
AUGUST

TACOMA WATER

2021

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

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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, 2021 and August 31, 2020

	AUGUST 31,	
	2021	2020
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,188,098,857	\$1,147,842,453
Less Depreciation and Amortization	(332,315,976)	(298,395,657)
Total	855,782,881	849,446,796
Construction Work in Progress	41,922,063	25,972,849
Net Utility Plant	897,704,944	875,419,645
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	287	5,052,345
Regional Water Supply System Operating Fund	476,855	829,499
Provision for Debt Payment	13,359,631	11,104,871
Customer Water Main Deposits	3,582,454	3,486,223
Water Supply Forum Fund	625,092	620,005
Special Bond Reserves	21,691,207	21,687,915
Water Customer Contribution Fund	2,463,641	495,779
Water Capital Reserves	38,318,125	37,918,467
Water System Development Charge	77,825,187	75,073,239
Total Restricted Assets	158,342,479	156,268,343
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	63,243,713	71,004,240
Grant Loan Fund	502,049	-
Customers' Deposits	120,440	285,816
Receivables:		
Customers	11,649,335	7,662,912
Accrued Unbilled Revenues	5,922,259	5,818,438
Others	725,469	558,112
BABs Interest Subsidies	1,578,326	2,712,541
Provision for Uncollectible Accounts	(3,021,080)	(813,811)
Materials and Supplies	3,169,259	3,002,877
Prepayments	2,046,658	1,918,618
Total Current Assets	85,936,428	92,149,743
TOTAL ASSETS	1,142,476,814	1,124,330,694
OTHER ASSETS		
Regulatory Assets - Surcharges	3,573,471	3,032,518
Net Pension Asset	1,636,678	-
Total Other Assets	5,210,149	3,032,518
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	676,864	864,109
Deferred Outflows for Pensions	4,855,703	12,149,265
Deferred Outflows for OPEB	597,712	471,177
Total Deferred Outflows	6,130,279	13,484,551
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,153,817,242	\$1,140,847,763

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

	AUGUST 31,	
	<u>2021</u>	<u>2020</u>
NET POSITION		
Net Investment in Capital Assets	\$488,200,255	\$454,840,983
Restricted for:		
Water Capital Reserves	34,645,749	33,767,086
Water System Development Charge	42,249,740	39,497,792
Debt Service Funds	8,310,129	5,932,436
Pension Asset	1,636,678	-
Unrestricted	<u>65,169,245</u>	<u>75,249,227</u>
TOTAL NET POSITION	640,211,796	609,287,524
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	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>7,032,766</u>	<u>8,247,328</u>
Net Outstanding Revenue Bonds	348,685,524	358,264,844
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	411,468,883	427,336,076
CURRENT LIABILITIES		
Salaries and Wages Payable	1,331,847	1,077,466
Purchases and Contracts Payable	2,021,318	1,792,486
Interest Expense Accrued	5,049,502	5,172,435
Taxes Accrued	2,409,524	2,159,854
Customers' and Contractors' Deposits	176,780	331,767
Current Portion of Long-Term Debt	14,816,929	15,095,421
Other Current Liabilities	1,952,761	1,914,480
Current Accrued Compensated Absences	<u>300,025</u>	<u>237,357</u>
Total Current Liabilities	28,058,686	27,781,266
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,080,198	6,244,496
Customer Advances for Construction	11,484,556	8,688,058
Unearned Revenue	6,883,204	7,110,373
Other Long-Term Liabilities	1,089,431	1,138,102
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	31,913,574	39,148,089
TOTAL LIABILITIES	471,441,143	494,265,431
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>\$1,153,817,242</u>	<u>\$1,140,847,763</u>

