
OCTOBER

TACOMA WATER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

CHRISTINE COOLEY

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CARLOS M. WATSON

Member

JOE BUSHNELL

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)
 October 31, 2020 and October 31, 2019

	October 31,	
	2020	2019
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,150,567,699	\$1,127,894,423
Less Depreciation and Amortization	<u>(302,504,556)</u>	<u>(279,186,944)</u>
Total	848,063,143	848,707,479
Construction Work in Progress	<u>31,177,002</u>	<u>21,500,389</u>
Net Utility Plant	<u>879,240,145</u>	<u>870,207,868</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	-	28,823
2013 Construction Fund	2,144,719	12,977,854
Regional Water Supply System Operating Fund	820,858	1,438,820
Provision for Debt Payment	11,369,253	13,571,719
Customer Water Main Deposits	3,526,638	3,420,239
Water Supply Forum Fund	621,349	470,167
Special Bond Reserves	21,688,610	22,114,197
Water Customer Contribution Fund	2,269,997	643,647
Water Capital Reserves	36,356,706	37,792,236
Water System Development Charge	<u>75,468,930</u>	<u>72,453,724</u>
Total Restricted Assets	154,267,060	164,911,426
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	70,044,067	70,155,367
Customers' Deposits	257,791	308,826
Receivables:		
Customers	8,042,857	6,021,741
Accrued Unbilled Revenues	5,818,438	5,930,220
Others	666,244	1,075,524
BABs Interest Subsidies	3,316,182	1,505,766
Provision for Uncollectible Accounts	(1,154,666)	(322,224)
Materials and Supplies	2,994,514	2,634,371
Prepayments	<u>1,767,351</u>	<u>1,708,426</u>
Total Current Assets	<u>91,752,778</u>	<u>89,018,017</u>
TOTAL ASSETS	<u>1,125,752,946</u>	<u>1,124,630,274</u>
OTHER ASSETS		
Regulatory Assets - Surcharges	3,529,246	2,056,267
Net Pension Asset	-	<u>3,438,481</u>
Total Other Assets	<u>3,529,246</u>	5,494,748
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	832,901	1,020,146
Deferred Outflows for Pensions	12,149,265	4,409,587
Deferred Outflows for OPEB	<u>471,178</u>	<u>295,709</u>
Total Deferred Outflows	<u>13,453,344</u>	5,725,442
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$1,142,735,536</u>	<u>\$1,135,850,464</u>

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

	October 31,	
	2020	2019
NET POSITION		
Net Investment in Capital Assets	\$460,170,727	\$446,233,799
Restricted for:		
Water Capital Reserves	32,205,325	33,161,849
Water System Development Charge	39,893,483	36,878,278
Debt Service Funds	3,972,586	5,790,924
Pension Asset	-	3,438,481
Unrestricted	<u>78,693,046</u>	<u>71,730,429</u>
TOTAL NET POSITION	614,935,167	597,233,760
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>8,031,192</u>	<u>9,347,691</u>
Net Outstanding Revenue Bonds	358,048,708	367,687,691
PWTF Pre-Construction Loans	160,088	320,261
PWTF Construction Loans	11,760,836	14,297,433
State Drinking Water Loans	<u>52,919,062</u>	<u>57,150,308</u>
Total Long-Term Debt	422,888,694	439,455,693
CURRENT LIABILITIES		
Salaries and Wages Payable	501,810	1,325,226
Purchases and Contracts Payable	1,699,060	1,337,503
Interest Expense Accrued	7,396,667	7,780,795
Taxes Accrued	2,048,576	2,215,901
Customers' and Contractors' Deposits	310,354	345,776
Current Portion of Long-Term Debt	15,095,421	14,710,633
Other Current Liabilities	957,242	938,472
Current Accrued Compensated Absences	<u>237,357</u>	<u>244,160</u>
Total Current Liabilities	28,246,487	28,898,466
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,244,496	6,412,903
Customer Advances for Construction	8,788,839	7,672,227
Unearned Revenue	7,227,363	7,546,873
Other Long-Term Liabilities	1,142,622	1,170,497
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>39,370,380</u>	<u>28,780,836</u>
TOTAL LIABILITIES	<u>490,505,561</u>	<u>497,134,995</u>
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>\$1,142,735,536</u>	<u>\$1,135,850,464</u>

