
AUGUST

TACOMA WATER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

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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)
 August 31, 2020 and August 31, 2019

	August 31,	
	2020	2019
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,147,842,453	\$1,125,118,738
Less Depreciation and Amortization	(298,395,657)	(275,211,113)
Total	849,446,796	849,907,625
Construction Work in Progress	25,972,849	19,775,863
Net Utility Plant	875,419,645	869,683,488
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	-	28,824
2013 Construction Fund	5,052,345	15,041,334
Regional Water Supply System Operating Fund	829,499	1,331,079
Provision for Debt Payment	11,104,871	13,953,148
Customer Water Main Deposits	3,486,223	3,399,264
Water Supply Forum Fund	620,005	468,523
Special Bond Reserves	21,687,915	22,113,092
Water Customer Contribution Fund	495,779	621,932
Water Capital Reserves	37,918,467	37,899,687
Water System Development Charge	75,073,239	71,747,723
Total Restricted Assets	156,268,343	166,604,606
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	71,004,240	64,623,025
Customers' Deposits	285,816	309,931
Receivables:		
Customers	7,662,912	6,488,697
Accrued Unbilled Revenues	5,818,438	5,930,220
Others	558,112	1,048,165
BABs Interest Subsidies	2,712,541	1,059,277
Provision for Uncollectible Accounts	(813,811)	(458,927)
Materials and Supplies	3,002,877	2,584,902
Prepayments	1,918,618	1,868,484
Total Current Assets	92,149,743	83,453,774
TOTAL ASSETS	1,124,330,694	1,120,234,831
OTHER ASSETS		
Regulatory Assets - Surcharges	3,032,518	1,741,449
Net Pension Asset	-	3,438,481
Total Other Assets	3,032,518	5,179,930
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	864,109	1,051,354
Deferred Outflows for Pensions	12,149,265	4,409,587
Deferred Outflows for OPEB	471,177	295,709
Total Deferred Outflows	13,484,551	5,756,650
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,140,847,763	\$1,131,171,411

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

	August 31,	
	2020	2019
NET POSITION		
Net Investment in Capital Assets	\$454,840,984	\$443,364,761
Restricted for:		
Water Capital Reserves	33,767,086	33,269,300
Water System Development Charge	39,497,792	36,172,276
Debt Service Funds	5,932,436	8,495,516
Pension Asset	-	3,438,481
Unrestricted	<u>75,249,226</u>	<u>65,661,105</u>
TOTAL NET POSITION	609,287,524	590,401,439
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>8,247,328</u>	<u>9,583,511</u>
Net Outstanding Revenue Bonds	358,264,844	367,923,511
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	427,336,076	443,922,759
CURRENT LIABILITIES		
Salaries and Wages Payable	1,077,466	939,689
Purchases and Contracts Payable	1,792,486	1,343,779
Interest Expense Accrued	5,172,435	5,457,632
Taxes Accrued	2,159,854	2,066,415
Customers' and Contractors' Deposits	331,767	363,439
Current Portion of Long-Term Debt	15,095,421	14,710,633
Other Current Liabilities	1,914,480	1,876,940
Current Accrued Compensated Absences	<u>237,357</u>	<u>244,160</u>
Total Current Liabilities	27,781,266	27,002,687
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,244,496	6,412,903
Customer Advances for Construction	8,688,058	7,301,079
Unearned Revenue	7,110,373	7,445,773
Other Long-Term Liabilities	1,138,102	1,224,726
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	39,148,089	28,362,817
TOTAL LIABILITIES	494,265,431	499,288,263
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>\$1,140,847,763</u>	<u>\$1,131,171,411</u>

