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**MAY**

**TACOMA WATER**

**2021**

**INTERIM  
FINANCIAL  
REPORT**





# Public Utility Board

**BRYAN FLINT**

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**MARK PATTERSON**

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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)  
 May 31, 2021 and May 31, 2020

	MAY 31,	
	2021	2020
<b>ASSETS</b>		
<b>UTILITY PLANT</b>		
Water Plant in Service	\$1,186,697,776	\$1,147,388,875
Less Depreciation and Amortization	(325,430,640)	(292,003,638)
Total	861,267,136	855,385,237
Construction Work in Progress	34,650,718	19,523,731
Net Utility Plant	895,917,854	874,908,968
<b>NON-UTILITY PROPERTY</b>	492,963	492,963
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	287	6,555,872
Regional Water Supply System Operating Fund	957,340	925,403
Provision for Debt Payment	16,776,649	17,047,595
Customer Water Main Deposits	3,582,454	3,464,073
Water Supply Forum Fund	623,839	617,659
Special Bond Reserves	21,690,558	22,117,664
Water Customer Contribution Fund	2,330,512	984,042
Water Capital Reserves	41,043,034	40,088,894
Water System Development Charge	76,994,705	74,147,494
Total Restricted Assets	163,999,378	165,948,696
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Current Fund	59,879,508	84,444,631
Grant Loan Fund	501,043	-
Customers' Deposits	129,823	311,906
Receivables:		
Customers	8,228,437	4,743,162
Accrued Unbilled Revenues	5,922,259	5,818,438
Others	571,366	278,713
BABs Interest Subsidies	1,810,922	1,807,081
Provision for Uncollectible Accounts	(2,499,317)	(462,875)
Materials and Supplies	3,162,125	2,859,897
Prepayments	2,019,674	1,825,409
Total Current Assets	79,725,840	101,626,362
<b>TOTAL ASSETS</b>	1,140,136,035	1,142,976,989
<b>OTHER ASSETS</b>		
Regulatory Assets - Surcharges	3,601,404	1,974,041
Net Pension Asset	1,636,678	-
Total Other Assets	5,238,082	1,974,041
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized Losses on Refunding Bonds	723,675	910,920
Deferred Outflows for Pensions	4,855,703	12,149,265
Deferred Outflows for OPEB	597,712	471,177
Total Deferred Outflows	6,177,090	13,531,362
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$1,151,551,207</u>	<u>\$1,158,482,392</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,	
	2021	2020
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$483,469,202	\$418,032,907
Restricted for:		
Water Capital Reserves	37,370,658	35,937,513
Water System Development Charge	41,419,258	38,572,047
Debt Service Funds	7,553,138	7,352,086
Pension Asset	1,636,678	-
Unrestricted	<u>61,020,170</u>	<u>102,011,641</u>
<b>TOTAL NET POSITION</b>	<b>632,469,104</b>	<b>601,906,194</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
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	7,560,000	9,230,000
2010 RWSS Revenue Bonds, Series A	1,030,000	1,345,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	54,030,000	55,920,000
2020 Water Revenue Bonds Refunding	<u>8,667,758</u>	<u>17,466,514</u>
Total Outstanding Revenue Bonds	341,652,758	367,856,514
Plus: Unamortized Bond Premium	<u>7,326,119</u>	<u>8,571,531</u>
Net Outstanding Revenue Bonds	348,978,877	376,428,045
PWTF Pre-Construction Loans	160,088	320,261
PWTF Construction Loans	11,760,836	14,297,433
State Drinking Water Loans	<u>52,919,062</u>	<u>57,150,308</u>
Total Long-Term Debt	413,818,863	448,196,047
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable	651,186	1,356,778
Purchases and Contracts Payable	1,218,010	860,336
Interest Expense Accrued	9,223,511	9,695,509
Taxes Accrued	1,598,889	1,567,851
Customers' and Contractors' Deposits	181,135	350,670
Current Portion of Long-Term Debt	15,457,074	15,046,423
Other Current Liabilities	3,417,336	3,350,336
Current Accrued Compensated Absences	<u>300,025</u>	<u>237,357</u>
Total Current Liabilities	32,047,166	32,465,260
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements	6,080,198	6,244,496
Customer Advances for Construction	10,411,567	8,019,372
Unearned Revenue	7,105,644	7,253,773
Other Long-Term Liabilities	1,078,178	1,135,382
Pension Liability	-	10,264,957
OPEB Liability	3,675,962	3,565,886
Long-Term Accrued Compensated Absences	<u>2,700,222</u>	<u>2,136,217</u>
Total Long-Term Liabilities	<u>31,051,771</u>	<u>38,620,083</u>
<b>TOTAL LIABILITIES</b>	<b>476,917,800</b>	<b>519,281,390</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	6,237,055	1,348,807
Deferred Inflows for OPEB	<u>351,801</u>	<u>370,554</u>
Total Deferred Inflows	42,164,303	37,294,808
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b><u>\$1,151,551,207</u></b>	<b><u>\$1,158,482,392</u></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)  
May 31, 2021 and May 31, 2020

			YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
	MAY 2021	MAY 2020	MAY 31, 2021	MAY 31, 2020		
<b>OPERATING REVENUES</b>						
Sales of Water	\$6,357,510	\$5,927,133	\$33,889,581	\$32,769,496	\$1,120,085	3.4%
Other Operating Revenues	561,435	540,525	3,047,164	3,105,195	(58,031)	-1.9%
Contract Resource Obligation Revenue	419,067	(152,129)	2,111,604	1,736,137	375,467	21.6%
Total Operating Revenues	<u>7,338,012</u>	<u>6,315,529</u>	<u>39,048,349</u>	<u>37,610,828</u>	<u>1,437,521</u>	3.8%
<b>OPERATING EXPENSES</b>						
Production Expense:						
Source of Supply	233,042	345,073	1,306,830	2,001,795	(694,965)	-34.7%
Water Treatment	665,439	690,985	3,699,664	3,564,552	135,112	3.8%
Total Production Expense	898,481	1,036,058	5,006,494	5,566,347	(559,853)	-10.1%
Power Pumping Expense	46,786	49,953	238,268	302,966	(64,698)	-21.4%
Transmission and Storage Expense	314,778	148,370	1,383,052	690,820	692,232	100.2%
Distribution Expense	1,342,864	1,337,373	6,756,657	6,721,428	35,229	0.5%
Customer Accounting and Consumer Service	420,543	422,658	2,303,171	2,258,564	44,607	2.0%
Taxes	322,244	300,426	1,937,629	1,914,051	23,578	1.2%
Depreciation	2,302,353	2,146,451	11,636,235	10,716,617	919,618	8.6%
Administrative and General	1,341,583	928,010	7,228,561	5,381,352	1,847,209	34.3%
Total Operating Expenses	<u>6,989,632</u>	<u>6,369,299</u>	<u>36,490,067</u>	<u>33,552,145</u>	<u>2,937,922</u>	8.8%
<b>OPERATING INCOME (LOSS)</b>	348,380	(53,770)	2,558,282	4,058,683	(1,500,401)	-37.0%
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest Income	155,359	323,829	(2,353,607)	415,200	(2,768,807)	-666.9%
Miscellaneous	30,126	(28,478)	2,089,598	321,363	1,768,235	550.2%
Interest on Long-Term Debt	(1,262,130)	(1,338,153)	(6,313,620)	(6,690,781)	377,161	5.6%
Interest on Long-Term Debt BABs Sub	(247,704)	(247,703)	(1,238,516)	(1,238,515)	(1)	0.0%
Amortization Of Debt Premium	82,181	92,464	410,904	462,319	(51,415)	-11.1%
Total Non-Operating Revenues (Expenses)	<u>(1,242,168)</u>	<u>(1,198,041)</u>	<u>(7,405,241)</u>	<u>(6,730,414)</u>	<u>(674,827)</u>	-10.0%
<b>Net Income (Loss) Before Capital</b>						
Contributions and Transfers	(893,788)	(1,251,811)	(4,846,959)	(2,671,731)	(2,175,228)	-81.4%
<b>Capital Contributions:</b>						
Cash	437,164	375,804	2,423,761	2,130,708	293,053	13.8%
Donated Fixed Assets	-	-	278,368	972,944	(694,576)	-71.4%
Federal BABs Subsidies	301,820	301,180	1,509,101	1,505,901	3,200	0.2%
<b>Transfers:</b>						
City Gross Earnings Tax	(504,613)	(519,481)	(2,960,725)	(2,848,190)	(112,535)	-4.0%
Transfer from (to) Other Funds	-	-	120	-	120	NA
<b>CHANGE IN NET POSITION</b>	<u>(\$659,417)</u>	<u>(\$1,094,308)</u>	<u>(3,596,334)</u>	<u>(910,368)</u>	<u>(2,685,966)</u>	-295.0%
<b>NET POSITION - JANUARY 1</b>			636,065,438	602,816,562	33,248,876	
<b>TOTAL NET POSITION - MAY 31</b>			<u>\$632,469,104</u>	<u>\$601,906,194</u>	<u>\$30,562,910</u>	5.1%

