</b>	<b>16,529,673</b>	
<b>TOTAL NET POSITION - APRIL 30</b>			<u><b>\$653,081,024</b></u>	<u><b>\$633,128,520</b></u>	<u><b>\$19,952,504</b></u>	<u><b>3.2%</b></u>

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

City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Summary of Revenues and Billings (Unaudited)  
 April 30, 2022 and April 30, 2021

	APRIL 2022	APRIL 2021	YEAR TO DATE		2022 OVER (UNDER) 2021	PERCENT CHANGE
			APRIL 30 2022	APRIL 30 2021		
<b>SALES OF WATER</b>						
Residential and Domestic	\$5,355,758	\$5,344,712	\$20,075,592	\$18,954,187	\$1,121,405	5.9%
Commercial and Industrial	1,510,126	1,543,707	5,992,808	5,574,586	418,222	7.5%
Special Rate	640,291	583,552	2,444,133	2,342,224	101,909	4.4%
Wholesale	160,879	176,152	716,635	661,074	55,561	8.4%
<b>Total</b>	<b>\$7,667,054</b>	<b>\$7,648,123</b>	<b>\$29,229,168</b>	<b>\$27,532,071</b>	<b>\$1,697,097</b>	<b>6.2%</b>
<b>BILLINGS (NUMBER OF MONTHS BILLED)</b>						
Residential and Domestic	114,784	113,931	414,891	412,424	2,467	0.6%
Commercial and Industrial	6,503	6,828	26,884	28,263	(1,379)	-4.9%
Wholesale	17	23	76	90	(14)	-15.6%
<b>Total</b>	<b>121,304</b>	<b>120,782</b>	<b>441,851</b>	<b>440,777</b>	<b>1,074</b>	<b>0.2%</b>

City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Summary of Water Billed (Unaudited)

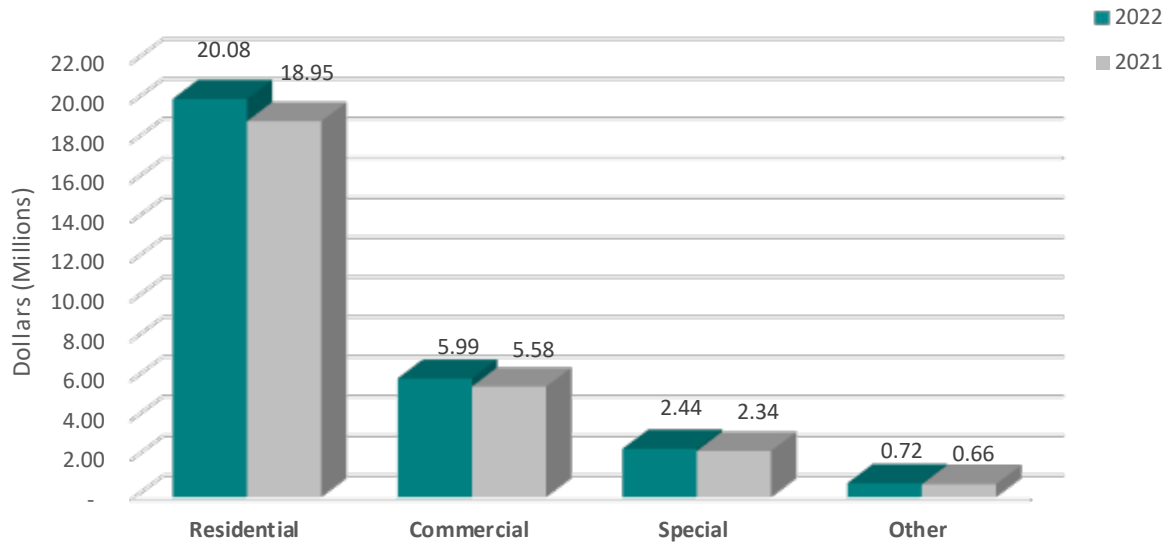
	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	APRIL 2022	APRIL 2021	YEAR TO DATE		APRIL 2022	APRIL 2021
			APRIL 30, 2022	APRIL 30, 2021		
WATER BILLED						
Residential and Domestic	606.17	617.66	2,283.76	2,272.37	20.21	20.59
Commercial and Industrial	246.24	234.27	852.88	809.68	8.21	7.81
Special Rate	470.71	477.34	1,910.32	1,886.68	15.69	15.91
Wholesale	47.24	59.69	230.65	219.05	1.57	1.99
	<u>1,370.36</u>	<u>1,388.96</u>	<u>5,277.61</u>	<u>5,187.78</u>	<u>45.68</u>	<u>46.30</u>