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

	August 2020	August 2019
OPERATING REVENUES		
Sales of Water	\$10,470,210	\$9,543,389
Other Operating Revenues	572,436	518,985
Contract Resource Obligation Revenue	445,993	413,186
Total Operating Revenues	11,488,639	10,475,560
OPERATING EXPENSES		
Production Expense:		
Source of Supply	282,021	639,035
Water Treatment	742,400	752,133
Total Production Expense	1,024,421	1,391,168
Power Pumping Expense	59,812	84,669
Transmission and Storage Expense	144,821	252,806
Distribution Expense	1,380,080	1,206,709
Customer Accounting and Consumer Service	399,793	403,486
Taxes	526,789	479,518
Depreciation	2,143,403	2,103,843
Administrative and General	1,019,614	1,060,928
Total Operating Expenses	6,698,733	6,983,127
OPERATING INCOME (LOSS)	4,789,906	3,492,433
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	296,963	431,507
Miscellaneous	22,512	17,221
Interest on Long-Term Debt	(1,241,676)	(1,297,733)
Interest on Long-Term Debt BABs Sub	(247,703)	(260,530)
Amortization Of Debt Premium	92,464	102,307
Interest Charged to Construction	-	-
Total Non-Operating Revenues (Expenses)	(1,077,440)	(1,007,228)
Net Income (Loss) Before Capital Contributions and Transfers	3,712,466	2,485,205
Capital Contributions:		
Cash	836,030	847,258
Donated Fixed Assets	-	-
Federal BABs Subsidies	303,100	320,064
Transfers:		
City Gross Earnings Tax	(866,562)	(809,419)
CHANGE IN NET POSITION	\$3,985,034	\$2,843,108
NET POSITION - JANUARY 1		
TOTAL NET POSITION - AUGUST 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	
August 31, 2020	August 31, 2019	(UNDER) 2019	PERCENT CHANGE
\$59,745,585	\$58,890,856	\$854,729	1.5%
4,745,578	4,945,409	(199,831)	-4.0%
3,173,768	3,251,226	(77,458)	-2.4%
<u>67,664,931</u>	<u>67,087,491</u>	<u>577,440</u>	0.9%
2,923,393	4,572,263	(1,648,870)	-36.1%
<u>6,022,825</u>	<u>4,724,870</u>	<u>1,297,955</u>	27.5%
8,946,218	9,297,133	(350,915)	-3.8%
470,060	503,402	(33,342)	-6.6%
1,163,455	1,501,666	(338,211)	-22.5%
10,649,855	9,696,245	953,610	9.8%
3,569,742	3,416,679	153,063	4.5%
3,426,754	3,298,237	128,517	3.9%
17,149,607	16,839,186	310,421	1.8%
8,366,583	8,352,144	14,439	0.2%
<u>53,742,274</u>	<u>52,904,692</u>	<u>837,582</u>	1.6%
13,922,657	14,182,799	(260,142)	-1.8%
1,296,872	4,402,832	(3,105,960)	-70.5%
306,115	61,897	244,218	394.6%
(10,579,748)	(10,439,784)	(139,964)	-1.3%
(1,981,626)	(2,500,978)	519,352	20.8%
739,710	818,454	(78,744)	-9.6%
-	(32,311)	32,311	100.0%
<u>(10,218,677)</u>	<u>(7,689,890)</u>	<u>(2,528,787)</u>	-32.9%
3,703,980	6,492,909	(2,788,929)	-43.0%
4,331,882	4,334,453	(2,571)	-0.1%
1,138,094	601,158	536,936	89.3%
2,411,361	2,560,512	(149,151)	-5.8%
<u>(5,114,355)</u>	<u>(5,325,950)</u>	<u>211,595</u>	4.0%
6,470,962	8,663,082	(2,192,120)	-25.3%
602,816,562	581,738,357	21,078,205	
<u>\$609,287,524</u>	<u>\$590,401,439</u>	<u>\$18,886,085</u>	3.2%

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

	<u>August 2020</u>	<u>August 2019</u>
SALES OF WATER		
Residential and Domestic	\$7,745,377	\$6,387,247
Commercial and Industrial	1,939,846	2,194,012
Special Rate	479,211	599,118
Wholesale	<u>305,776</u>	<u>363,012</u>
Total	<u><u>\$10,470,210</u></u>	<u><u>\$9,543,389</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	108,037	94,103
Commercial and Industrial	6,386	5,922
Wholesale	<u>19</u>	<u>15</u>
Total	<u><u>114,442</u></u>	<u><u>100,040</u></u>

