
JULY

TACOMA WATER

2021

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

MARK PATTERSON
Chair

CHRISTINE COOLEY
Vice-Chair

CARLOS M. WATSON
Secretary

JOE BUSHNELL
Member

HOLLAND COHEN
Member

JACKIE FLOWERS
Director of Utilities

SCOTT DEWHIRST
Water Superintendent

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

This page intentionally left blank

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

Tacoma Water

Table of Contents

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.

Statements of Net Position (Unaudited)	1
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)	4
Summary of Revenues and Billings (Unaudited)	5
Summary of Water Billed (Unaudited)	6
Supplemental Data	8

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Statements of Net Position (Unaudited)
 July 31, 2021 and July 31, 2020

	JULY 31,	
	2021	2020
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,187,426,031	\$1,147,747,779
Less Depreciation and Amortization	(330,018,208)	(296,257,130)
Total	857,407,823	851,490,649
Construction Work in Progress	40,344,466	23,737,404
Net Utility Plant	897,752,289	875,228,053
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	287	5,609,873
Regional Water Supply System Operating Fund	426,496	590,182
Provision for Debt Payment	11,096,803	8,118,725
Customer Water Main Deposits	3,582,454	3,486,223
Water Supply Forum Fund	624,679	619,191
Special Bond Reserves	21,690,993	21,687,494
Water Customer Contribution Fund	2,655,340	575,038
Water Capital Reserves	38,942,290	38,742,160
Water System Development Charge	77,614,034	74,862,580
Total Restricted Assets	156,633,376	154,291,466
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	60,721,691	69,014,450
Grant Loan Fund	501,718	-
Customers' Deposits	125,118	295,189
Receivables:		
Customers	9,715,435	6,515,627
Accrued Unbilled Revenues	5,922,259	5,818,438
Others	631,327	605,063
BABs Interest Subsidies	1,276,506	2,409,441
Provision for Uncollectible Accounts	(2,824,401)	(653,511)
Materials and Supplies	3,178,093	2,899,706
Prepayments	2,160,881	1,968,759
Total Current Assets	81,408,627	88,873,162
TOTAL ASSETS	1,136,287,255	1,118,885,644
OTHER ASSETS		
Regulatory Assets - Surcharges	3,537,856	2,483,116
Net Pension Asset	1,636,678	-
Total Other Assets	5,174,534	2,483,116
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	692,468	879,713
Deferred Outflows for Pensions	4,855,703	12,149,265
Deferred Outflows for OPEB	597,712	471,177
Total Deferred Outflows	6,145,883	13,500,155
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,147,607,672	\$1,134,868,915

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

	JULY 31,	
	<u>2021</u>	<u>2020</u>
NET POSITION		
Net Investment in Capital Assets	\$488,165,205	\$455,114,037
Restricted for:		
Water Capital Reserves	35,269,914	34,590,779
Water System Development Charge	42,038,587	39,287,133
Debt Service Funds	7,556,011	4,434,846
Pension Asset	1,636,678	-
Unrestricted	<u>60,546,966</u>	<u>71,875,695</u>
TOTAL NET POSITION	635,213,361	605,302,490
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	-	-
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>13,157,516</u>
Total Outstanding Revenue Bonds	341,652,758	350,017,516
Plus: Unamortized Bond Premium	<u>7,130,551</u>	<u>8,355,395</u>
Net Outstanding Revenue Bonds	348,783,309	358,372,911
PWTF Pre-Construction Loans	106,725	160,088
PWTF Construction Loans	9,757,572	11,760,836
State Drinking Water Loans	<u>52,919,062</u>	<u>57,150,308</u>
Total Long-Term Debt	411,566,668	427,444,143
CURRENT LIABILITIES		
Salaries and Wages Payable	1,026,435	980,537
Purchases and Contracts Payable	2,216,735	1,216,629
Interest Expense Accrued	3,540,792	3,683,879
Taxes Accrued	2,040,735	1,872,937
Customers' and Contractors' Deposits	175,389	346,033
Current Portion of Long-Term Debt	14,816,929	15,095,421
Other Current Liabilities	2,440,952	2,393,099
Current Accrued Compensated Absences	<u>300,025</u>	<u>237,357</u>
Total Current Liabilities	26,557,992	25,825,892
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,080,198	6,244,496
Customer Advances for Construction	11,174,893	8,453,865
Unearned Revenue	7,395,054	7,198,873
Other Long-Term Liabilities	1,079,018	1,137,288
Pension Liability	-	10,264,957
OPEB Liability	3,675,963	3,565,886
Long-Term Accrued Compensated Absences	<u>2,700,222</u>	<u>2,136,217</u>
Total Long-Term Liabilities	<u>32,105,348</u>	<u>39,001,582</u>
TOTAL LIABILITIES	470,230,008	492,271,617
DEFERRED INFLOWS OF RESOURCES		
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
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$1,147,607,672</u>	<u>\$1,134,868,915</u>

