
JULY

TACOMA WATER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

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KAREN LARKIN

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)
 July 31, 2020 and July 31, 2019

	July 31,	
	2020	2019
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,147,747,779	\$1,124,765,958
Less Depreciation and Amortization	(296,257,130)	(273,135,584)
Total	851,490,649	851,630,374
Construction Work in Progress	23,737,404	17,578,410
Net Utility Plant	875,228,053	869,208,784
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	-	28,824
2013 Construction Fund	5,609,873	16,538,613
Regional Water Supply System Operating Fund	590,182	1,456,807
Provision for Debt Payment	8,118,725	11,549,655
Customer Water Main Deposits	3,486,223	3,399,264
Water Supply Forum Fund	619,191	467,677
Special Bond Reserves	21,687,494	22,112,524
Water Customer Contribution Fund	575,038	462,976
Water Capital Reserves	38,742,160	38,139,603
Water System Development Charge	74,862,580	71,038,245
Total Restricted Assets	154,291,466	165,194,188
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	69,014,450	62,504,815
Customers' Deposits	295,189	310,929
Receivables:		
Customers	6,515,627	6,011,447
Accrued Unbilled Revenues	5,818,438	5,930,220
Others	605,063	789,361
BABs Interest Subsidies	2,409,441	739,348
Provision for Uncollectible Accounts	(653,511)	(416,457)
Materials and Supplies	2,899,706	2,605,831
Prepayments	1,968,759	1,943,039
Total Current Assets	88,873,162	80,418,533
TOTAL ASSETS	1,118,885,644	1,115,314,468
OTHER ASSETS		
Regulatory Assets - Surcharges	2,483,116	1,673,322
Net Pension Asset	-	3,438,481
Total Other Assets	2,483,116	5,111,803
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	879,713	1,066,957
Deferred Outflows for Pensions	12,149,265	4,409,587
Deferred Outflows for OPEB	471,177	295,709
Total Deferred Outflows	13,500,155	5,772,253
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,134,868,915	\$1,126,198,524

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

	July 31,	
	2020	2019
NET POSITION		
Net Investment in Capital Assets	\$455,114,036	\$444,284,460
Restricted for:		
Water Capital Reserves	34,590,779	33,509,216
Water System Development Charge	39,287,133	35,462,798
Debt Service Funds	4,434,846	7,650,272
Pension Asset	-	3,438,481
Unrestricted	<u>71,875,696</u>	<u>63,213,104</u>
TOTAL NET POSITION	605,302,490	587,558,331
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	-	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	<u>13,157,516</u>	<u>-</u>
Total Outstanding Revenue Bonds	350,017,516	358,340,000
Plus: Unamortized Bond Premium	<u>8,355,395</u>	<u>9,701,422</u>
Net Outstanding Revenue Bonds	358,372,911	368,041,422
PWTF Pre-Construction Loans	160,088	320,261
PWTF Construction Loans	11,760,836	14,297,433
State Drinking Water Loans	<u>57,150,308</u>	<u>61,381,554</u>
Total Long-Term Debt	427,444,143	444,040,670
CURRENT LIABILITIES		
Salaries and Wages Payable	980,537	734,891
Purchases and Contracts Payable	1,216,629	1,032,455
Interest Expense Accrued	3,683,879	3,899,383
Taxes Accrued	1,872,937	1,993,570
Customers' and Contractors' Deposits	346,033	359,252
Current Portion of Long-Term Debt	15,095,421	14,710,633
Other Current Liabilities	2,393,099	2,346,174
Current Accrued Compensated Absences	<u>237,357</u>	<u>244,160</u>
Total Current Liabilities	25,825,892	25,320,518
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,244,496	6,412,903
Customer Advances for Construction	8,453,865	6,854,784
Unearned Revenue	7,198,873	7,390,573
Other Long-Term Liabilities	1,137,288	1,160,700
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>39,001,582</u>	<u>27,797,296</u>
TOTAL LIABILITIES	492,271,617	497,158,484
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization	35,575,447	35,575,446
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	41,481,709
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$1,134,868,915</u>	<u>\$1,126,198,524</u>