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

	October 2020	October 2019
OPERATING REVENUES		
Sales of Water	\$9,865,912	\$10,759,059
Other Operating Revenues	561,501	592,035
Contract Resource Obligation Revenue	409,022	434,652
Total Operating Revenues	10,836,435	11,785,746
OPERATING EXPENSES		
Production Expense:		
Source of Supply	449,024	591,258
Water Treatment	908,511	576,927
Total Production Expense	1,357,535	1,168,185
Power Pumping Expense	82,703	84,113
Transmission and Storage Expense	134,709	155,817
Distribution Expense	1,553,647	1,166,798
Customer Accounting and Consumer Service	452,778	450,641
Taxes	478,191	541,461
Depreciation	2,141,033	2,104,674
Administrative and General	1,197,581	981,843
Total Operating Expenses	7,398,177	6,653,532
OPERATING INCOME (LOSS)	3,438,258	5,132,214
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	243,100	419,734
Miscellaneous	(12,406)	409,136
Interest on Long-Term Debt	(1,290,142)	(1,427,691)
Interest on Long-Term Debt BABs Sub	(247,703)	(185,959)
Amortization Of Debt Premium	92,464	102,307
Interest Charged to Construction	-	(27)
Total Non-Operating Revenues (Expenses)	(1,214,687)	(682,500)
Net Income (Loss) Before Capital Contributions and Transfers	2,223,571	4,449,714
Capital Contributions:		
Cash	670,933	373,218
Donated Fixed Assets	-	-
Federal BABs Subsidies	301,820	126,425
Transfers:		
City Gross Earnings Tax	(788,160)	(911,085)
CHANGE IN NET POSITION	\$2,408,164	\$4,038,272
NET POSITION - JANUARY 1		
TOTAL NET POSITION - OCTOBER 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) 2019	PERCENT CHANGE
October 31, 2020	October 31, 2019		
\$79,370,906	\$77,508,621	\$1,862,285	2.4%
5,868,894	6,179,068	(310,174)	-5.0%
3,997,283	4,078,892	(81,609)	-2.0%
<u>89,237,083</u>	<u>87,766,581</u>	<u>1,470,502</u>	<u>1.7%</u>
3,750,940	5,728,859	(1,977,919)	-34.5%
7,636,076	5,855,591	1,780,485	30.4%
<u>11,387,016</u>	<u>11,584,450</u>	<u>(197,434)</u>	<u>-1.7%</u>
593,970	658,138	(64,168)	-9.7%
1,453,790	1,820,378	(366,588)	-20.1%
13,493,791	12,023,933	1,469,858	12.2%
4,467,937	4,280,832	187,105	4.4%
4,549,920	4,394,666	155,254	3.5%
21,438,362	21,056,342	382,020	1.8%
10,615,221	9,945,335	669,886	6.7%
<u>68,000,007</u>	<u>65,764,074</u>	<u>2,235,933</u>	<u>3.4%</u>
21,237,076	22,002,507	(765,431)	-3.5%
1,800,409	5,233,847	(3,433,438)	-65.6%
489,387	1,096,194	(606,807)	-55.4%
(13,159,333)	(13,166,030)	6,697	0.1%
(2,477,032)	(3,007,001)	529,969	17.6%
924,638	1,023,068	(98,430)	-9.6%
-	(32,338)	32,338	100.0%
<u>(12,421,931)</u>	<u>(8,852,260)</u>	<u>(3,569,671)</u>	<u>-40.3%</u>
8,815,145	13,150,247	(4,335,102)	-33.0%
5,828,749	5,662,410	166,339	2.9%
1,169,848	601,158	568,690	94.6%
3,015,002	3,007,001	8,001	0.3%
<u>(6,710,139)</u>	<u>(6,925,413)</u>	<u>215,274</u>	<u>3.1%</u>
12,118,605	15,495,403	(3,376,798)	-21.8%
602,816,562	581,738,357	21,078,205	
<u>\$614,935,167</u>	<u>\$597,233,760</u>	<u>\$17,701,407</u>	<u>3.0%</u>