This page has been left blank intentionally.

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
July 31, 2021 and July 31, 2020

			YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
	JULY 2021	JULY 2020	JULY 31, 2021	JULY 31, 2020		
OPERATING REVENUES						
Sales of Water	\$9,636,884	\$8,335,639	\$52,134,296	\$49,275,375	\$2,858,921	5.8%
Other Operating Revenues	154,855	547,306	3,781,796	4,173,142	(391,346)	-9.4%
Contract Resource Obligation Revenue	452,292	433,499	2,940,864	2,727,775	213,089	7.8%
Total Operating Revenues	<u>10,244,031</u>	<u>9,316,444</u>	<u>58,856,956</u>	<u>56,176,292</u>	<u>2,680,664</u>	4.8%
OPERATING EXPENSES						
Production Expense:						
Source of Supply	214,223	333,520	1,832,243	2,641,372	(809,129)	-30.6%
Water Treatment	891,810	880,433	5,591,493	5,280,425	311,068	5.9%
Total Production Expense	<u>1,106,033</u>	<u>1,213,953</u>	<u>7,423,736</u>	<u>7,921,797</u>	<u>(498,061)</u>	-6.3%
Power Pumping Expense	62,495	55,165	373,898	410,248	(36,350)	-8.9%
Transmission and Storage Expense	326,667	178,393	1,999,054	1,018,634	980,420	96.2%
Distribution Expense	1,274,755	1,288,397	9,334,574	9,269,775	64,799	0.7%
Customer Accounting and Consumer Service	424,979	474,324	3,182,497	3,169,949	12,548	0.4%
Taxes	496,072	411,328	3,055,591	2,899,965	155,626	5.4%
Depreciation	2,300,258	2,144,794	16,236,456	15,006,203	1,230,253	8.2%
Administrative and General	1,243,928	1,005,330	9,917,264	7,346,970	2,570,294	35.0%
Total Operating Expenses	<u>7,235,187</u>	<u>6,771,684</u>	<u>51,523,070</u>	<u>47,043,541</u>	<u>4,479,529</u>	9.5%
OPERATING INCOME (LOSS)	3,008,844	2,544,760	7,333,886	9,132,751	(1,798,865)	-19.7%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	151,035	280,968	(2,052,063)	999,908	(3,051,971)	-305.2%
Miscellaneous	53,872	(9,831)	2,142,199	283,604	1,858,595	655.3%
Interest on Long-Term Debt	(1,261,455)	(1,338,881)	(8,838,542)	(9,338,072)	499,530	5.3%
Interest on Long-Term Debt BABs Sub	(247,703)	(247,703)	(1,733,922)	(1,733,922)	-	0.0%
Amortization Of Debt Premium	82,181	92,464	575,265	647,246	(71,981)	-11.1%
Total Non-Operating Revenues (Expenses)	<u>(1,222,070)</u>	<u>(1,222,983)</u>	<u>(9,907,063)</u>	<u>(9,141,236)</u>	<u>(765,827)</u>	-8.4%
Net Income (Loss) Before Capital Contributions and Transfers	1,786,774	1,321,777	(2,573,177)	(8,485)	(2,564,692)	-30226.2%
Capital Contributions:						
Cash	641,704	879,529	3,807,533	3,495,851	311,682	8.9%
Donated Fixed Assets	-	-	255,186	1,138,094	(882,908)	-77.6%
Federal BABs Subsidies	301,820	301,180	2,112,742	2,108,261	4,481	0.2%
Transfers:						
City Gross Earnings Tax	(795,689)	(703,620)	(4,454,481)	(4,247,793)	(206,688)	-4.9%
Transfer from (to) Other Funds	-	-	120	-	120	NA
CHANGE IN NET POSITION	<u>\$1,934,609</u>	<u>\$1,798,866</u>	<u>(852,077)</u>	<u>2,485,928</u>	<u>(3,338,005)</u>	-134.3%
NET POSITION - JANUARY 1			636,065,438	602,816,562	33,248,876	
TOTAL NET POSITION - JULY 31			<u>\$635,213,361</u>	<u>\$605,302,490</u>	<u>\$29,910,871</u>	4.9%