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

	July 2020	July 2019
OPERATING REVENUES		
Sales of Water	\$8,335,639	\$9,067,418
Other Operating Revenues	547,306	579,130
Contract Resource Obligation Revenue	433,499	435,719
Total Operating Revenues	<u>9,316,444</u>	<u>10,082,267</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	333,520	616,811
Water Treatment	880,433	625,958
Total Production Expense	<u>1,213,953</u>	<u>1,242,769</u>
Power Pumping Expense	55,165	57,872
Transmission and Storage Expense	178,393	192,106
Distribution Expense	1,288,397	1,337,147
Customer Accounting and Consumer Service	474,324	452,791
Taxes	411,328	441,662
Depreciation	2,144,794	2,105,202
Administrative and General	1,005,330	911,959
Total Operating Expenses	<u>6,771,684</u>	<u>6,741,508</u>
OPERATING INCOME (LOSS)	2,544,760	3,340,759
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	280,967	413,083
Miscellaneous	(9,830)	(1,512)
Interest on Long-Term Debt	(1,338,881)	(1,299,681)
Interest on Long-Term Debt BABs Sub	(247,703)	(320,064)
Amortization Of Debt Premium	92,464	102,307
Interest Charged to Construction	-	-
Total Non-Operating Revenues (Expenses)	<u>(1,222,983)</u>	<u>(1,105,867)</u>
Net Income (Loss) Before Capital Contributions and Transfers	1,321,777	2,234,892
Capital Contributions:		
Cash	879,529	294,149
Donated Fixed Assets	-	-
Federal BABs Subsidies	301,180	320,064
Transfers:		
City Gross Earnings Tax	(703,620)	(775,290)
CHANGE IN NET POSITION	<u>\$1,798,866</u>	<u>\$2,073,815</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - JULY 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
July 31, 2020	July 31, 2019	2019	
\$49,275,375	\$49,347,467	(\$72,092)	-0.1%
4,173,142	4,426,424	(253,282)	-5.7%
2,727,775	2,838,040	(110,265)	-3.9%
<u>56,176,292</u>	<u>56,611,931</u>	<u>(435,639)</u>	<u>-0.8%</u>
2,641,372	3,933,228	(1,291,856)	-32.8%
<u>5,280,425</u>	<u>3,972,738</u>	<u>1,307,687</u>	<u>32.9%</u>
7,921,797	7,905,966	15,831	0.2%
410,248	418,733	(8,485)	-2.0%
1,018,634	1,248,860	(230,226)	-18.4%
9,269,775	8,489,536	780,239	9.2%
3,169,949	3,013,193	156,756	5.2%
2,899,965	2,818,719	81,246	2.9%
15,006,203	14,735,343	270,860	1.8%
7,346,970	7,291,217	55,753	0.8%
<u>47,043,541</u>	<u>45,921,567</u>	<u>1,121,974</u>	<u>2.4%</u>
9,132,751	10,690,364	(1,557,613)	-14.6%
999,908	3,971,325	(2,971,417)	-74.8%
283,604	44,676	238,928	534.8%
(9,338,072)	(9,142,050)	(196,022)	-2.1%
(1,733,922)	(2,240,448)	506,526	22.6%
647,246	716,148	(68,902)	-9.6%
-	(32,311)	32,311	100.0%
<u>(9,141,236)</u>	<u>(6,682,660)</u>	<u>(2,458,576)</u>	<u>-36.8%</u>
(8,485)	4,007,704	(4,016,189)	-100.2%
3,495,851	3,487,195	8,656	0.2%
1,138,094	601,158	536,936	89.3%
2,108,261	2,240,448	(132,187)	-5.9%
<u>(4,247,793)</u>	<u>(4,516,531)</u>	<u>268,738</u>	<u>6.0%</u>
2,485,928	5,819,974	(3,334,046)	-57.3%
602,816,562	581,738,357	21,078,205	
<u>\$605,302,490</u>	<u>\$587,558,331</u>	<u>\$17,744,159</u>	<u>3.0%</u>