*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)  
 May 31, 2021 and May 31, 2020

	MAY 2021	MAY 2020	YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
			MAY 31, 2021	MAY 31, 2020		
<b>SALES OF WATER</b>						
Residential and Domestic	\$4,086,230	\$4,172,708	\$23,040,416	\$22,445,422	\$594,994	2.7%
Commercial and Industrial	1,491,616	1,009,273	7,066,202	6,660,095	406,107	6.1%
Special Rate	592,189	601,666	2,934,413	2,971,663	(37,250)	-1.3%
Wholesale	187,475	143,486	848,550	692,316	156,234	22.6%
<b>Total</b>	<b>\$6,357,510</b>	<b>\$5,927,133</b>	<b>\$33,889,581</b>	<b>\$32,769,496</b>	<b>\$1,120,085</b>	<b>3.4%</b>
<b>BILLINGS (NUMBER OF MONTHS BILLED)</b>						
Residential and Domestic	78,883	82,602	491,307	488,990	2,317	0.5%
Commercial and Industrial	6,217	6,135	34,480	33,279	1,201	3.6%
Wholesale	21	24	111	103	8	7.8%
<b>Total</b>	<b>85,121</b>	<b>88,761</b>	<b>525,898</b>	<b>522,372</b>	<b>3,526</b>	<b>0.7%</b>

City of Tacoma, Washington  
 Department of Public Utilities  
 Tacoma Water  
 Summary of Water Billed (Unaudited)  
 May 31, 2021 and May 31, 2020

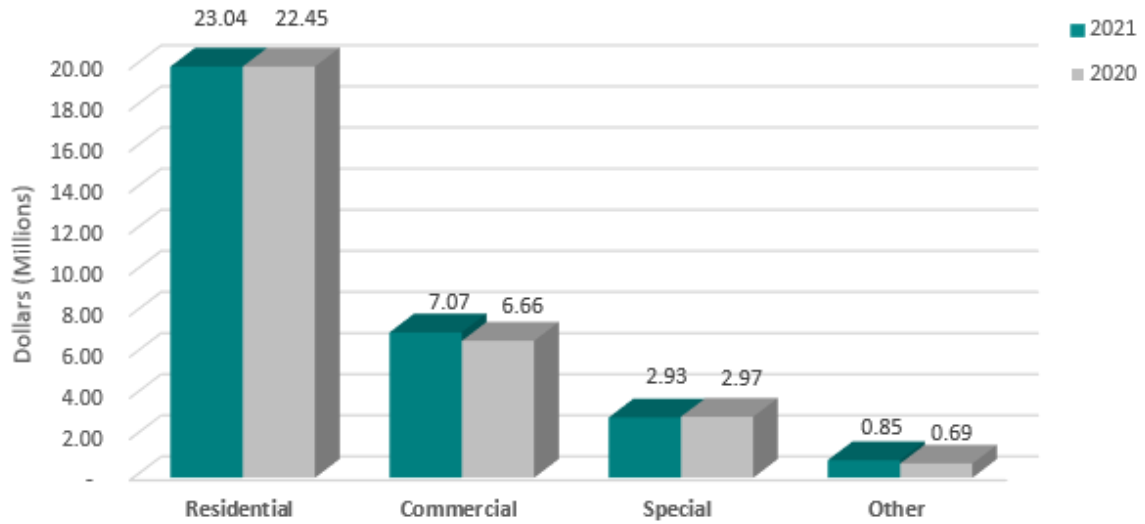
	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	MAY 2021	MAY 2020	YEAR TO DATE		MAY 2021	MAY 2020
			MAY 31, 2021	MAY 31, 2020		
WATER BILLED						
Residential and Domestic	532.53	530.41	2,804.90	2,659.91	17.18	17.11
Commercial and Industrial	246.61	136.64	1,056.29	949.77	7.96	4.41
Special Rate	496.22	491.67	2,382.91	2,448.06	16.01	15.86
Wholesale	66.43	46.68	285.48	226.19	2.14	1.51
	<u>1,341.79</u>	<u>1,205.40</u>	<u>6,529.58</u>	<u>6,283.93</u>	<u>43.29</u>	<u>38.89</u>