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

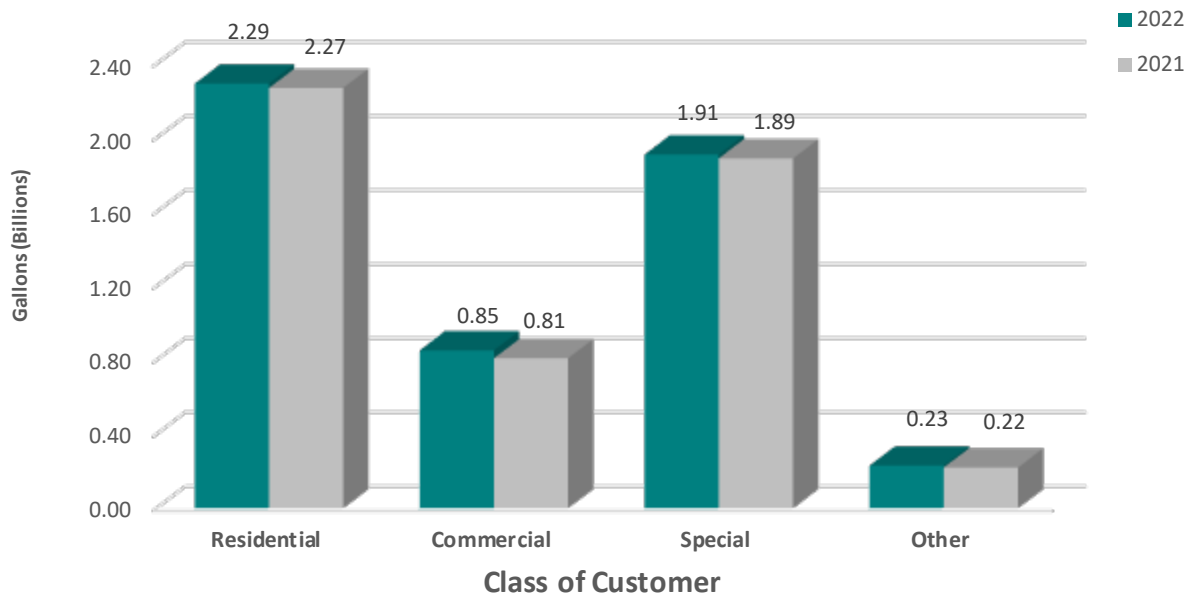
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# Supplemental Data

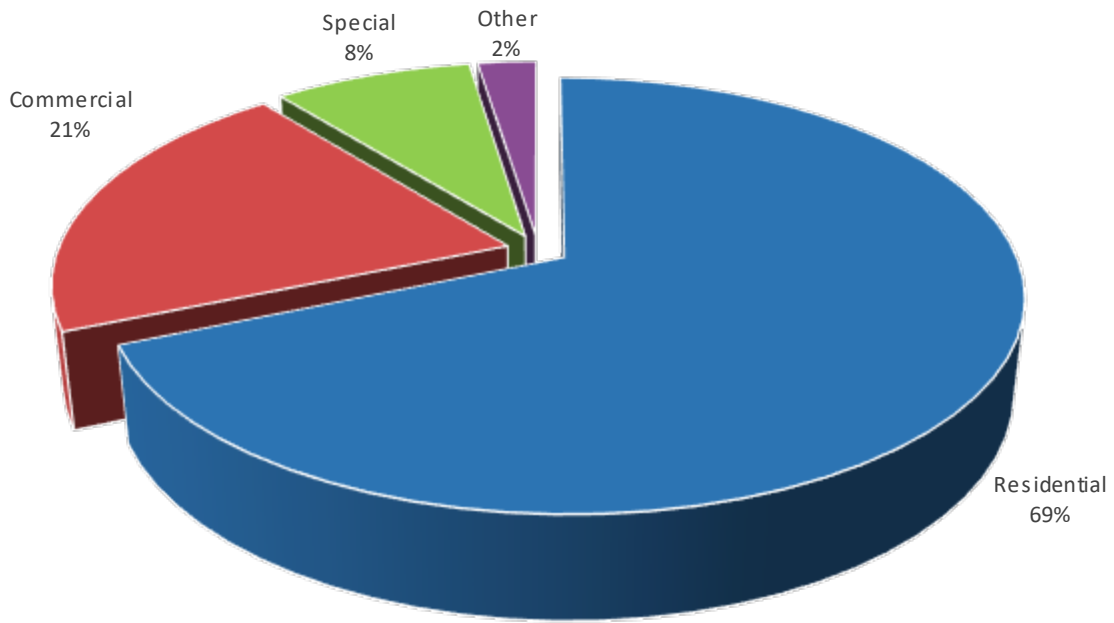
## WATER SALES Year to Date - April 2022 & 2021