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

	<u>October 2020</u>	<u>October 2019</u>
SALES OF WATER		
Residential and Domestic	\$7,072,272	\$7,877,124
Commercial and Industrial	1,946,150	2,034,058
Special Rate	641,579	617,270
Wholesale	<u>205,911</u>	<u>230,607</u>
Total	<u><u>\$9,865,912</u></u>	<u><u>\$10,759,059</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	109,855	136,739
Commercial and Industrial	7,077	8,099
Wholesale	<u>23</u>	<u>16</u>
Total	<u><u>116,955</u></u>	<u><u>144,854</u></u>

YEAR TO DATE		2020 OVER (UNDER) 2019	PERCENT CHANGE
October 31, 2020	October 31, 2019		
\$55,286,607	\$52,453,854	\$2,832,753	5.4%
16,223,909	17,000,730	(776,821)	-4.6%
5,901,913	5,732,805	169,108	2.9%
<u>1,958,477</u>	<u>2,321,232</u>	<u>(362,755)</u>	-15.6%
<u><u>\$79,370,906</u></u>	<u><u>\$77,508,621</u></u>	<u><u>\$1,862,285</u></u>	2.4%
997,945	986,667	11,278	1.1%
67,192	66,987	205	0.3%
<u>216</u>	<u>160</u>	<u>56</u>	35.0%
<u><u>1,065,353</u></u>	<u><u>1,053,814</u></u>	<u><u>11,539</u></u>	1.1%

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

	MILLION GALLONS, TOTAL			
	October 2020	October 2019	YEAR TO DATE	
			October 31, 2020	October 31, 2019
WATER BILLED				
Residential and Domestic	1,044.20	1,107.80	7,519.67	7,361.84
Commercial and Industrial	317.58	352.66	2,519.89	2,909.12
Special Rate	512.72	488.65	4,835.62	4,788.61
Wholesale	65.10	70.21	611.77	723.31
	1,939.60	2,019.32	15,486.95	15,782.88

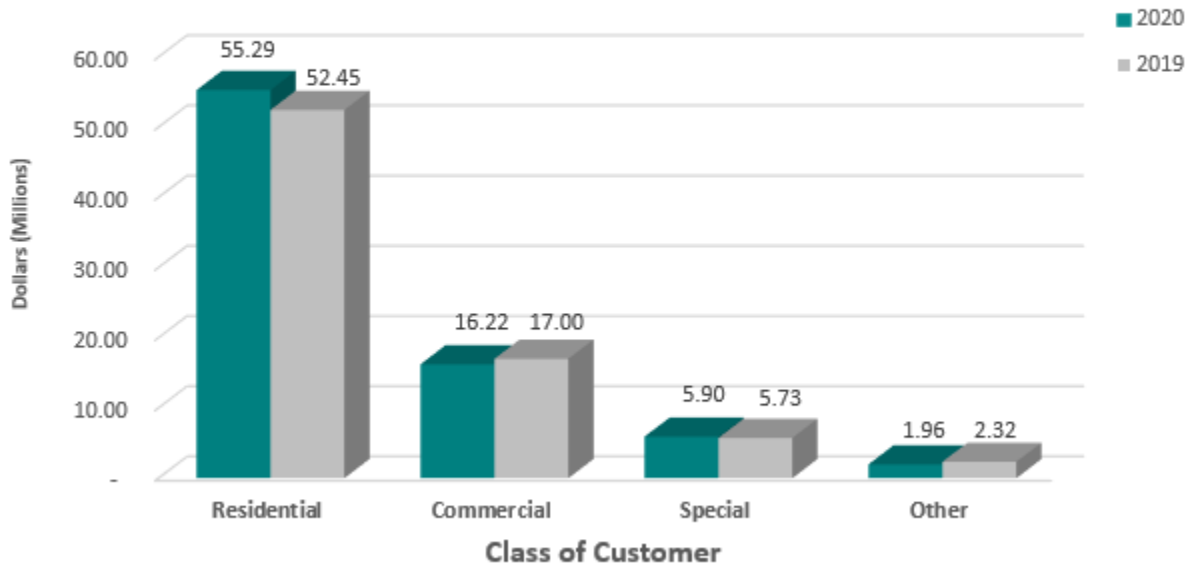
NOTE: For conversion purposes, there are approximately 748 gallons in every 100 cubic feet of water.