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

			YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
	AUGUST 2021	AUGUST 2020	AUGUST 31, 2021	AUGUST 31, 2020		
OPERATING REVENUES						
Sales of Water	\$12,605,985	\$10,470,210	\$64,740,281	\$59,745,585	\$4,994,696	8.4%
Other Operating Revenues	1,053,481	572,436	4,835,277	4,745,578	89,699	1.9%
Contract Resource Obligation Revenue	446,030	445,993	3,386,894	3,173,768	213,126	6.7%
Total Operating Revenues	<u>14,105,496</u>	<u>11,488,639</u>	<u>72,962,452</u>	<u>67,664,931</u>	<u>5,297,521</u>	7.8%
OPERATING EXPENSES						
Production Expense:						
Source of Supply	342,488	282,021	2,174,731	2,923,393	(748,662)	-25.6%
Water Treatment	729,787	742,400	6,321,279	6,022,825	298,454	5.0%
Total Production Expense	<u>1,072,275</u>	<u>1,024,421</u>	<u>8,496,010</u>	<u>8,946,218</u>	<u>(450,208)</u>	-5.0%
Power Pumping Expense	52,282	59,812	426,180	470,060	(43,880)	-9.3%
Transmission and Storage Expense	427,181	144,821	2,426,235	1,163,455	1,262,780	108.5%
Distribution Expense	1,355,065	1,380,080	10,689,639	10,649,855	39,784	0.4%
Customer Accounting and Consumer Service	439,870	399,793	3,622,367	3,569,742	52,625	1.5%
Taxes	638,695	526,789	3,694,286	3,426,754	267,532	7.8%
Depreciation	2,297,805	2,143,403	18,534,260	17,149,607	1,384,653	8.1%
Administrative and General	1,368,271	1,019,614	11,285,538	8,366,583	2,918,955	34.9%
Total Operating Expenses	<u>7,651,444</u>	<u>6,698,733</u>	<u>59,174,515</u>	<u>53,742,274</u>	<u>5,432,241</u>	10.1%
OPERATING INCOME (LOSS)	6,454,052	4,789,906	13,787,937	13,922,657	(134,720)	-1.0%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	148,090	296,963	(1,903,974)	1,296,872	(3,200,846)	-246.8%
Miscellaneous	77,553	22,512	2,219,754	306,114	1,913,640	625.1%
Interest on Long-Term Debt	(1,261,187)	(1,241,676)	(10,099,729)	(10,579,748)	480,019	4.5%
Interest on Long-Term Debt BABs Sub	(247,703)	(247,703)	(1,981,625)	(1,981,625)	-	0.0%
Amortization Of Debt Premium	82,181	92,464	657,446	739,710	(82,264)	-11.1%
Total Non-Operating Revenues (Expenses)	<u>(1,201,066)</u>	<u>(1,077,440)</u>	<u>(11,108,128)</u>	<u>(10,218,677)</u>	<u>(889,451)</u>	-8.7%
Net Income (Loss) Before Capital						
Contributions and Transfers	5,252,986	3,712,466	2,679,809	3,703,980	(1,024,171)	-27.7%
Capital Contributions:						
Cash	466,102	836,030	4,273,635	4,331,882	(58,247)	-1.3%
Donated Fixed Assets	-	-	255,186	1,138,094	(882,908)	-77.6%
Federal BABs Subsidies	301,820	303,100	2,414,562	2,411,361	3,201	0.1%
Transfers:						
City Gross Earnings Tax	(1,022,473)	(866,562)	(5,476,954)	(5,114,355)	(362,599)	-7.1%
Transfer from (to) Other Funds	-	-	120	-	120	NA
CHANGE IN NET POSITION	<u>\$4,998,435</u>	<u>\$3,985,034</u>	<u>4,146,358</u>	<u>6,470,962</u>	<u>(2,324,604)</u>	<u>-35.9%</u>
NET POSITION - JANUARY 1			636,065,438	602,816,562	33,248,876	
TOTAL NET POSITION - AUGUST 31			<u>\$640,211,796</u>	<u>\$609,287,524</u>	<u>\$30,924,272</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)
 August 31, 2021 and August 31, 2020