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

	<u>July 2020</u>	<u>July 2019</u>
SALES OF WATER		
Residential and Domestic	\$5,669,505	\$5,928,188
Commercial and Industrial	1,854,463	2,235,224
Special Rate	580,961	588,507
Wholesale	<u>230,710</u>	<u>315,499</u>
Total	<u><u>\$8,335,639</u></u>	<u><u>\$9,067,418</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	90,557	94,998
Commercial and Industrial	7,220	7,265
Wholesale	<u>21</u>	<u>15</u>
Total	<u><u>97,798</u></u>	<u><u>102,278</u></u>

YEAR TO DATE		2020 OVER (UNDER) 2019	PERCENT CHANGE
July 31, 2020	July 31, 2019		
\$34,056,217	\$33,217,705	\$838,512	2.5%
9,962,012	10,810,918	(848,906)	-7.9%
4,150,353	3,913,721	236,632	6.0%
<u>1,106,793</u>	<u>1,405,123</u>	<u>(298,330)</u>	-21.2%
<u>\$49,275,375</u>	<u>\$49,347,467</u>	<u>(\$72,092)</u>	-0.1%
692,043	681,585	10,458	1.5%
47,247	47,017	230	0.5%
<u>145</u>	<u>112</u>	<u>33</u>	29.5%
<u>739,435</u>	<u>728,714</u>	<u>10,721</u>	1.5%

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

	MILLION GALLONS, TOTAL			
	July 2020	July 2019	YEAR TO DATE	
			July 31, 2020	July 31, 2019
WATER BILLED				
Residential and Domestic	826.64	916.30	4,272.58	4,441.41
Commercial and Industrial	277.04	416.92	1,416.78	1,791.08
Special Rate	377.63	507.19	3,301.29	3,286.55
Wholesale	67.14	89.19	350.87	466.42
	<u>1,548.45</u>	<u>1,929.60</u>	<u>9,341.52</u>	<u>9,985.46</u>

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

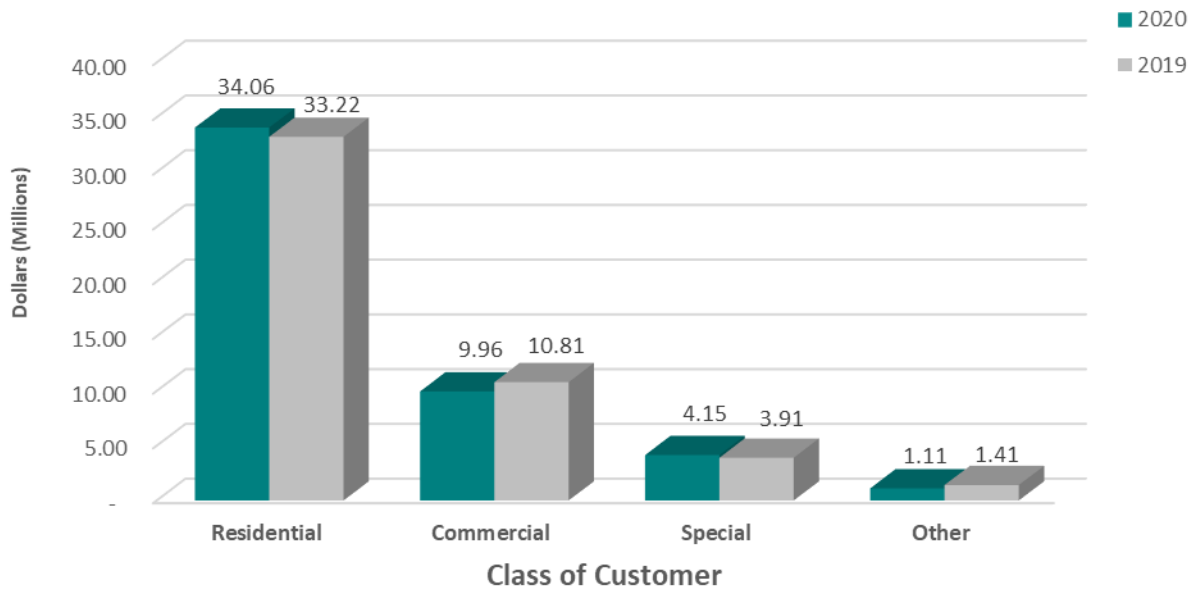
MILLION GALLONS, AVERAGE DAILY

<u>July 2020</u>	<u>July 2019</u>
26.70	29.60
8.90	13.40
12.20	16.40
<u>2.20</u>	<u>2.90</u>
<u>50.00</u>	<u>62.30</u>

