
MAY

TACOMA WATER

2021

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

CHRISTINE COOLEY

Chair

CARLOS M. WATSON

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Member

WILLIAM BRIDGES

Member

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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

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)
 May 31, 2022 and May 31, 2021

	MAY 31,	
	2022	2021
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,226,054,037	\$1,186,697,776
Less Depreciation and Amortization	(344,837,392)	(325,430,640)
Total	881,216,645	861,267,136
Construction Work in Progress	34,273,686	34,650,718
Net Utility Plant	915,490,331	895,917,854
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	-	287
Regional Water Supply System Operating Fund	887,583	957,340
Provision for Debt Payment	16,022,416	16,776,649
Customer Water Main Deposits	3,626,559	3,582,454
Water Supply Forum Fund	627,869	623,839
Special Bond Reserves	21,693,087	21,690,558
Water Customer Contribution Fund	1,640,612	2,330,512
Water Capital Reserves	24,426,476	41,043,034
Water System Development Charge	80,571,651	76,994,705
Total Restricted Assets	149,496,253	163,999,378
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	59,942,049	59,879,508
Grant Loan Fund	499,945	501,043
Customers' Deposits	138,086	129,823
Receivables:		
Customers	8,928,763	8,228,437
Accrued Unbilled Revenues	6,407,783	5,922,259
Others	667,042	571,366
BABs Interest Subsidies	1,810,921	1,810,922
Provision for Uncollectible Accounts	(4,021,338)	(2,499,317)
Materials and Supplies	3,960,355	3,162,125
Prepayments	2,401,021	2,019,674
Total Current Assets	80,734,627	79,725,840
TOTAL ASSETS	1,146,214,174	1,140,136,035
OTHER ASSETS		
Regulatory Assets - Surcharges	3,373,181	3,601,404
Net Pension Asset	-	1,636,678
Total Other Assets	3,373,181	5,238,082
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	536,430	723,675
Deferred Outflows for Pensions	8,570,873	4,855,703
Deferred Outflows for OPEB	1,484,797	597,712
Total Deferred Outflows	10,592,100	6,177,090
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,160,179,455	\$1,151,551,207

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

	MAY 31,	
	2022	2021
NET POSITION		
Net Investment in Capital Assets	\$519,433,103	\$483,469,202
Restricted for:		
Water Capital Reserves	21,233,106	37,370,658
Water System Development Charge	44,996,204	41,419,258
Debt Service Funds	6,978,297	7,553,138
Pension Asset	-	1,636,678
Unrestricted	<u>59,577,977</u>	<u>61,020,170</u>
TOTAL NET POSITION	652,218,687	632,469,104
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	5,805,000	7,560,000
2010 RWSS Revenue Bonds, Series A	700,000	1,030,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	52,045,000	54,030,000
2020 Water Revenue Bonds Refunding	<u>4,119,343</u>	<u>8,667,758</u>
Total Outstanding Revenue Bonds	333,034,343	341,652,758
Plus: Unamortized Bond Premium	<u>6,206,767</u>	<u>7,326,119</u>
Net Outstanding Revenue Bonds	339,241,110	348,978,877
PWTF Pre-Construction Loans	106,725	160,088
PWTF Construction Loans	9,757,572	11,760,836
State Drinking Water Loans	<u>48,848,868</u>	<u>52,919,062</u>
Total Long-Term Debt	397,954,275	413,818,863
CURRENT LIABILITIES		
Salaries and Wages Payable	793,773	651,186
Purchases and Contracts Payable	2,958,562	1,218,010
Interest Expense Accrued	9,044,119	9,223,511
Taxes Accrued	1,755,485	1,598,889
Customers' and Contractors' Deposits	197,434	181,135
Current Portion of Long-Term Debt	14,905,527	15,457,074
Other Current Liabilities	3,485,688	3,417,336
Current Accrued Compensated Absences	<u>326,953</u>	<u>300,025</u>
Total Current Liabilities	33,467,541	32,047,166
LONG-TERM LIABILITIES		
Muckleshoot Agreements	5,919,906	6,080,198
Customer Advances for Construction	11,944,703	10,411,567
Unearned Revenue	5,996,036	7,105,644
Other Long-Term Liabilities	1,380,489	1,078,178
Pension Liability	6,337,863	-
OPEB Liability	4,780,773	3,675,962
Long-Term Accrued Compensated Absences	<u>2,942,578</u>	<u>2,700,222</u>
Total Long-Term Liabilities	39,302,348	31,051,771
TOTAL LIABILITIES	470,724,164	476,917,800
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	1,356,280	6,237,055
Deferred Inflows for OPEB	<u>304,877</u>	<u>351,801</u>
Total Deferred Inflows	37,236,604	42,164,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$1,160,179,455</u>	<u>\$1,151,551,207</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)
May 31, 2022 and May 31, 2021

