
MAY

TACOMA WATER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

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Chair

BRYAN FLINT

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CARLOS M. WATSON

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.

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)
 May 31, 2020 and May 31, 2019

	May 31,	
	2020	2019
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,147,388,875	\$1,123,926,671
Less Depreciation and Amortization	<u>(292,003,638)</u>	<u>(268,968,791)</u>
Total	855,385,237	854,957,880
Construction Work in Progress	<u>19,523,731</u>	<u>14,920,280</u>
Net Utility Plant	<u>874,908,968</u>	<u>869,878,160</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	-	1,376,522
2013 Construction Fund	6,555,872	17,018,971
Regional Water Supply System Operating Fund	925,403	891,615
Provision for Debt Payment	17,047,595	18,867,844
Customer Water Main Deposits	3,464,073	3,375,164
Water Supply Forum Fund	617,659	466,106
Special Bond Reserves	22,117,664	22,111,401
Water Customer Contribution Fund	984,042	323,274
Water Capital Reserves	40,088,894	38,565,680
Water System Development Charge	<u>74,147,494</u>	<u>70,418,726</u>
Total Restricted Assets	165,948,696	173,415,303
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	84,444,631	60,627,560
Customers' Deposits	311,906	310,252
Receivables:		
Customers	4,743,162	4,600,643
Accrued Unbilled Revenues	5,818,438	5,930,220
Others	278,713	841,214
BABs Interest Subsidies	1,807,081	-
Provision for Uncollectible Accounts	(462,875)	(369,875)
Materials and Supplies	2,859,897	2,494,417
Prepayments	<u>1,825,409</u>	<u>1,812,018</u>
Total Current Assets	<u>101,626,362</u>	<u>76,246,449</u>
TOTAL ASSETS	<u>1,142,976,989</u>	<u>1,120,032,875</u>
OTHER ASSETS		
Regulatory Assets - Surcharges	1,974,041	1,666,026
Net Pension Asset	-	<u>3,438,481</u>
Total Other Assets	<u>1,974,041</u>	<u>5,104,507</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	910,920	1,098,165
Deferred Outflows for Pensions	12,149,265	4,409,587
Deferred Outflows for OPEB	<u>471,177</u>	<u>295,709</u>
Total Deferred Outflows	<u>13,531,362</u>	<u>5,803,461</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$1,158,482,392</u>	<u>\$1,130,940,843</u>

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

	May 31,	
	2020	2019
NET POSITION		
Net Investment in Capital Assets	\$435,499,421	\$443,879,383
Restricted for:		
Water Capital Reserves	35,937,513	33,935,293
Water System Development Charge	38,572,047	34,843,278
Debt Service Funds	7,352,086	8,955,945
Pension Asset	-	3,438,481
Unrestricted	<u>84,545,127</u>	<u>58,691,511</u>
TOTAL NET POSITION	601,906,194	583,743,891
LIABILITIES		
LONG-TERM DEBT		
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	55,920,000	57,710,000
2020 Water Revenue Bonds Refunding	17,466,514	-
Total Outstanding Revenue Bonds	367,856,514	358,340,000
Plus: Unamortized Bond Premium	<u>8,571,531</u>	<u>9,937,243</u>
Net Outstanding Revenue Bonds	376,428,045	368,277,243
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	448,196,047	446,973,262
CURRENT LIABILITIES		
Salaries and Wages Payable	1,356,778	456,286
Purchases and Contracts Payable	860,336	687,684
Interest Expense Accrued	9,695,509	9,911,899
Taxes Accrued	1,567,851	1,774,559
Customers' and Contractors' Deposits	350,670	344,494
Current Portion of Long-Term Debt	15,046,423	14,710,633
Other Current Liabilities	3,350,336	3,284,642
Current Accrued Compensated Absences	<u>237,357</u>	<u>244,160</u>
Total Current Liabilities	32,465,260	31,414,357
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,244,496	6,412,903
Customer Advances for Construction	8,019,372	6,443,084
Unearned Revenue	7,253,773	7,334,173
Other Long-Term Liabilities	1,135,382	1,159,127
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>38,620,083</u>	<u>27,327,623</u>
TOTAL LIABILITIES	<u>519,281,390</u>	<u>505,715,242</u>
DEFERRED INFLOWS OF RESOURCES		
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
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$1,158,482,392</u>	<u>\$1,130,940,843</u>