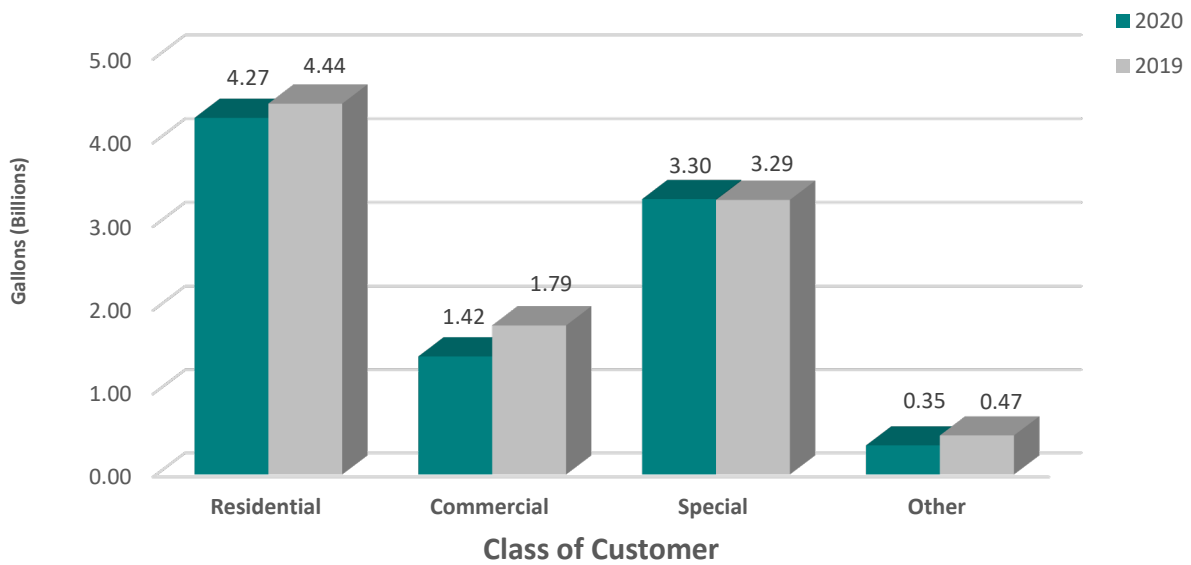
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Supplemental Data

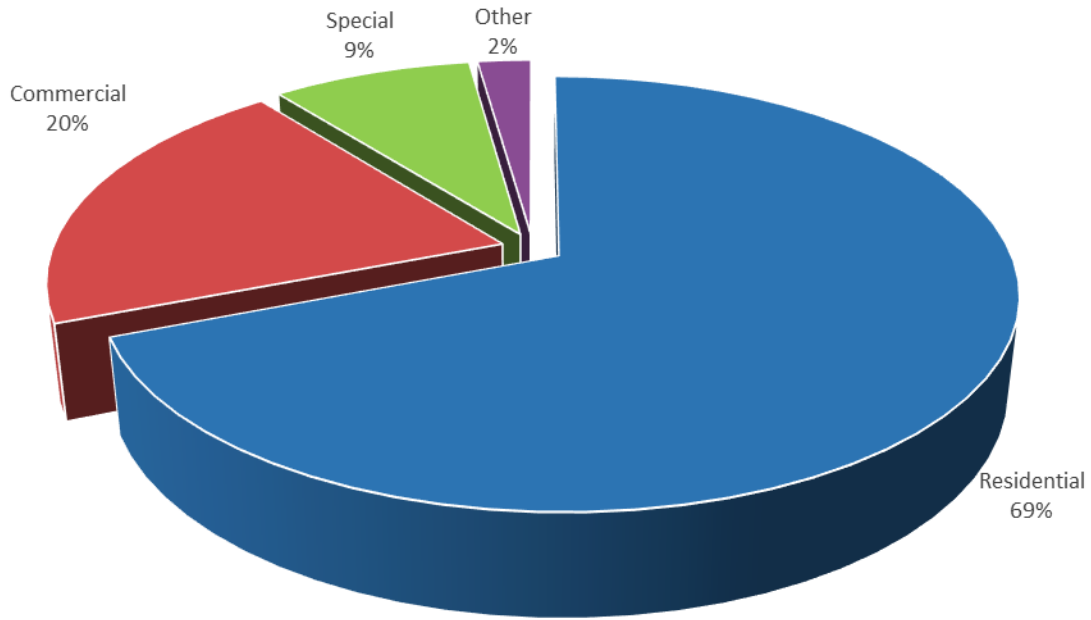
WATER SALES Year to Date - July 2020 & 2019