	YEAR TO DATE				2022 OVER (UNDER) 2021	PERCENT CHANGE
	MAY 2022	MAY 2021	MAY 31 2022	MAY 31 2021		
OPERATING REVENUES						
Sales of Water	\$6,688,766	\$6,357,510	\$35,917,934	\$33,889,581	\$2,028,353	6.0%
Other Operating Revenues	671,877	561,435	3,350,557	3,047,164	303,393	10.0%
Contract Resource Obligation Revenue	442,513	419,067	2,366,164	2,111,604	254,560	12.1%
Total Operating Revenues	<u>7,803,156</u>	<u>7,338,012</u>	<u>41,634,655</u>	<u>39,048,349</u>	<u>2,586,306</u>	6.6%
OPERATING EXPENSES						
Production Expense:						
Source of Supply	304,397	233,042	1,372,813	1,306,830	65,983	5.0%
Water Treatment	892,640	665,439	4,321,636	3,699,664	621,972	16.8%
Total Production Expense	<u>1,197,037</u>	<u>898,481</u>	<u>5,694,449</u>	<u>5,006,494</u>	<u>687,955</u>	13.7%
Power Pumping Expense	52,991	46,786	225,811	238,268	(12,457)	-5.2%
Transmission and Storage Expense	330,650	314,778	1,596,607	1,383,052	213,555	15.4%
Distribution Expense	1,431,964	1,342,864	6,915,735	6,756,657	159,078	2.4%
Customer Accounting and Consumer Service	496,046	420,543	2,350,045	2,303,171	46,874	2.0%
Taxes	382,326	322,244	2,221,019	1,937,629	283,390	14.6%
Depreciation	2,364,821	2,302,353	11,811,031	11,636,235	174,796	1.5%
Administrative and General	1,453,496	1,341,583	7,165,352	7,228,561	(63,209)	-0.9%
Total Operating Expenses	<u>7,709,331</u>	<u>6,989,632</u>	<u>37,980,049</u>	<u>36,490,067</u>	<u>1,489,982</u>	4.1%
OPERATING INCOME (LOSS)	93,825	348,380	3,654,606	2,558,282	1,096,324	42.9%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	186,368	155,359	555,618	(2,353,607)	2,909,225	123.6%
Miscellaneous	97,142	30,126	241,560	2,089,598	(1,848,038)	-88.4%
Interest on Long-Term Debt	(1,234,874)	(1,262,130)	(6,174,382)	(6,313,620)	139,238	2.2%
Interest on Long-Term Debt BABs Sub	(247,704)	(247,704)	(1,238,516)	(1,238,516)	-	0.0%
Amortization Of Debt Premium	71,368	82,181	356,839	410,904	(54,065)	-13.2%
Total Non-Operating Revenues (Expenses)	<u>(1,127,700)</u>	<u>(1,242,168)</u>	<u>(6,258,881)</u>	<u>(7,405,241)</u>	<u>1,146,360</u>	15.5%
Net Income (Loss) Before Capital Contributions and Transfers	(1,033,875)	(893,788)	(2,604,275)	(4,846,959)	2,242,684	46.3%
Capital Contributions:						
Cash	451,889	437,164	3,100,700	2,423,761	676,939	27.9%
Donated Fixed Assets	-	-	380,656	278,368	102,288	36.7%
Federal BABs Subsidies	301,820	301,820	1,509,101	1,509,101	-	0.0%
Capital Grant	-	-	266,306	-	266,306	NA
Transfers:						
City Gross Earnings Tax	(582,171)	(504,613)	(3,028,912)	(2,960,725)	(68,187)	-2.3%
Transfer from (to) Other Funds	-	-	-	120	(120)	NA
CHANGE IN NET POSITION	<u>(\$862,337)</u>	<u>(\$659,417)</u>	<u>(376,424)</u>	<u>(3,596,334)</u>	<u>3,219,910</u>	89.5%
NET POSITION - JANUARY 1			652,595,111	636,065,438	16,529,673	
TOTAL NET POSITION - MAY 31			<u>\$652,218,687</u>	<u>\$632,469,104</u>	<u>\$19,749,583</u>	3.1%