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
May 31, 2020 and May 31, 2019

	May 2020	May 2019
OPERATING REVENUES		
Sales of Water	\$5,927,133	\$7,032,920
Other Operating Revenues	540,525	608,630
Contract Resource Obligation Revenue	(152,129)	476,169
Total Operating Revenues	6,315,529	8,117,719
OPERATING EXPENSES		
Production Expense:		
Source of Supply	345,073	592,206
Water Treatment	690,985	552,923
Total Production Expense	1,036,058	1,145,129
Power Pumping Expense	49,953	49,593
Transmission and Storage Expense	148,370	186,327
Distribution Expense	1,337,373	1,308,911
Customer Accounting and Consumer Service	422,658	433,178
Taxes	300,426	367,235
Depreciation	2,146,451	2,105,468
Administrative and General	928,010	782,173
Total Operating Expenses	6,369,299	6,378,014
OPERATING INCOME (LOSS)	(53,770)	1,739,705
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	323,829	413,894
Miscellaneous	(28,478)	12,928
Interest on Long-Term Debt	(1,338,153)	(1,299,867)
Interest on Long-Term Debt BABs Sub	(247,703)	(300,220)
Amortization Of Debt Premium	92,464	102,307
Interest Charged to Construction	-	(6,349)
Total Non-Operating Revenues (Expenses)	(1,198,041)	(1,077,307)
Net Income (Loss) Before Capital Contributions and Transfers	(1,251,811)	662,398
Capital Contributions:		
Cash	375,804	625,632
Donated Fixed Assets	-	-
Federal BABs Subsidies	301,180	300,220
Transfers:		
City Gross Earnings Tax	(519,481)	(654,999)
CHANGE IN NET POSITION	(\$1,094,308)	\$933,251
NET POSITION - JANUARY 1		
TOTAL NET POSITION - MAY 31		

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
May 31, 2020	May 31, 2019	2019	
\$32,769,496	\$32,136,324	\$633,172	2.0%
3,105,195	3,299,754	(194,559)	-5.9%
1,736,137	2,015,486	(279,349)	-13.9%
<u>37,610,828</u>	<u>37,451,564</u>	<u>159,264</u>	<u>0.4%</u>
2,001,795	2,774,088	(772,293)	-27.8%
<u>3,564,552</u>	<u>2,745,458</u>	<u>819,094</u>	<u>29.8%</u>
5,566,347	5,519,546	46,801	0.8%
302,966	299,518	3,448	1.2%
690,820	877,809	(186,989)	-21.3%
6,721,428	5,992,267	729,161	12.2%
2,258,564	2,138,364	120,200	5.6%
1,914,051	1,813,182	100,869	5.6%
10,716,617	10,524,824	191,793	1.8%
<u>5,381,352</u>	<u>5,392,240</u>	<u>(10,888)</u>	<u>-0.2%</u>
<u>33,552,145</u>	<u>32,557,750</u>	<u>994,395</u>	<u>3.1%</u>
4,058,683	4,893,814	(835,131)	-17.1%
415,200	3,146,576	(2,731,376)	-86.8%
321,363	47,059	274,304	582.9%
(6,690,781)	(6,576,713)	(114,068)	-1.7%
(1,238,515)	(1,501,100)	262,585	17.5%
462,319	511,534	(49,215)	-9.6%
-	(32,311)	32,311	100.0%
<u>(6,730,414)</u>	<u>(4,404,955)</u>	<u>(2,325,459)</u>	<u>-52.8%</u>
(2,671,731)	488,859	(3,160,590)	-646.5%
2,130,708	2,712,743	(582,035)	-21.5%
972,944	358,085	614,859	171.7%
1,505,901	1,501,100	4,801	0.3%
<u>(2,848,190)</u>	<u>(3,055,253)</u>	<u>207,063</u>	<u>6.8%</u>
(910,368)	2,005,534	(2,915,902)	-145.4%
602,816,562	581,738,357	21,078,205	
<u>\$601,906,194</u>	<u>\$583,743,891</u>	<u>\$18,162,303</u>	<u>3.1%</u>

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Revenues and Billings (Unaudited)
 May 31, 2020 and May 31, 2019