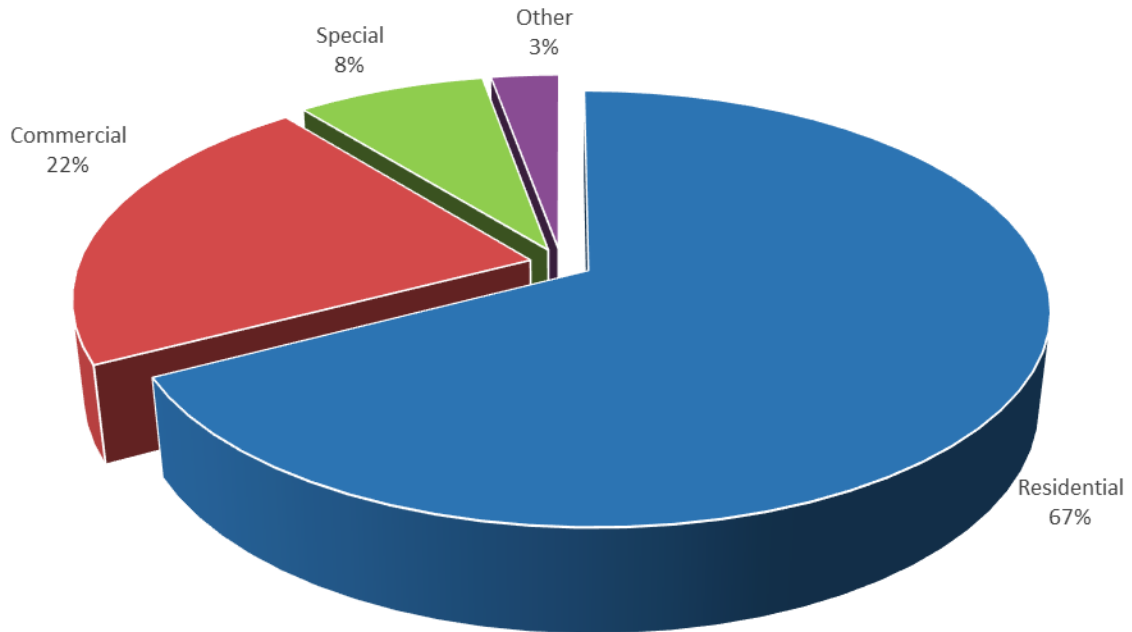
WATER CONSUMPTION Year to Date - July 2020 & 2019