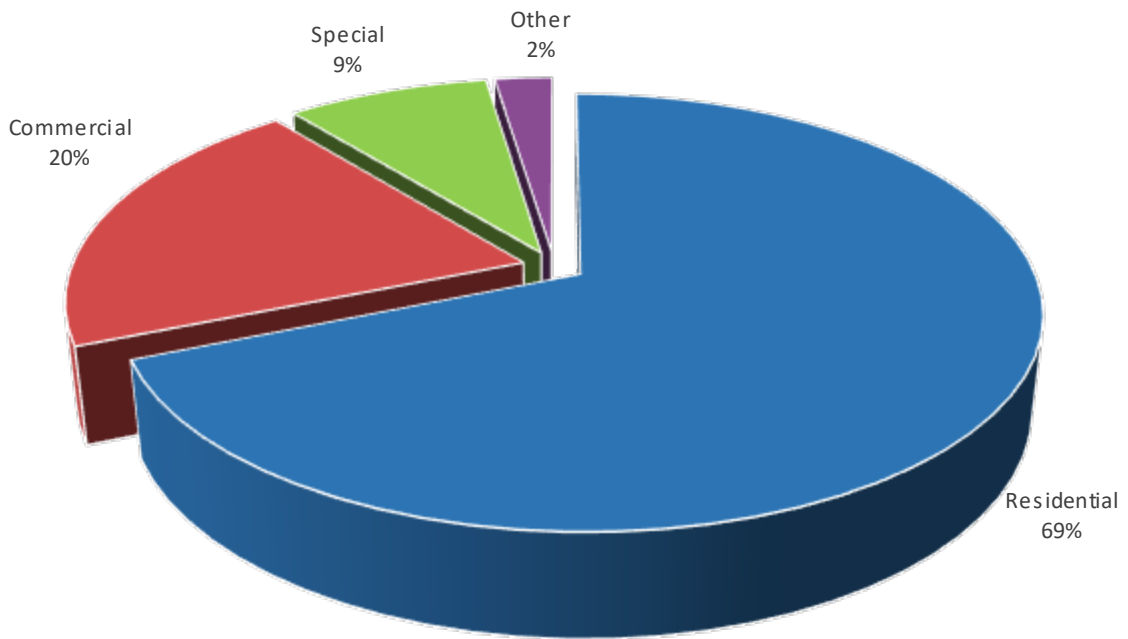
## WATER CONSUMPTION Year to Date - April 2022 & 2021