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)
 July 31, 2021 and July 31, 2020

	JULY 2021	JULY 2020	YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
			JULY 31, 2021	JULY 31, 2020		
SALES OF WATER						
Residential and Domestic	\$6,401,587	\$5,669,505	\$35,665,137	\$34,056,217	\$1,608,920	4.7%
Commercial and Industrial	2,334,731	1,854,463	10,945,586	9,962,012	983,574	9.9%
Special Rate	606,579	580,961	4,152,888	4,150,353	2,535	0.1%
Wholesale	<u>293,987</u>	<u>230,710</u>	<u>1,370,685</u>	<u>1,106,793</u>	<u>263,892</u>	23.8%
Total	<u>\$9,636,884</u>	<u>\$8,335,639</u>	<u>\$52,134,296</u>	<u>\$49,275,375</u>	<u>\$2,858,921</u>	5.8%
BILLINGS (NUMBER OF MONTHS BILLED)						
Residential and Domestic	93,153	90,557	695,260	692,043	3,217	0.5%
Commercial and Industrial	6,913	7,220	48,261	47,247	1,014	2.1%
Wholesale	<u>24</u>	<u>21</u>	<u>156</u>	<u>145</u>	<u>11</u>	7.6%
Total	<u>100,090</u>	<u>97,798</u>	<u>743,677</u>	<u>739,435</u>	<u>4,242</u>	0.6%

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

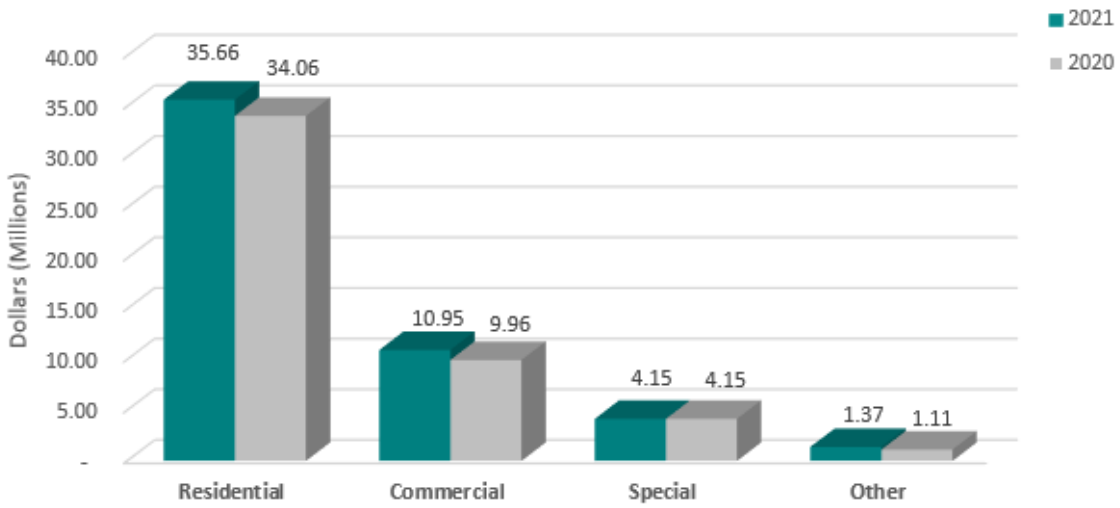
	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	JULY 2021	JULY 2020	YEAR TO DATE		JULY 2021	JULY 2020
			JULY 31, 2021	JULY 31, 2020		
WATER BILLED						
Residential and Domestic	1,007.91	826.64	4,727.76	4,272.58	32.51	26.70
Commercial and Industrial	421.68	277.04	1,780.62	1,416.78	13.60	8.90
Special Rate	531.79	377.63	3,399.58	3,301.29	17.15	12.20
Wholesale	108.57	67.14	475.13	350.87	3.50	2.20
	<u>2,069.95</u>	<u>1,548.45</u>	<u>10,383.09</u>	<u>9,341.52</u>	<u>66.76</u>	<u>50.00</u>