YEAR TO DATE		2020 OVER (UNDER) 2019	PERCENT CHANGE
August 2020	August 2019		
\$41,801,594	\$39,597,490	\$2,204,104	5.6%
11,901,858	13,012,391	(1,110,533)	-8.5%
4,629,564	4,512,840	116,724	2.6%
<u>1,412,569</u>	<u>1,768,135</u>	<u>(355,566)</u>	-20.1%
<u>\$59,745,585</u>	<u>\$58,890,856</u>	<u>\$854,729</u>	1.5%
800,080	775,688	24,392	3.1%
53,633	52,939	694	1.3%
<u>164</u>	<u>127</u>	<u>37</u>	29.1%
<u>853,877</u>	<u>828,754</u>	<u>25,123</u>	3.0%

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

	MILLION GALLONS, TOTAL			
	August 2020	August 2019	YEAR TO DATE	
			August 31, 2020	August 31, 2019
WATER BILLED				
Residential and Domestic	1,197.72	1,019.38	5,470.30	5,460.79
Commercial and Industrial	320.30	389.84	1,737.08	2,180.91
Special Rate	514.81	509.25	3,816.10	3,795.80
Wholesale	92.02	99.36	442.89	565.78
	2,124.85	2,017.83	11,466.37	12,003.28

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

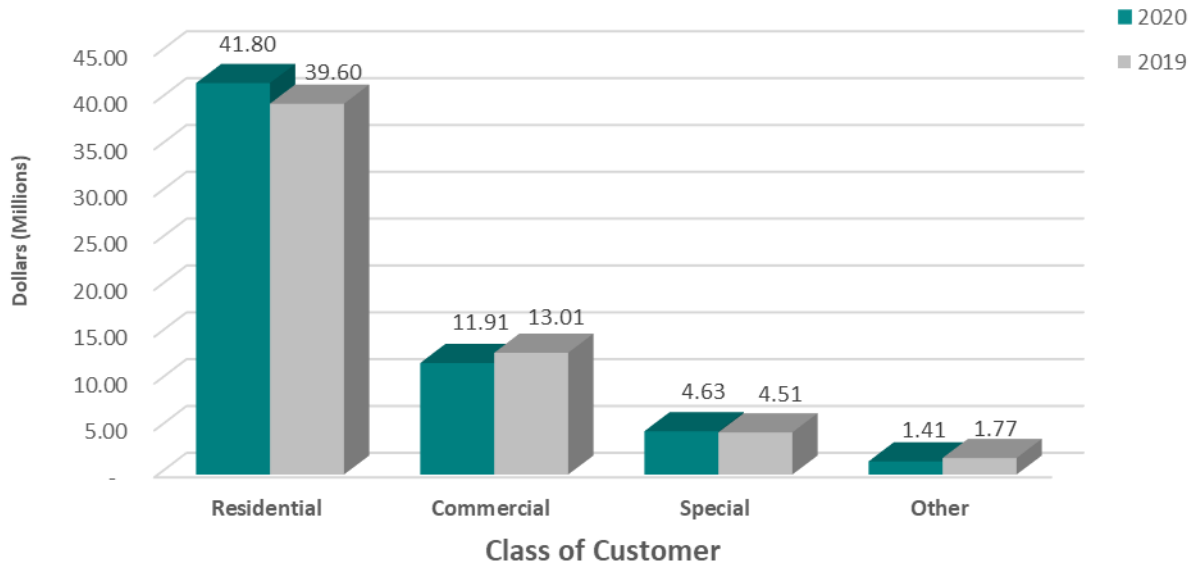
MILLION GALLONS, AVERAGE DAILY

<u>August 2020</u>	<u>August 2019</u>
38.64	32.88
10.33	12.58
16.61	16.43
<u>2.97</u>	<u>3.21</u>
<u><u>68.55</u></u>	<u><u>65.10</u></u>