	AUGUST 2021	AUGUST 2020	YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
			AUGUST 31, 2021	AUGUST 31, 2020		
SALES OF WATER						
Residential and Domestic	\$8,913,206	\$7,745,377	\$44,578,343	\$41,801,594	\$2,776,749	6.6%
Commercial and Industrial	2,603,538	1,939,846	13,549,124	11,901,858	1,647,266	13.8%
Special Rate	694,730	479,211	4,847,618	4,629,564	218,054	4.7%
Wholesale	<u>394,511</u>	<u>305,776</u>	<u>1,765,196</u>	<u>1,412,569</u>	<u>352,627</u>	25.0%
Total	<u>\$12,605,985</u>	<u>\$10,470,210</u>	<u>\$64,740,281</u>	<u>\$59,745,585</u>	<u>\$4,994,696</u>	8.4%
BILLINGS (NUMBER OF MONTHS BILLED)						
Residential and Domestic	116,607	108,037	811,867	800,080	11,787	1.5%
Commercial and Industrial	7,733	6,386	55,996	53,633	2,363	4.4%
Wholesale	<u>24</u>	<u>19</u>	<u>178</u>	<u>164</u>	<u>14</u>	8.5%
Total	<u>124,364</u>	<u>114,442</u>	<u>868,041</u>	<u>853,877</u>	<u>14,164</u>	1.7%

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Water Billed (Unaudited)

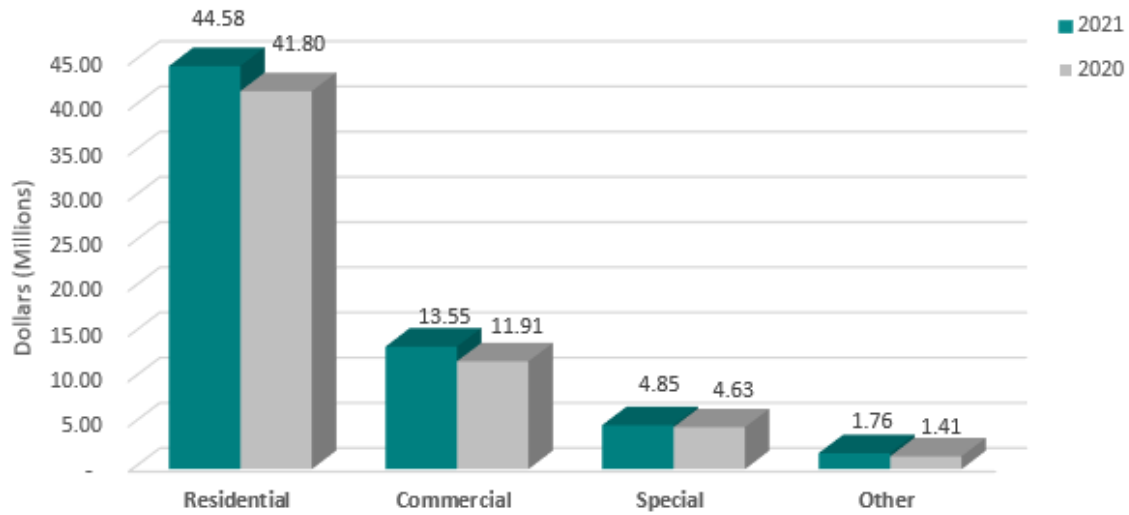
	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	AUGUST 2021	AUGUST 2020	YEAR TO DATE		AUGUST 2021	AUGUST 2020
			AUGUST 31, 2021	AUGUST 31, 2020		
WATER BILLED						
Residential and Domestic	1,408.22	1,197.72	6,135.98	5,470.30	45.43	38.64
Commercial and Industrial	494.41	320.30	2,275.03	1,737.08	15.95	10.33
Special Rate	535.67	514.81	3,935.25	3,816.10	17.28	16.61
Wholesale	<u>135.98</u>	<u>92.02</u>	<u>611.10</u>	<u>442.89</u>	<u>4.39</u>	<u>2.97</u>
	<u><u>2,574.28</u></u>	<u><u>2,124.85</u></u>	<u><u>12,957.36</u></u>	<u><u>11,466.37</u></u>	<u><u>83.05</u></u>	<u><u>68.55</u></u>