	<u>May 2020</u>	<u>May 2019</u>
SALES OF WATER		
Residential and Domestic	\$4,172,708	\$4,630,088
Commercial and Industrial	1,009,273	1,649,473
Special Rate	601,666	583,498
Wholesale	<u>143,486</u>	<u>169,861</u>
Total	<u><u>\$5,927,133</u></u>	<u><u>\$7,032,920</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	82,602	93,887
Commercial and Industrial	6,135	6,763
Wholesale	<u>24</u>	<u>16</u>
Total	<u><u>88,761</u></u>	<u><u>100,666</u></u>

YEAR TO DATE		2020 OVER (UNDER) 2019	PERCENT CHANGE
May 31, 2020	May 31, 2019		
\$22,445,422	\$21,647,124	\$798,298	3.7%
6,660,095	6,948,536	(288,441)	-4.2%
2,971,663	2,714,319	257,344	9.5%
<u>692,316</u>	<u>826,345</u>	<u>(134,029)</u>	-16.2%
<u>\$32,769,496</u>	<u>\$32,136,324</u>	<u>\$633,172</u>	2.0%
488,990	483,170	5,820	1.2%
33,279	33,323	(44)	-0.1%
<u>103</u>	<u>82</u>	<u>21</u>	25.6%
<u>522,372</u>	<u>516,575</u>	<u>5,797</u>	1.1%

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Water Billed (Unaudited)
 May 31, 2020 and May 31, 2019

	MILLION GALLONS, TOTAL			
	May 2020	May 2019	YEAR TO DATE	
			May 31, 2020	May 31, 2019
WATER BILLED				
Residential and Domestic	530.41	604.77	2,659.91	2,691.41
Commercial and Industrial	136.64	280.13	949.77	1,107.98
Special Rate	491.67	513.51	2,448.06	2,284.17
Wholesale	<u>46.68</u>	<u>58.10</u>	<u>226.19</u>	<u>296.36</u>
	<u>1,205.40</u>	<u>1,456.51</u>	<u>6,283.93</u>	<u>6,379.92</u>

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

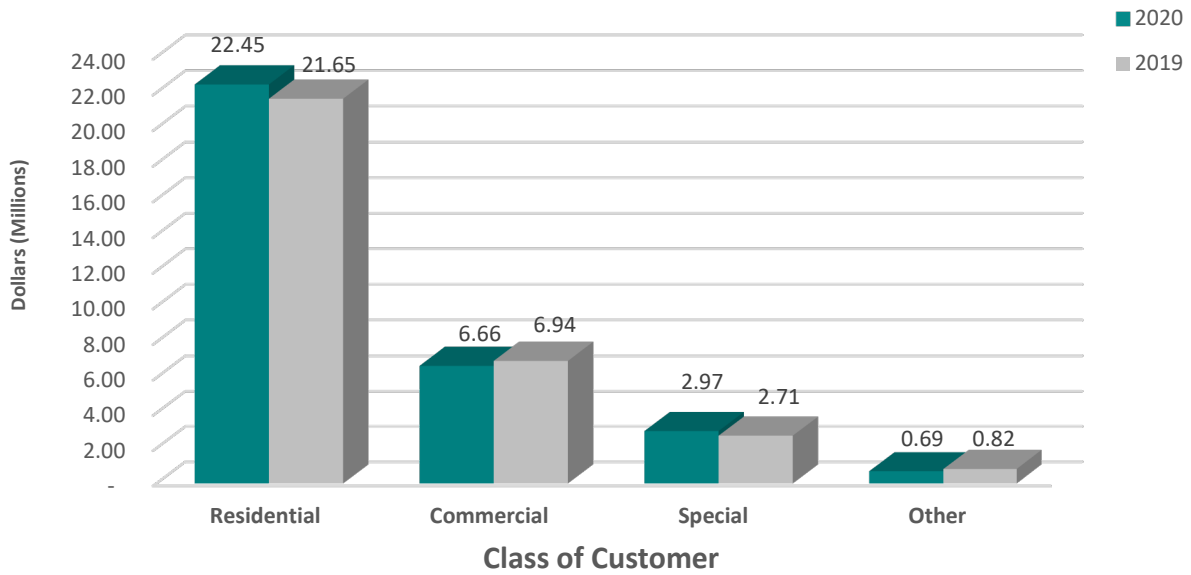
MILLION GALLONS, AVERAGE DAILY

<u>May 2020</u>	<u>May 2019</u>
17.11	19.51
4.41	9.04
15.86	16.56
<u>1.51</u>	<u>1.87</u>
<u><u>38.89</u></u>	<u><u>46.98</u></u>