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, 2022 and May 31, 2021

	MAY 2022	MAY 2021	YEAR TO DATE		2022 OVER (UNDER) 2021	PERCENT CHANGE
			MAY 31 2022	MAY 31 2021		
SALES OF WATER						
Residential and Domestic	\$4,393,038	\$4,086,230	\$24,468,629	\$23,040,416	\$1,428,213	6.2%
Commercial and Industrial	1,542,470	1,491,616	7,535,278	7,066,202	469,076	6.6%
Special Rate	596,168	592,189	3,040,302	2,934,413	105,889	3.6%
Wholesale	<u>157,090</u>	<u>187,475</u>	<u>873,725</u>	<u>848,550</u>	<u>25,175</u>	3.0%
Total	<u>\$6,688,766</u>	<u>\$6,357,510</u>	<u>\$35,917,934</u>	<u>\$33,889,581</u>	<u>\$2,028,353</u>	6.0%
BILLINGS (NUMBER OF MONTHS BILLED)						
Residential and Domestic	93,788	78,883	508,679	491,307	17,372	3.5%
Commercial and Industrial	7,131	6,217	34,015	34,480	(465)	-1.3%
Wholesale	<u>20</u>	<u>21</u>	<u>96</u>	<u>111</u>	<u>(15)</u>	-13.5%
Total	<u>100,939</u>	<u>85,121</u>	<u>542,790</u>	<u>525,898</u>	<u>16,892</u>	3.2%

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

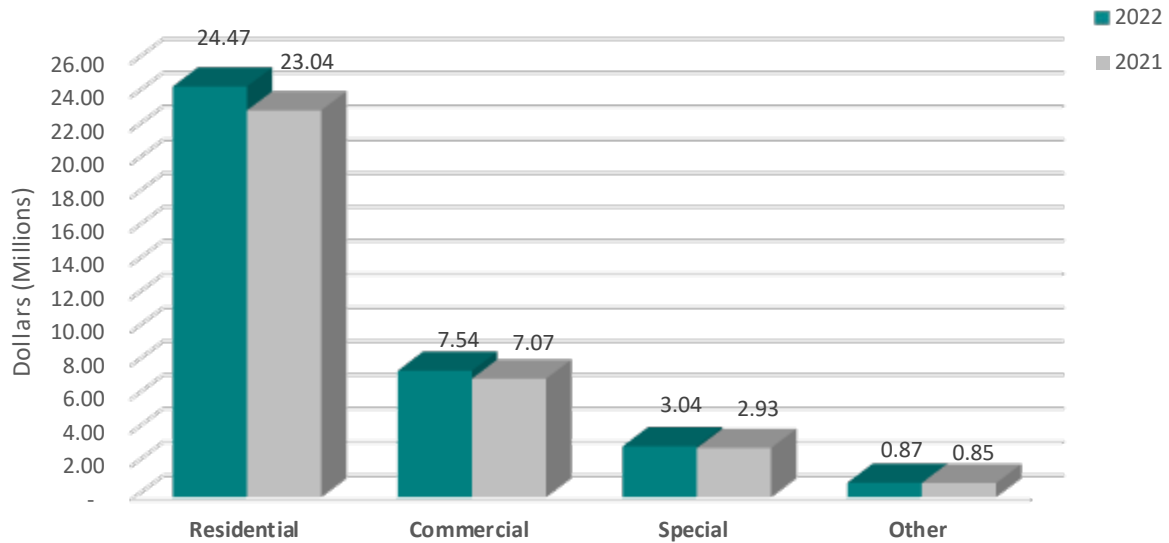
	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	MAY 2022	MAY 2021	YEAR TO DATE		MAY 2022	MAY 2021
			MAY 31, 2022	MAY 31, 2021		
WATER BILLED						
Residential and Domestic	522.77	532.53	2,806.53	2,804.90	16.86	17.18
Commercial and Industrial	215.93	246.61	1,068.81	1,056.29	6.97	7.96
Special Rate	502.75	496.22	2,413.08	2,382.91	16.22	16.01
Wholesale	46.81	66.43	277.46	285.48	1.51	2.14
	<u>1,288.26</u>	<u>1,341.79</u>	<u>6,565.88</u>	<u>6,529.58</u>	<u>41.56</u>	<u>43.29</u>