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

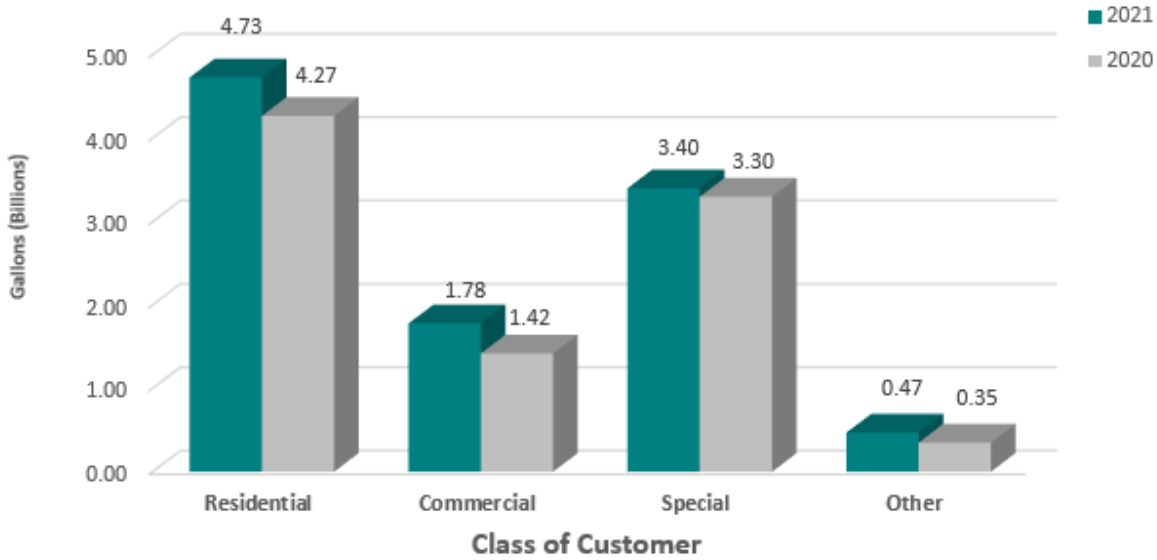
This page intentionally left blank

Supplemental Data

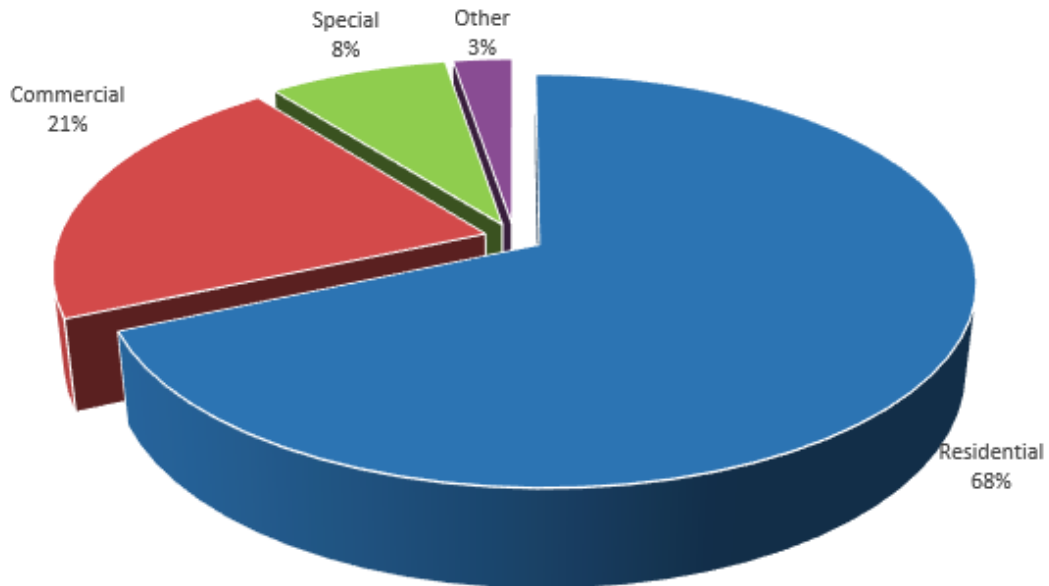
WATER SALES Year to Date - July 2021 & 2020