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

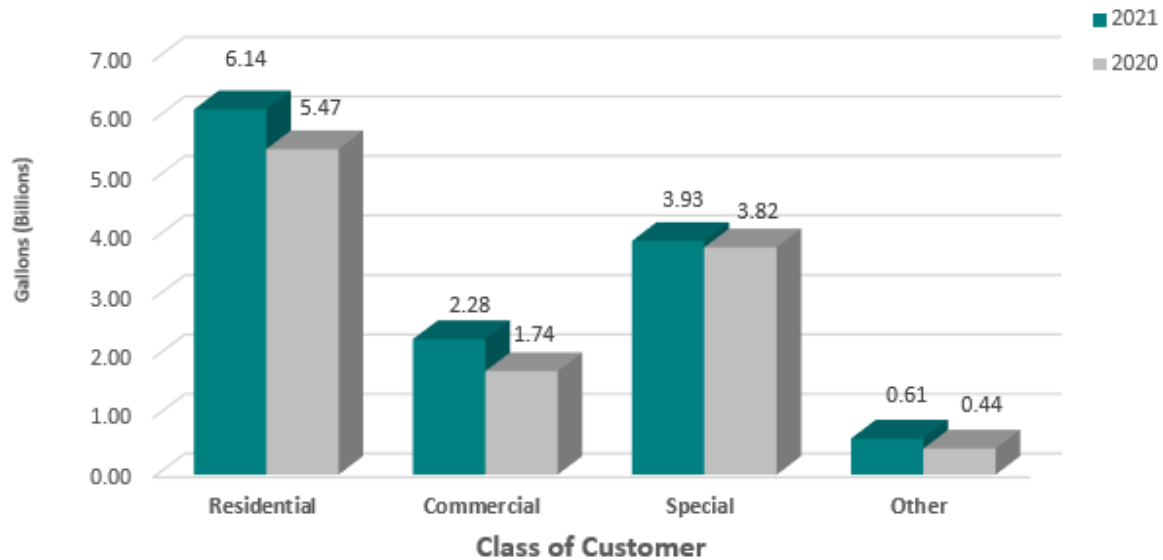
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Supplemental Data

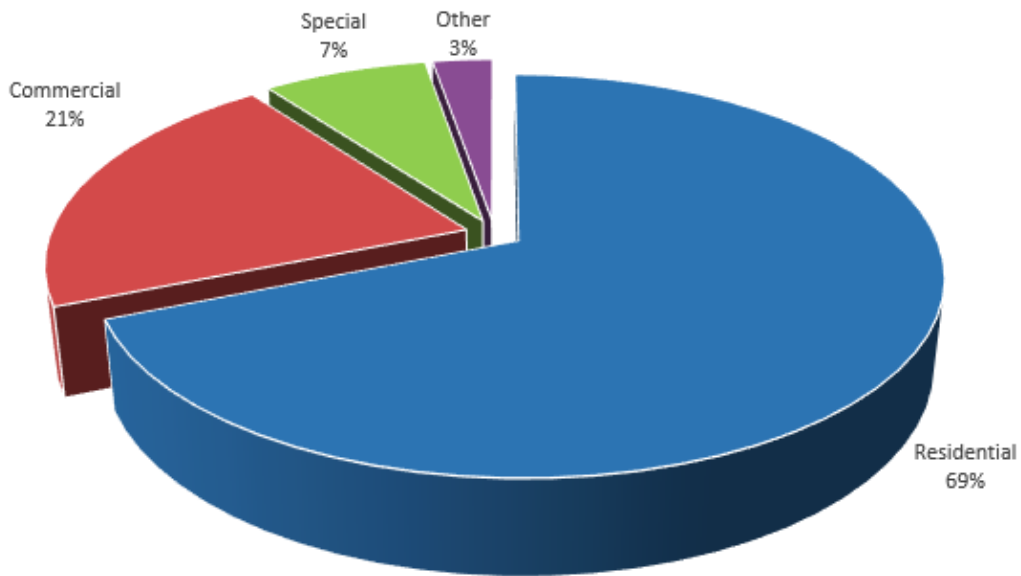
WATER SALES Year to Date - August 2021 & 2020