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

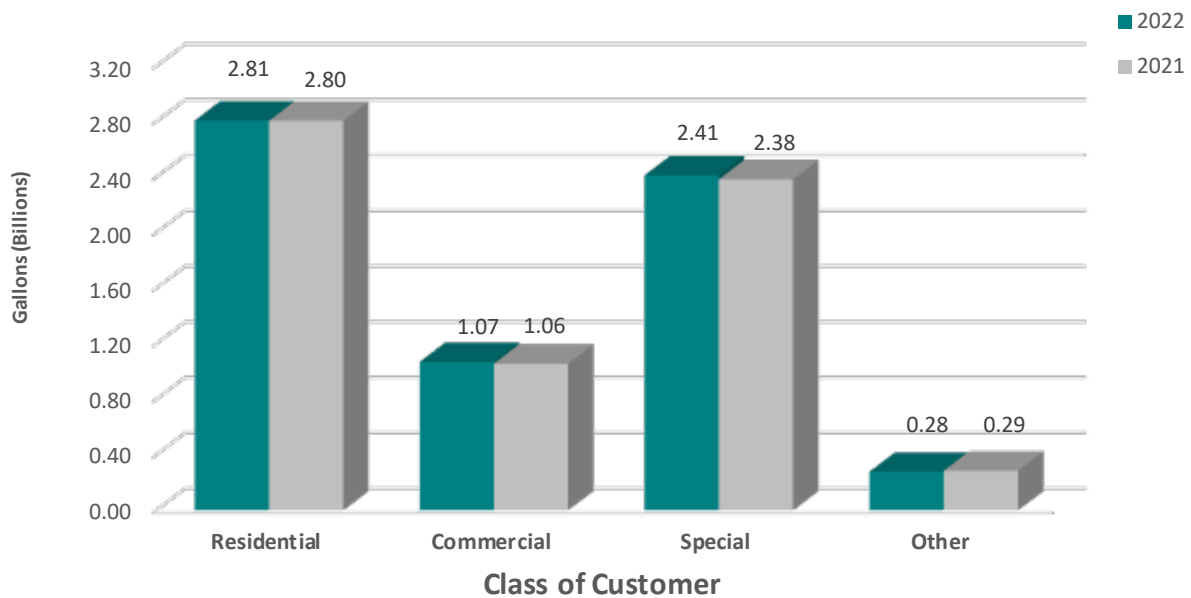
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Supplemental Data

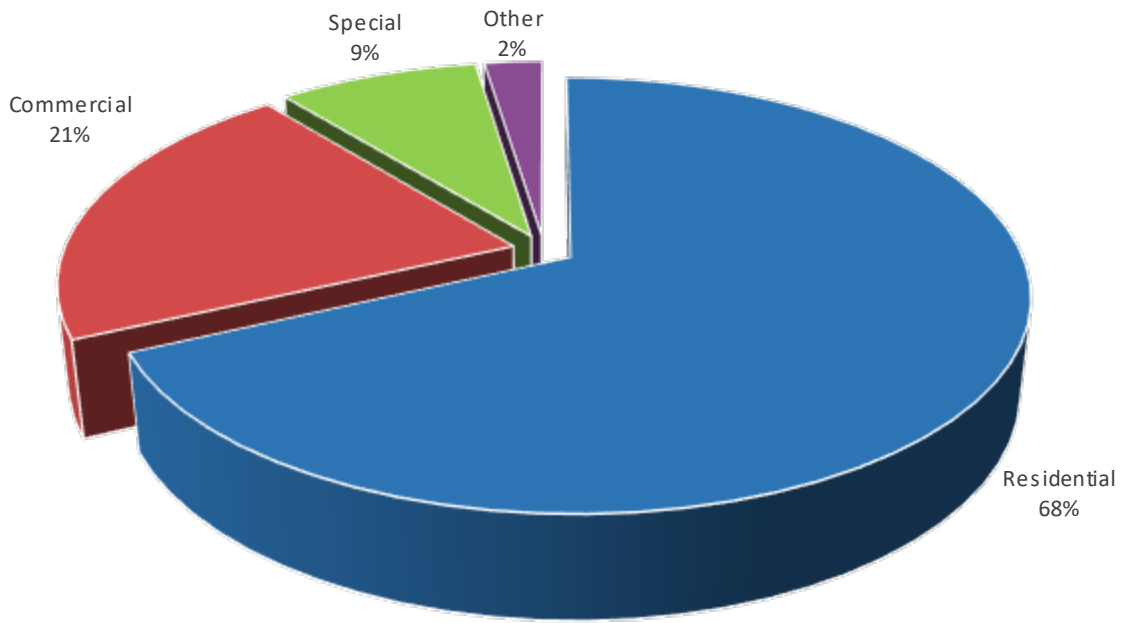
WATER SALES Year to Date - May 2022 & 2021