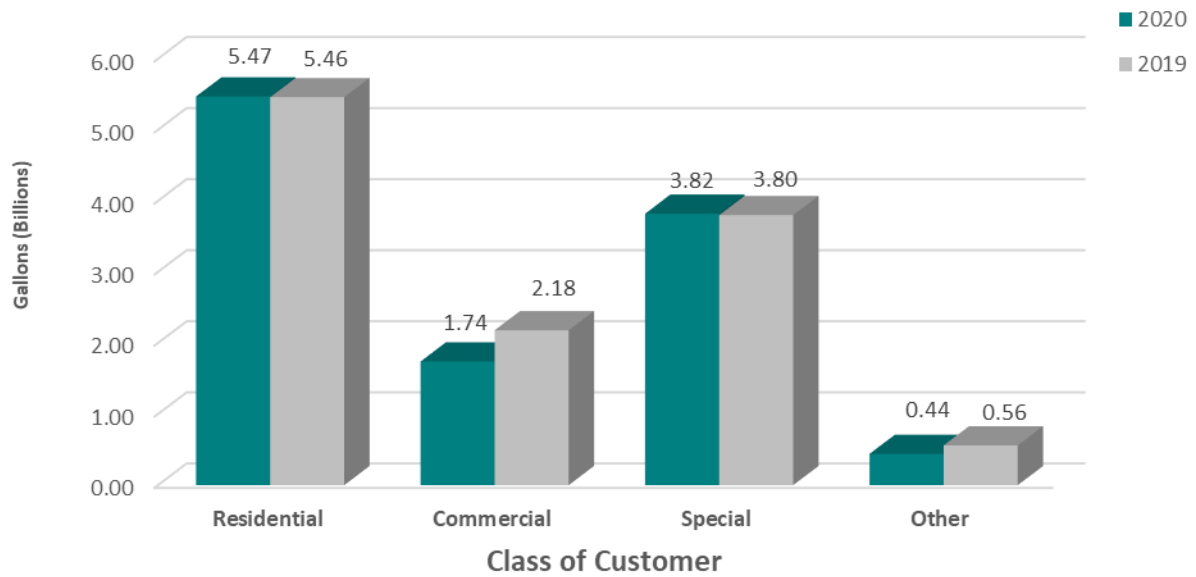
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Supplemental Data

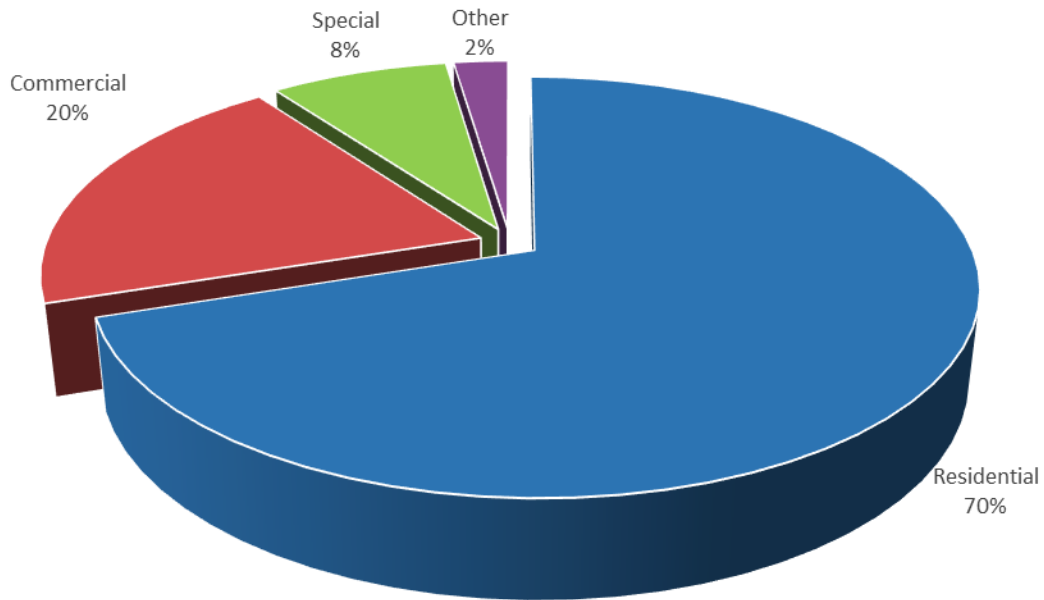
WATER SALES Year to Date - August 2020 & 2019