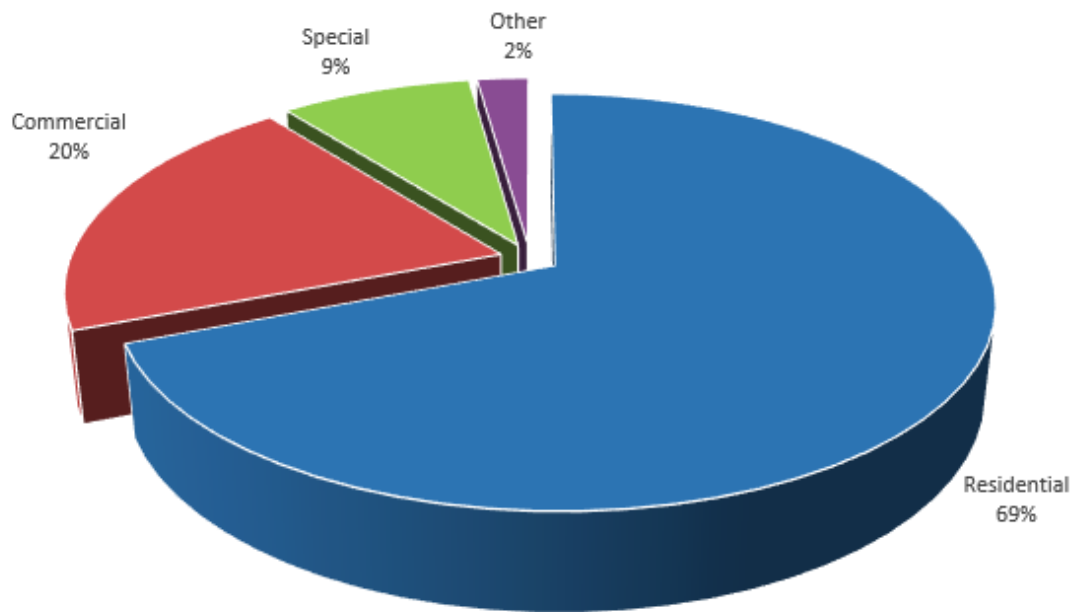
WATER CONSUMPTION Year to Date - July 2021 & 2020