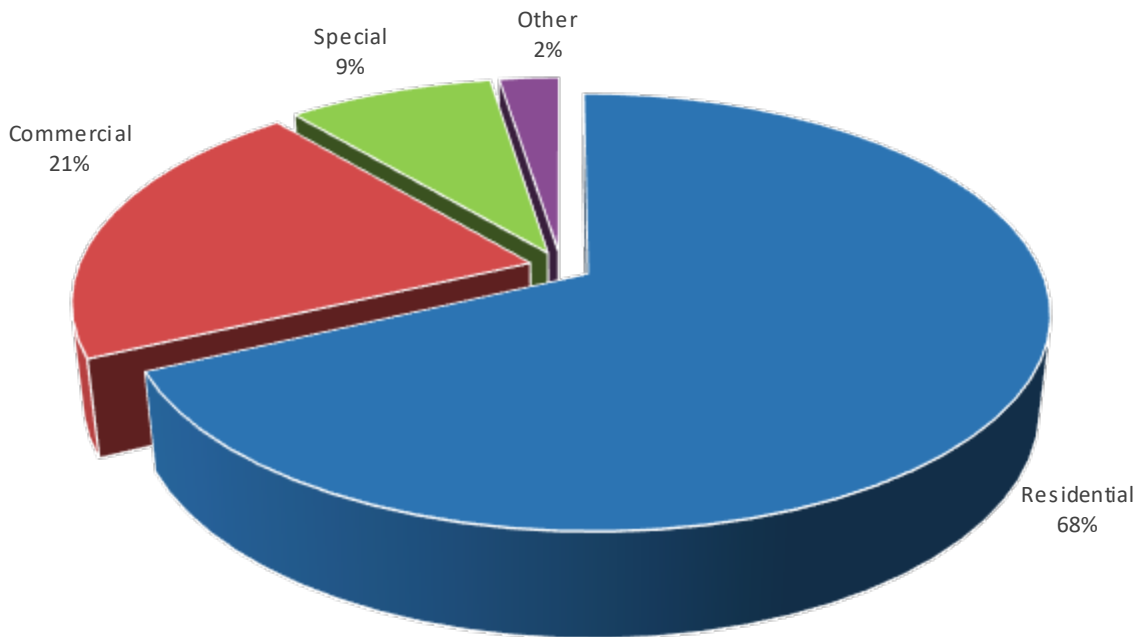
WATER CONSUMPTION Year to Date - May 2022 & 2021