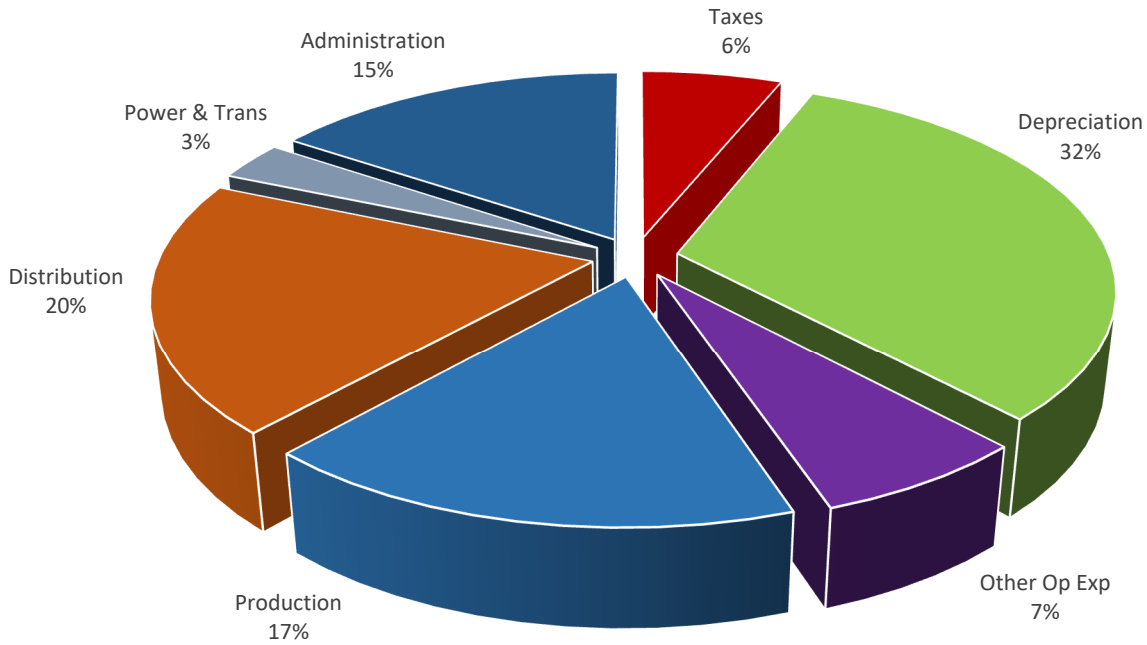
WATER SALES
Year to Date - July 2020
(\$49,275,375)



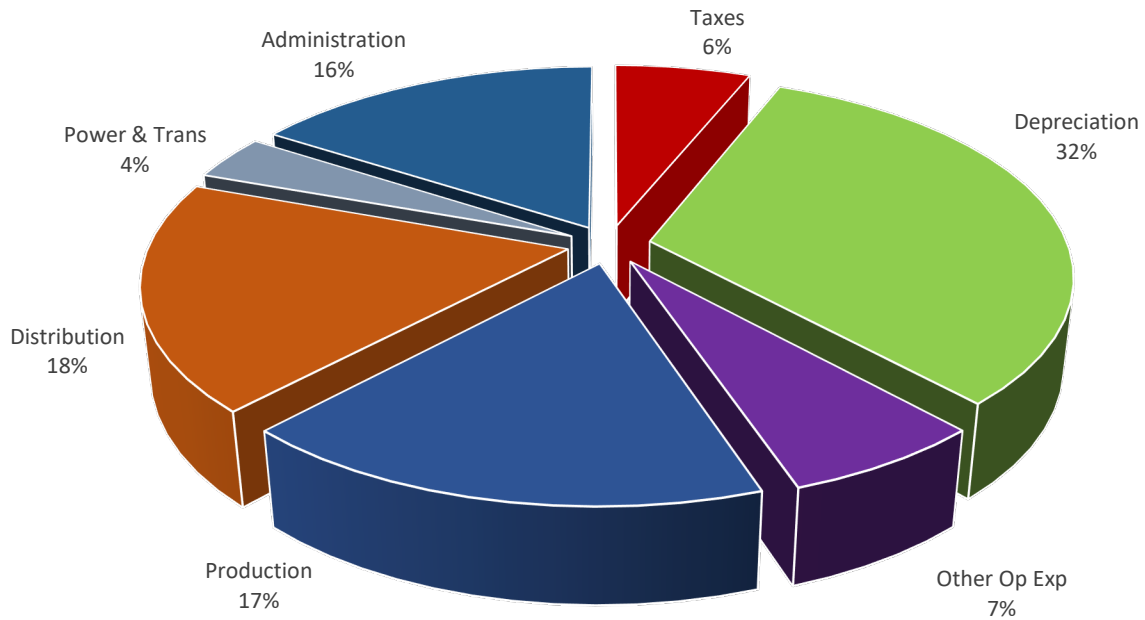
WATER SALES
Year to Date - July 2019
(\$49,347,467)



TOTAL OPERATING EXPENSES
Year to Date - July 2020
(\$47,043,541)



TOTAL OPERATING EXPENSES
Year to Date - July 2019
(\$45,921,567)



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