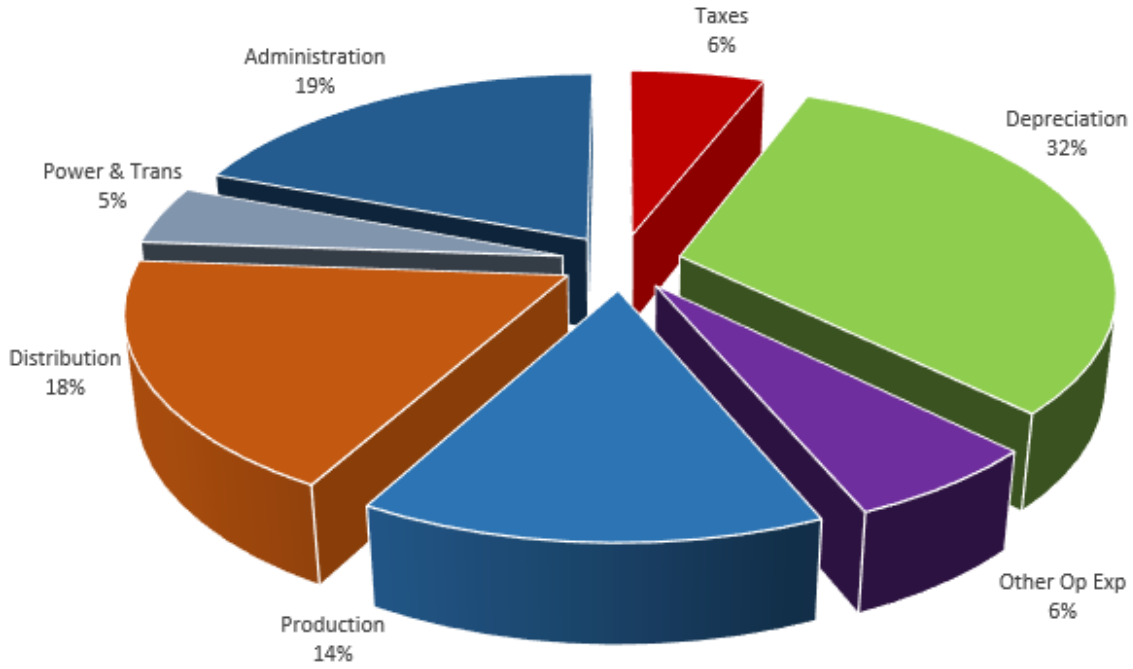
WATER SALES
Year to Date - July 2021
(\$52,134,296)



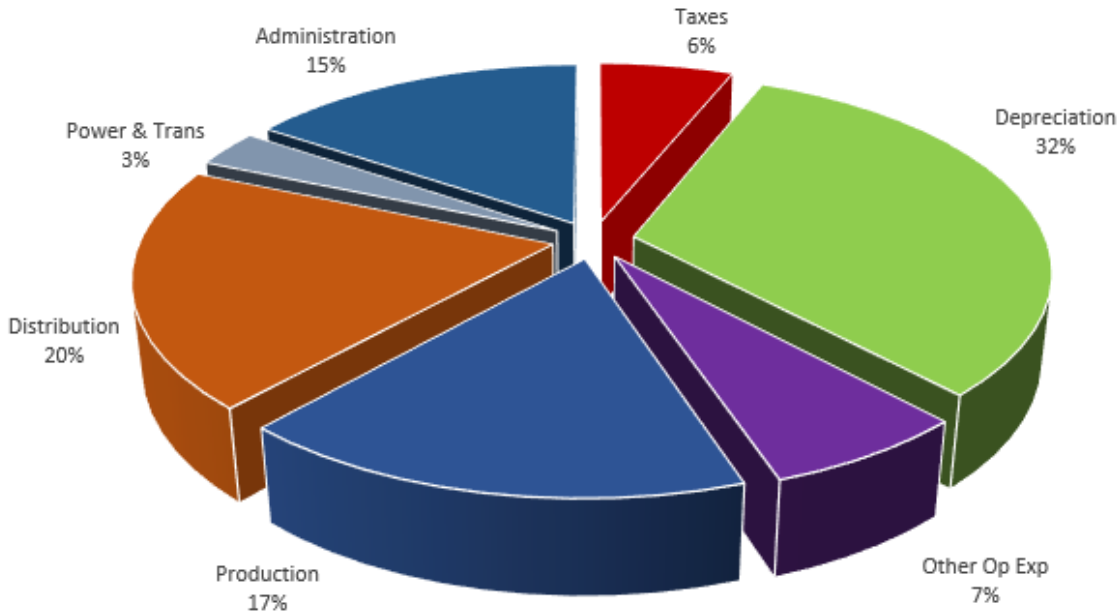
WATER SALES
Year to Date - July 2020
(\$49,275,375)



TOTAL OPERATING EXPENSES
Year to Date - July 2021
(\$51,523,070)



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



This page intentionally left blank



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.