MILLION GALLONS, AVERAGE DAILY

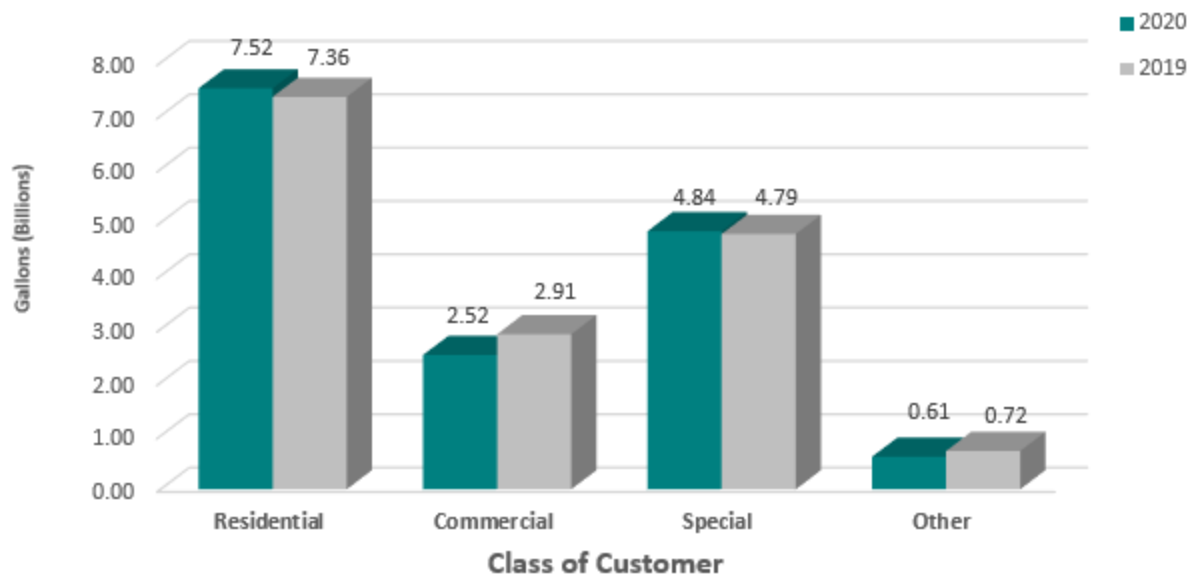
<u>October 2020</u>	<u>October 2019</u>
33.68	35.74
10.24	11.38
16.54	15.76
<u>2.10</u>	<u>2.26</u>
<u><u>62.56</u></u>	<u><u>65.14</u></u>