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

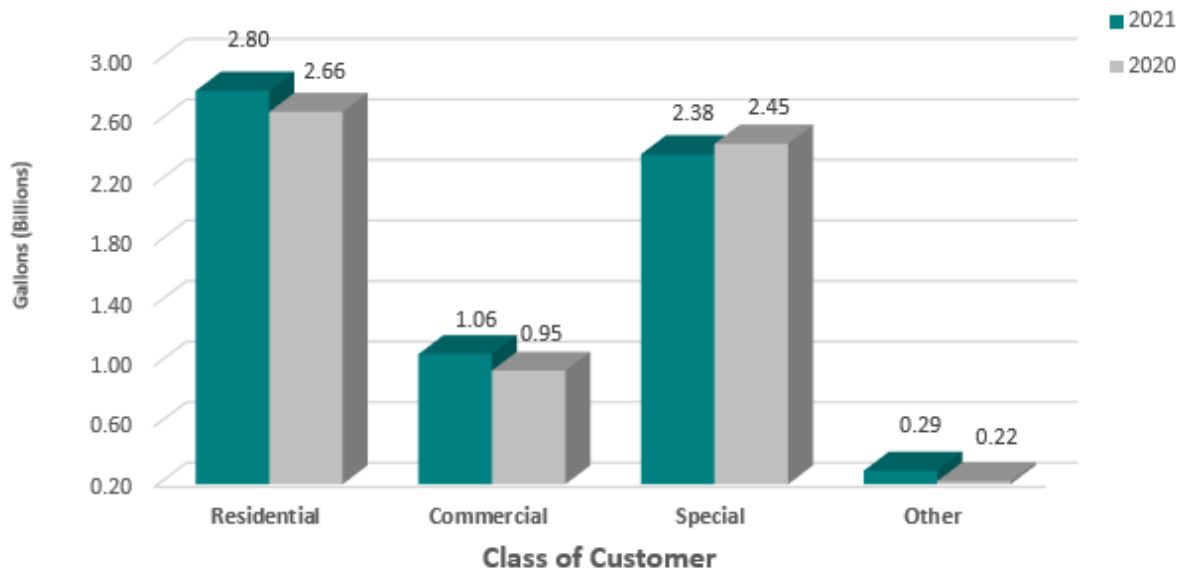
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# Supplemental Data