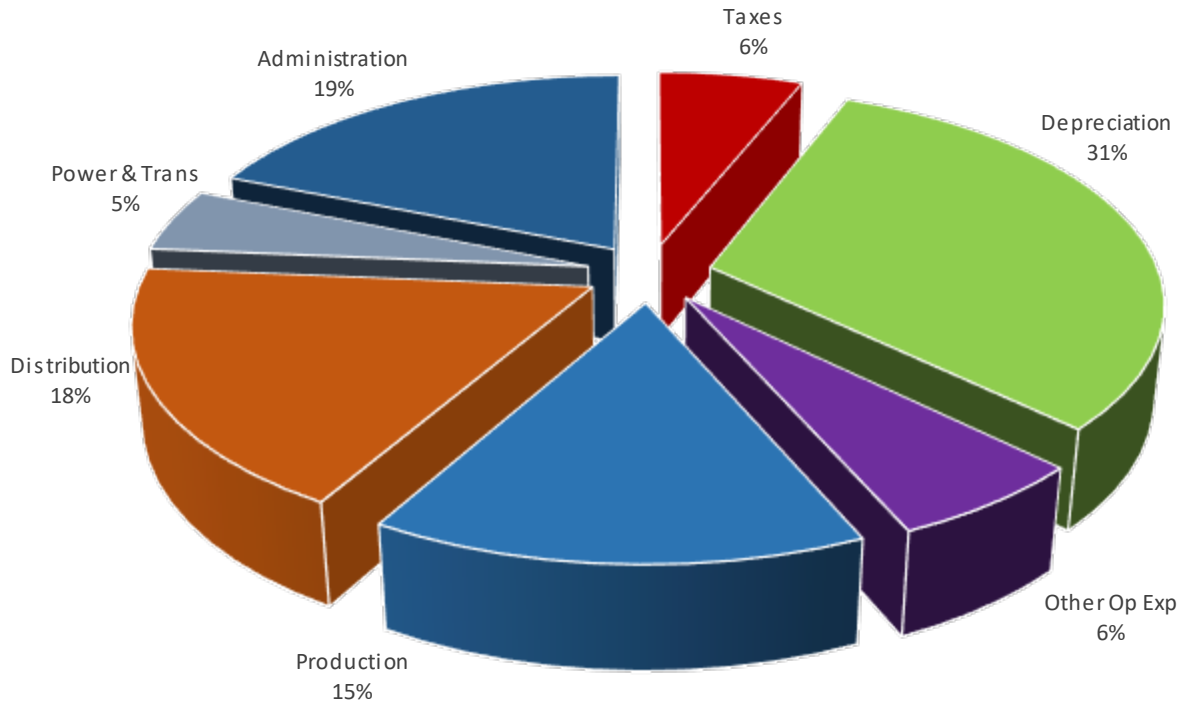
**WATER SALES**  
**Year to Date - April 2022**  
**(\$29,229,168)**



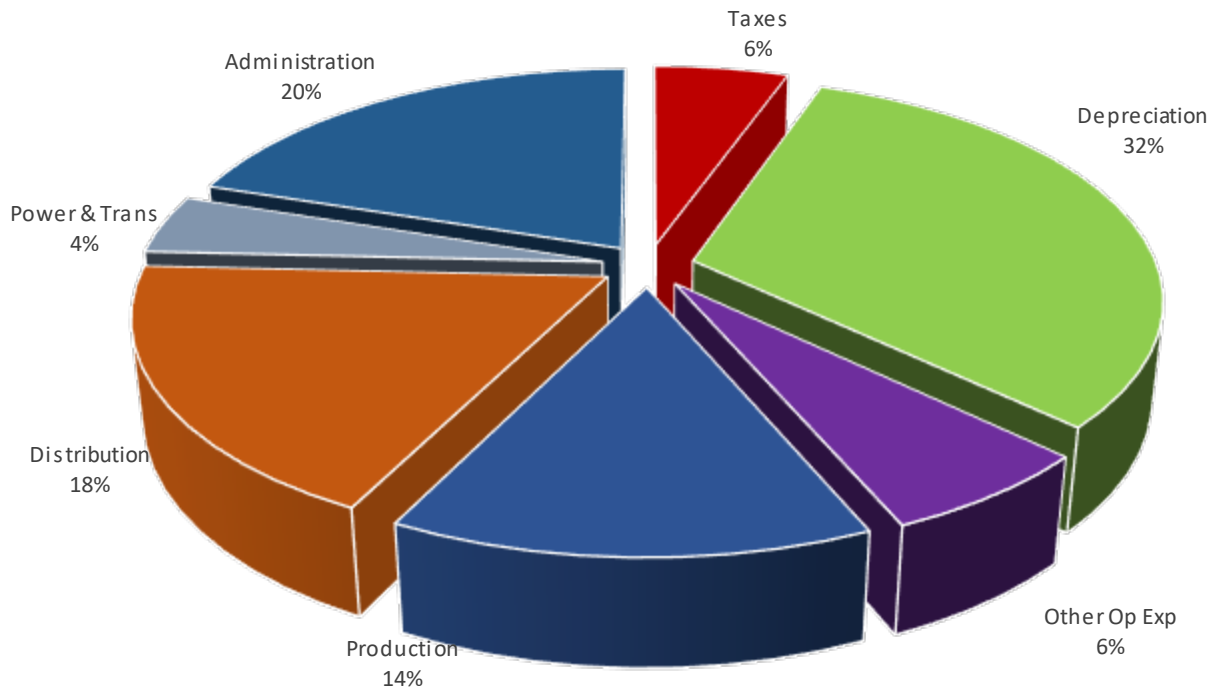
**WATER SALES**  
**Year to Date - April 2021**  
**(\$27,532,071)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - April 2022**  
**(\$30,270,718)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - April 2021**  
**(\$29,500,435)**





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The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.