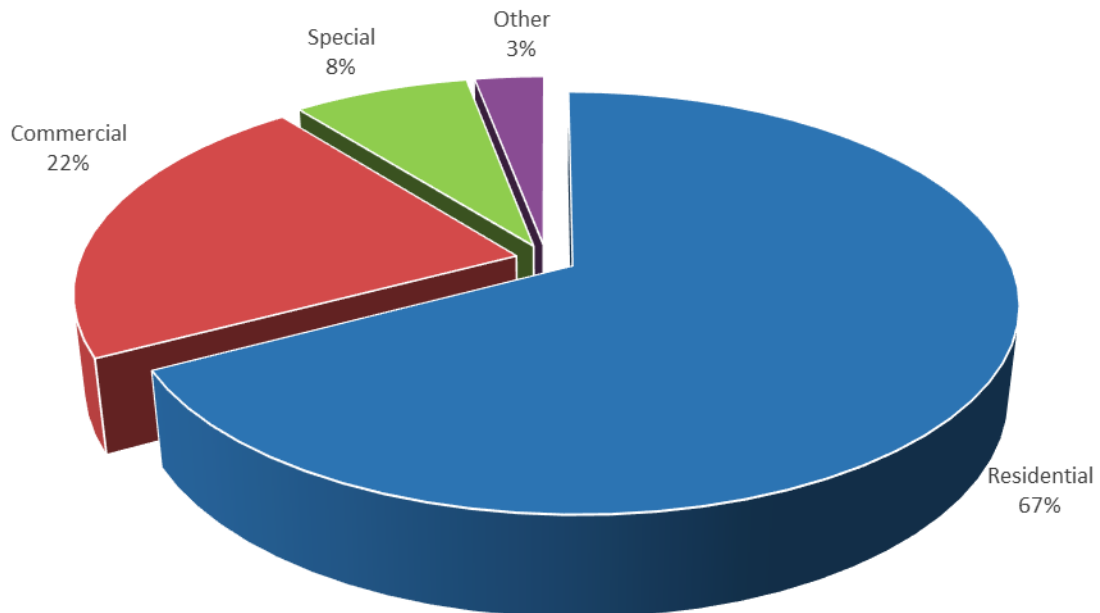
WATER CONSUMPTION Year to Date - August 2020 & 2019