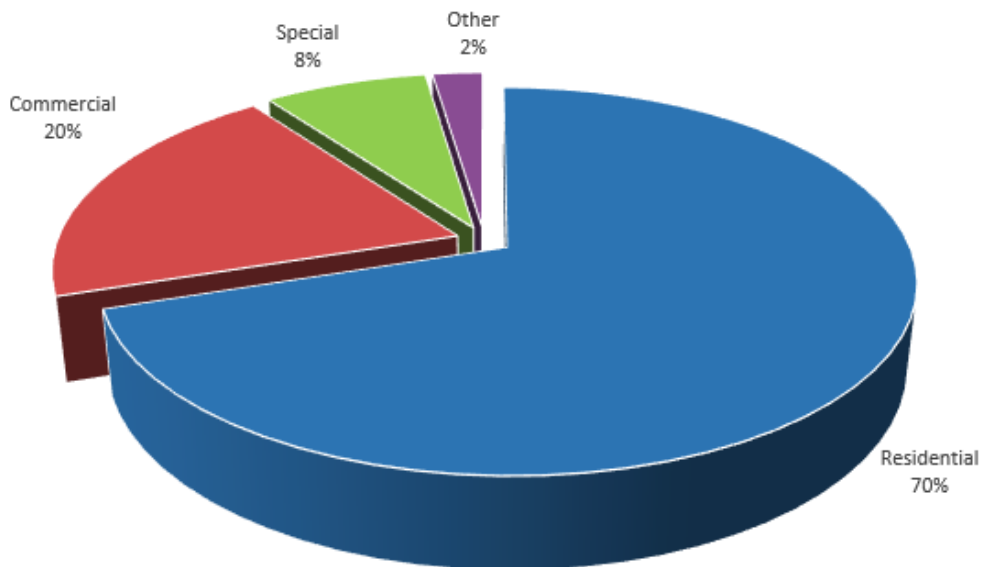
WATER CONSUMPTION Year to Date - August 2021 & 2020