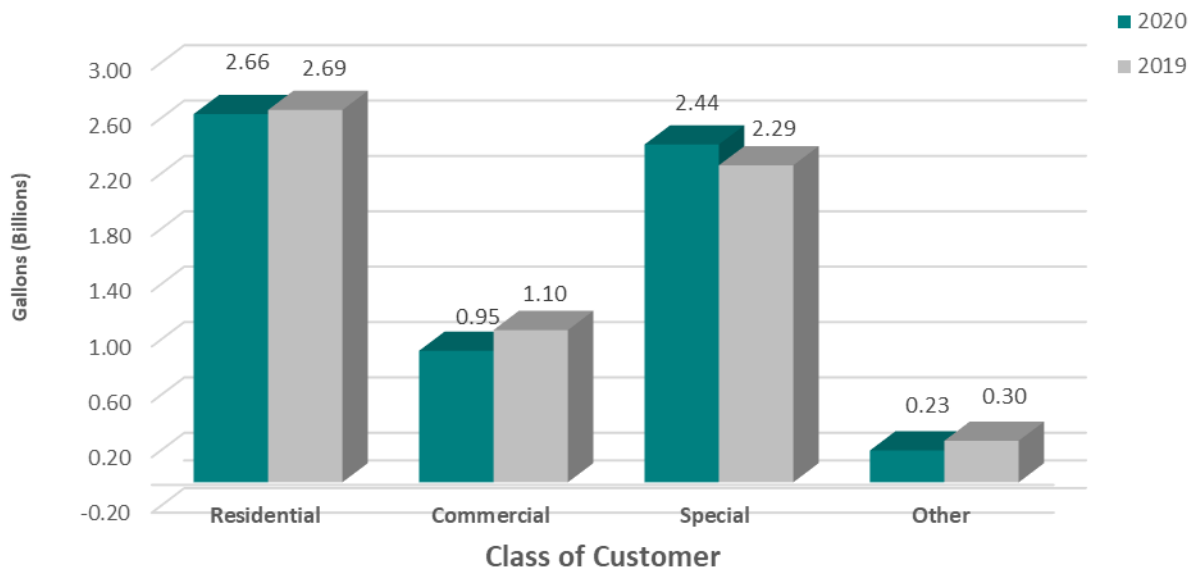
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Supplemental Data

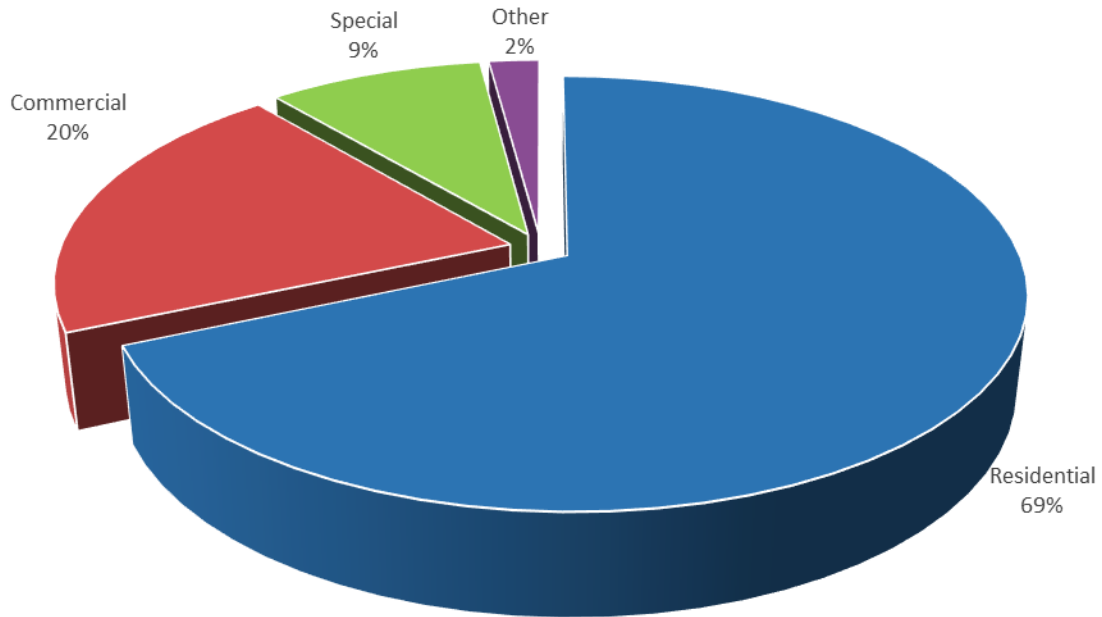
WATER SALES Year to Date - May 2020 & 2019