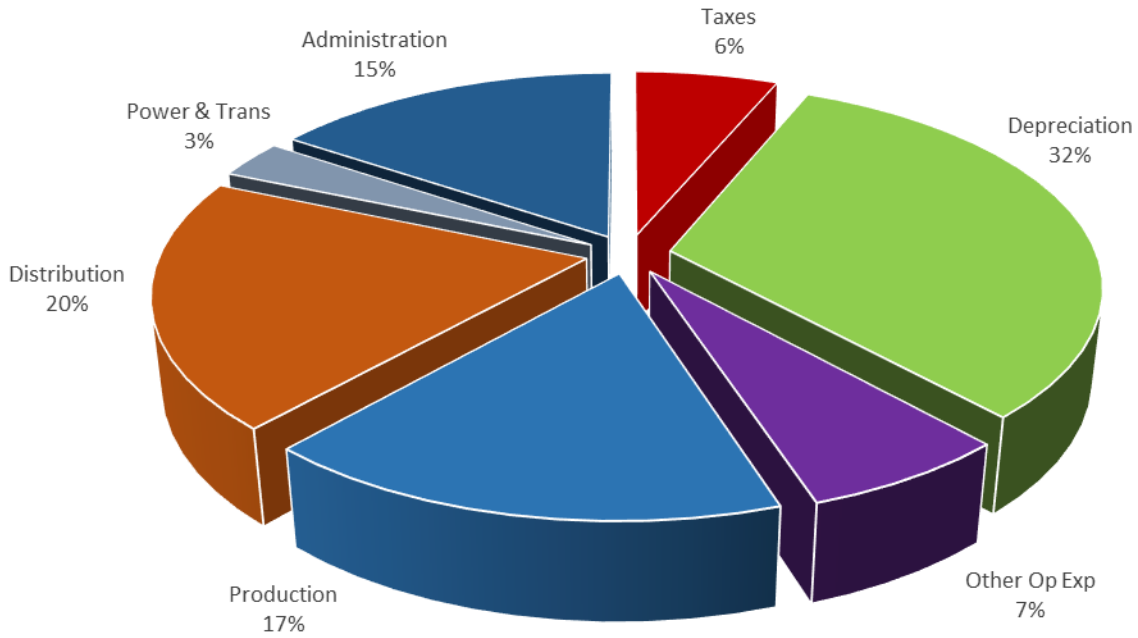
WATER SALES
Year to Date - August 2020
(\$59,745,585)



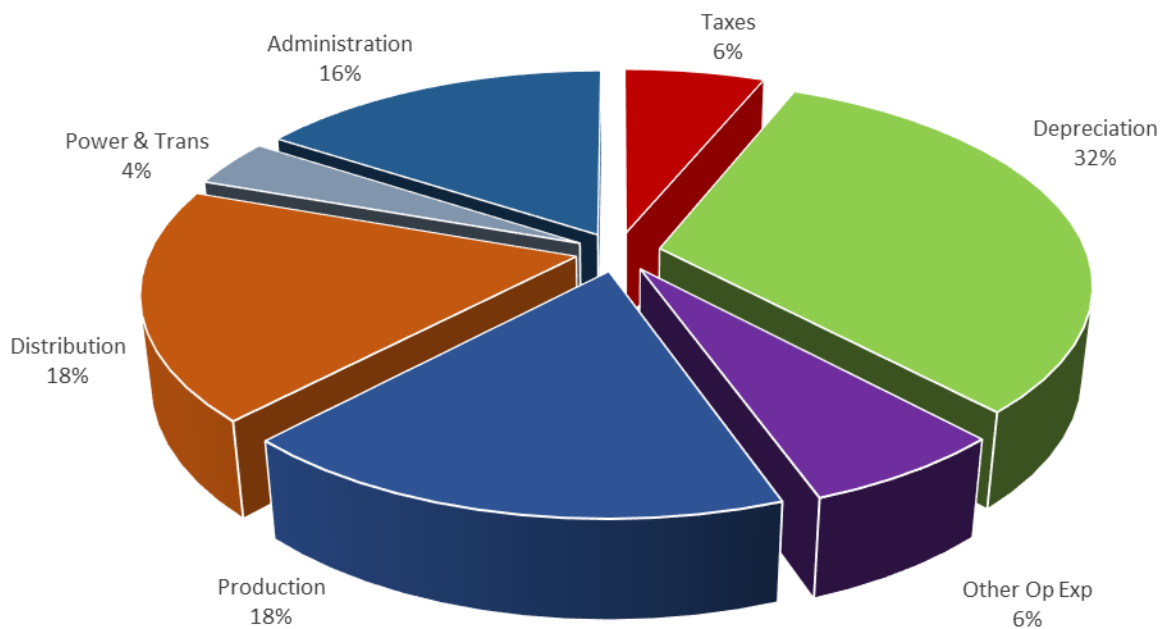
WATER SALES
Year to Date - August 2019
(\$58,890,856)



TOTAL OPERATING EXPENSES
Year to Date - August 2020
(\$53,742,274)



TOTAL OPERATING EXPENSES
Year to Date - August 2019
(\$52,904,692)



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