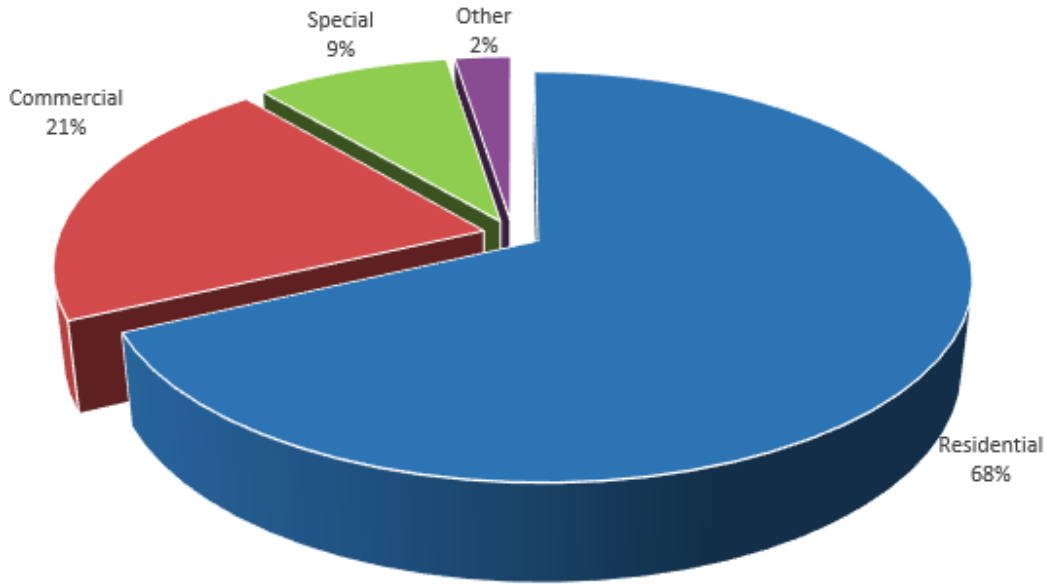
## WATER SALES Year to Date - May 2021 & 2020



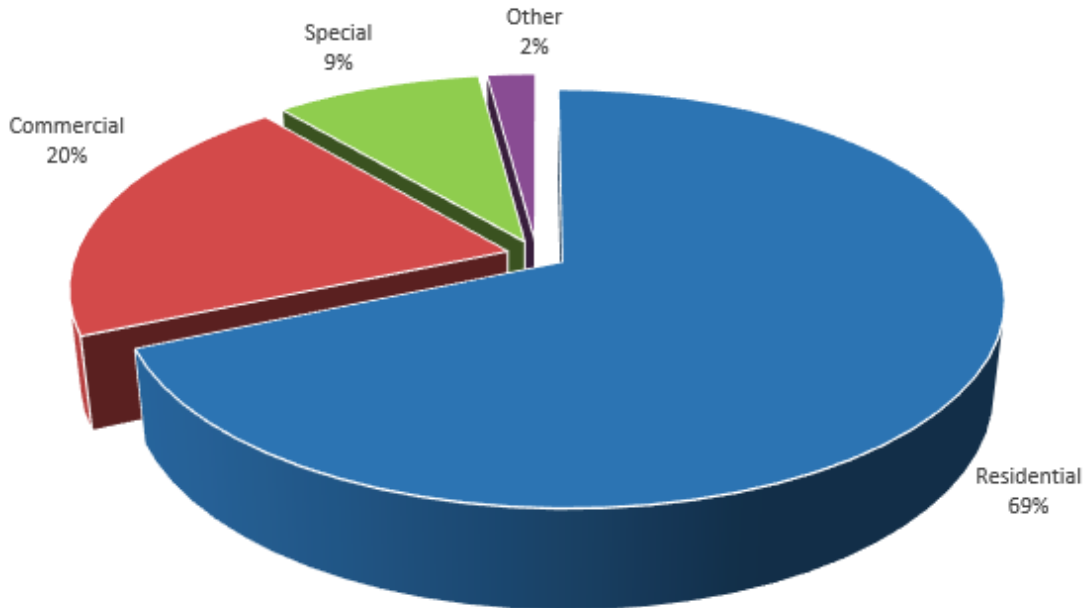
## WATER CONSUMPTION Year to Date - May 2021 & 2020