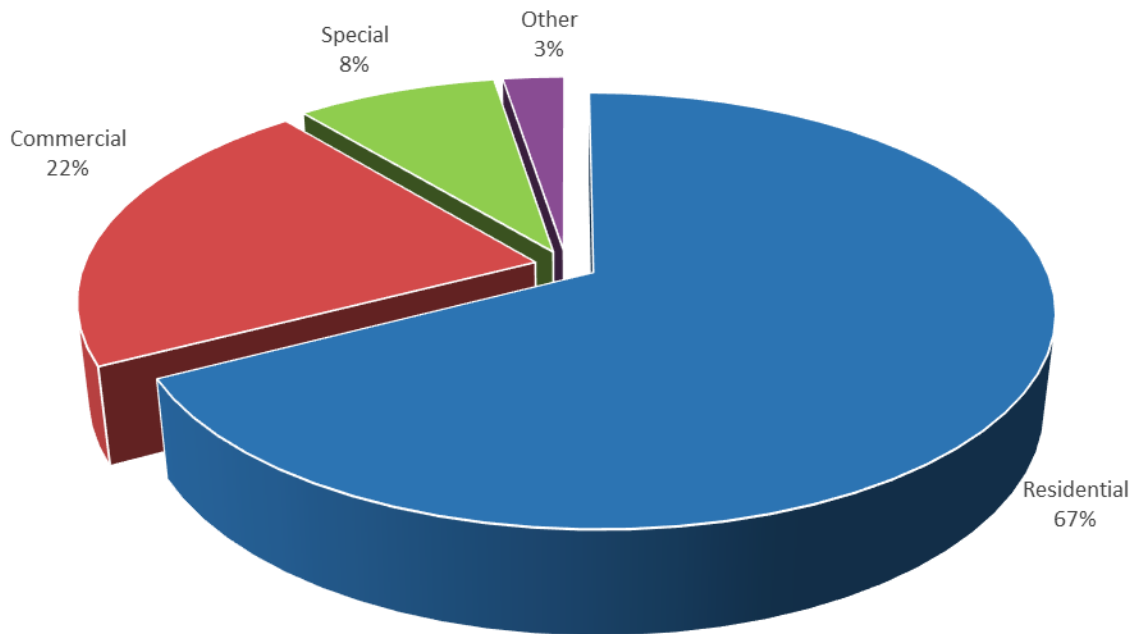
WATER CONSUMPTION Year to Date - May 2020 & 2019