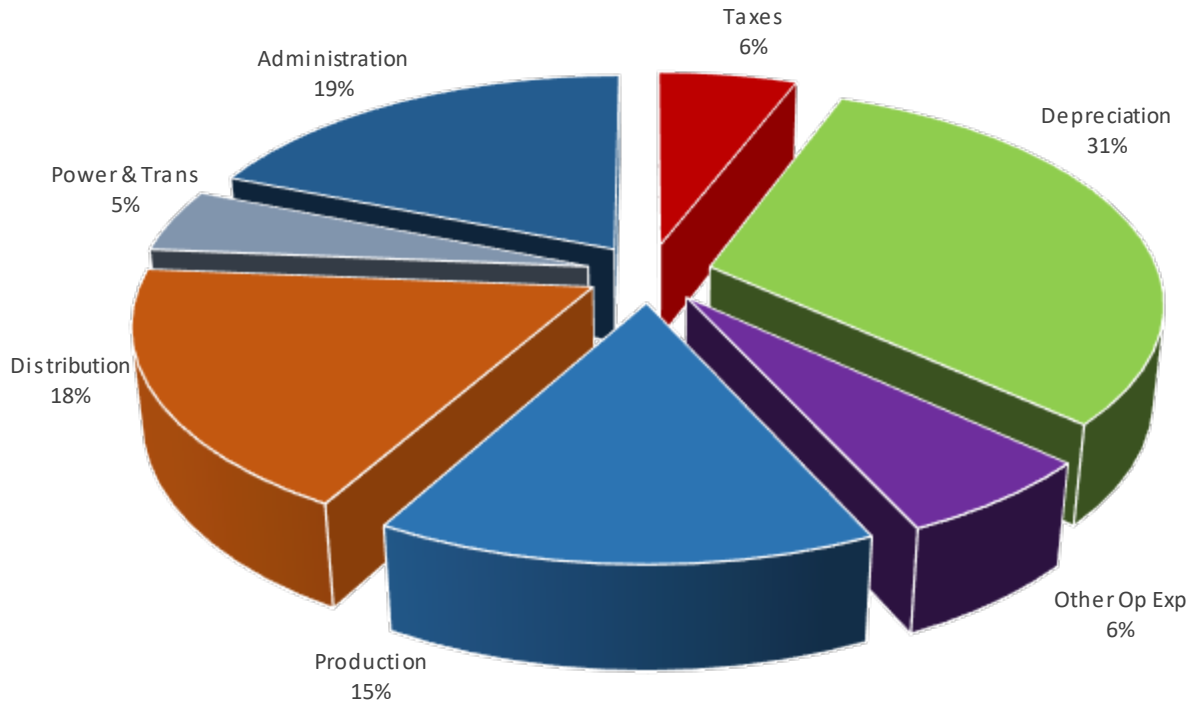
WATER SALES
Year to Date - May 2022
(\$35,917,934)



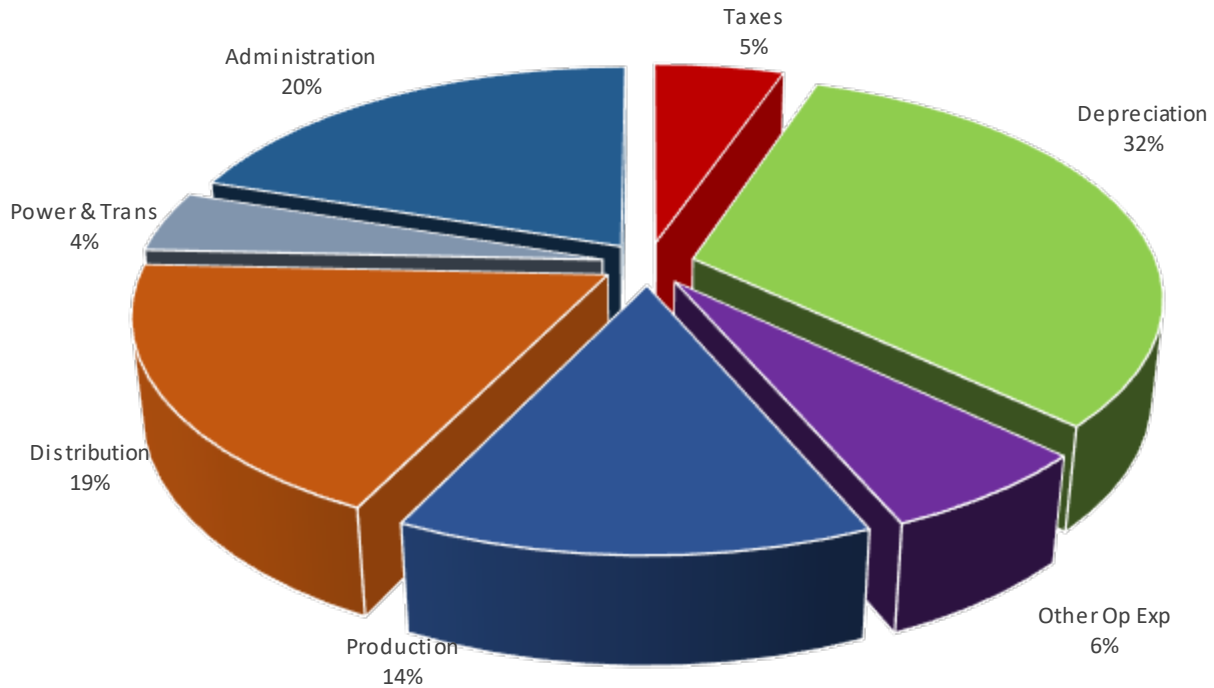
WATER SALES
Year to Date - May 2021
(\$33,889,581)



TOTAL OPERATING EXPENSES
Year to Date - May 2022
(\$37,980,049)



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



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