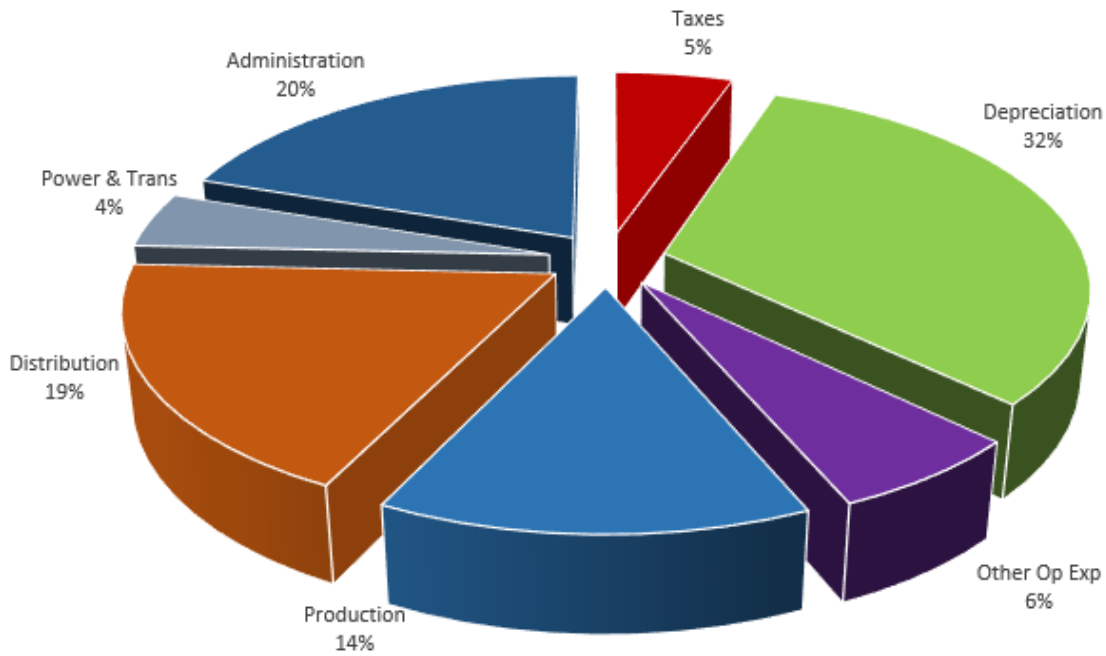
**WATER SALES**  
**Year to Date - May 2021**  
**(\$33,889,581)**



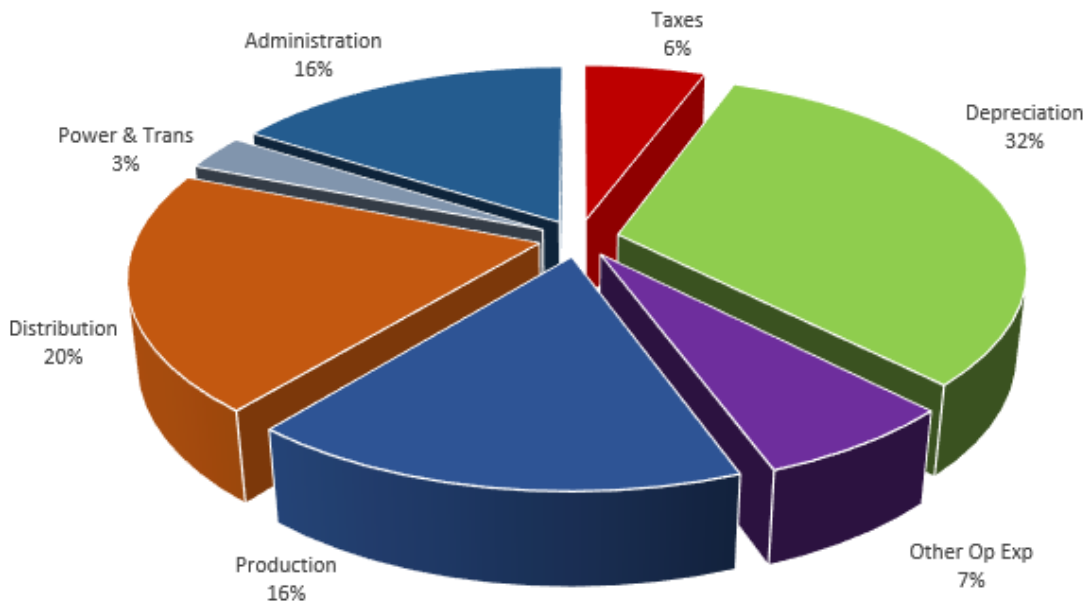
**WATER SALES**  
**Year to Date - May 2020**  
**(\$32,769,496)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - May 2021**  
**(\$36,490,067)**



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





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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.