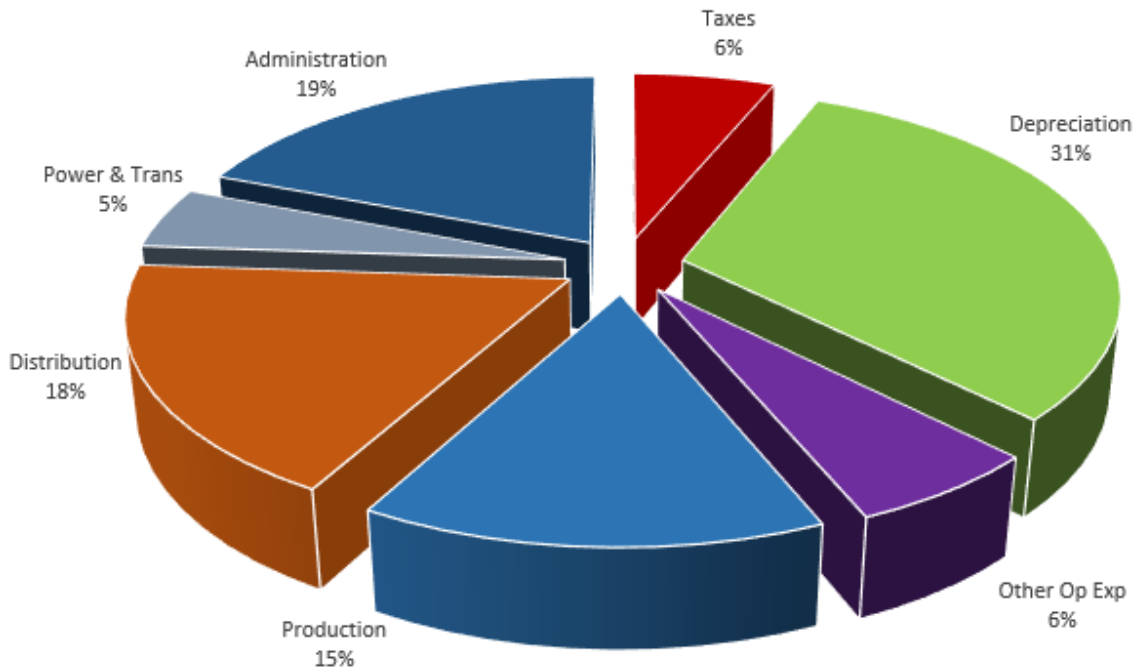
WATER SALES
Year to Date - August 2021
(\$64,740,281)



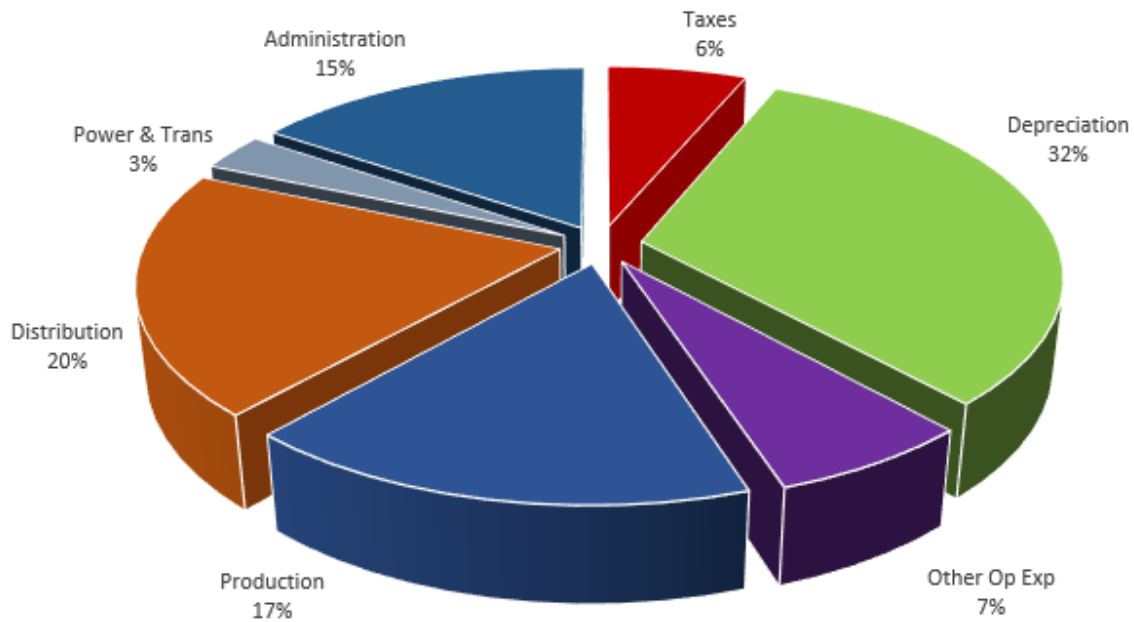
WATER SALES
Year to Date - August 2020
(\$59,745,585)



TOTAL OPERATING EXPENSES
Year to Date - August 2021
(\$59,174,515)



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



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