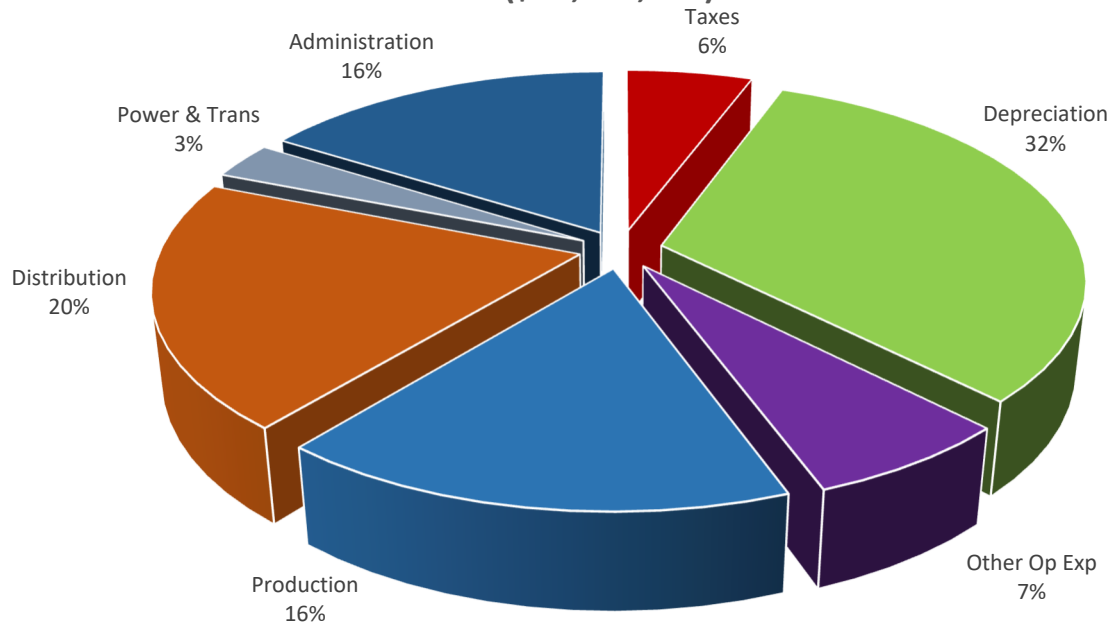
WATER SALES
Year to Date - May 2020
(\$32,769,496)



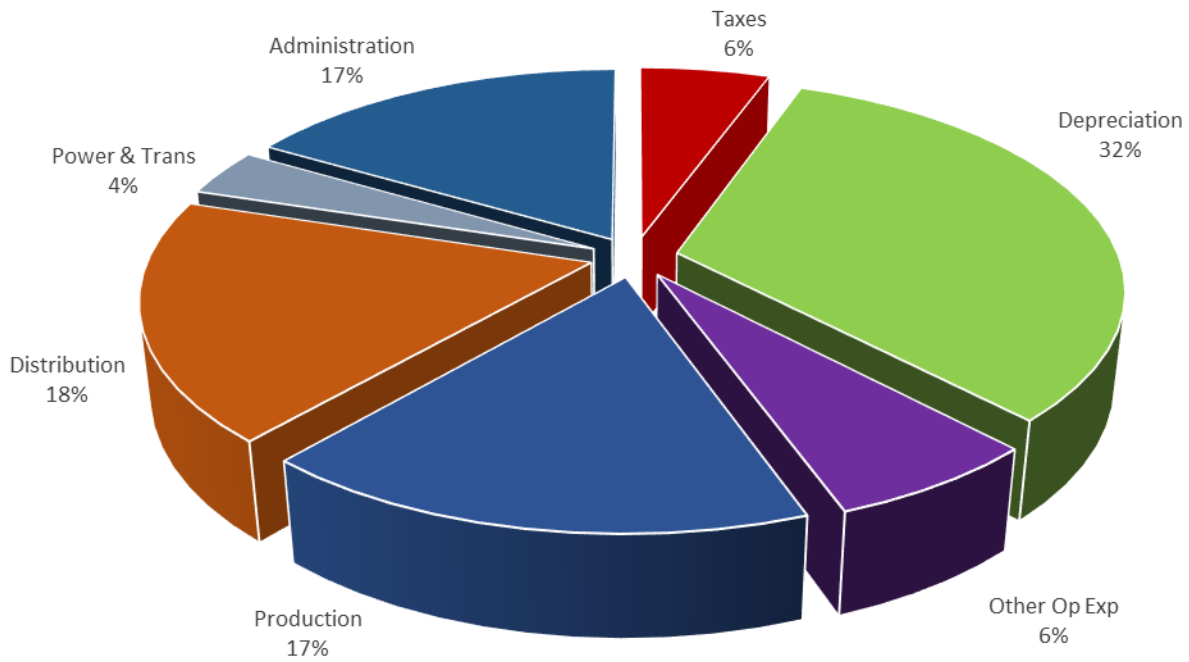
WATER SALES
Year to Date - May 2019
(\$32,136,324)



TOTAL OPERATING EXPENSES
Year to Date - May 2020
(\$33,552,145)



TOTAL OPERATING EXPENSES
Year to Date - May 2019
(\$32,557,750)



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