Supplemental Data

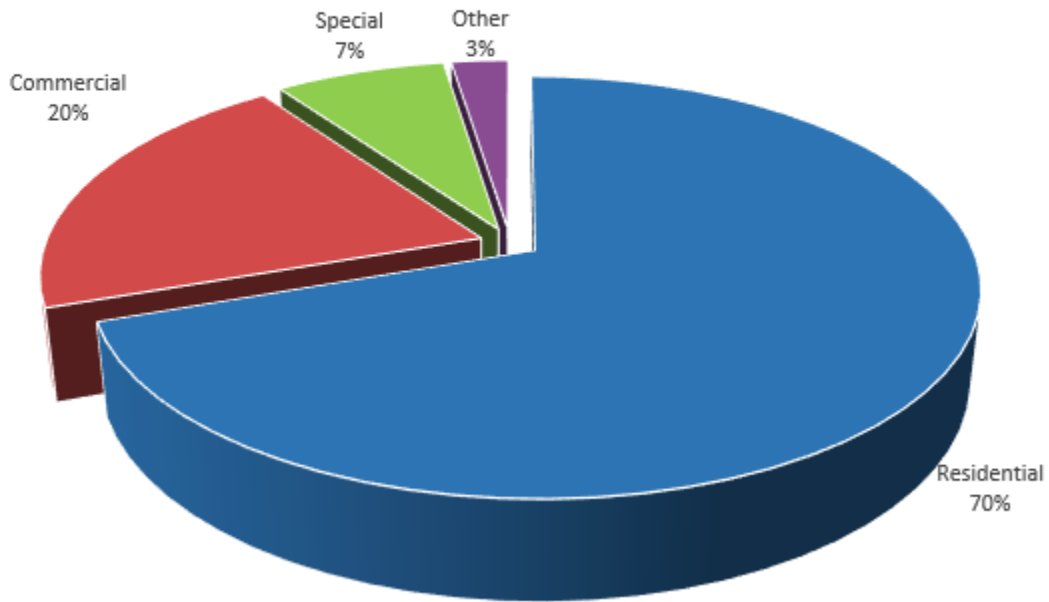
WATER SALES Year to Date - October 2020 & 2019



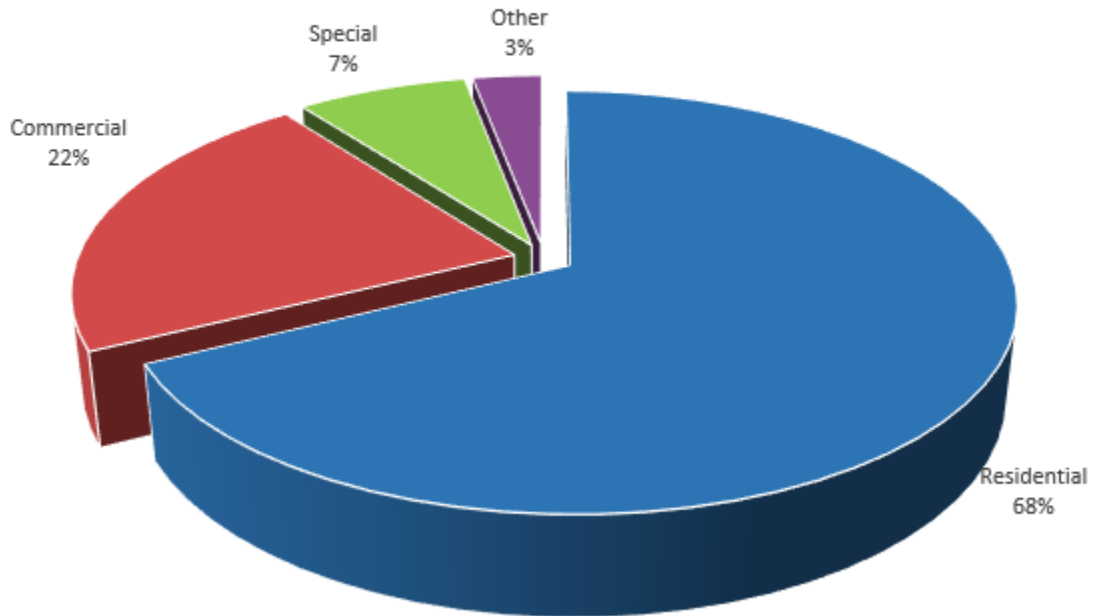
WATER CONSUMPTION Year to Date - October 2020 & 2019



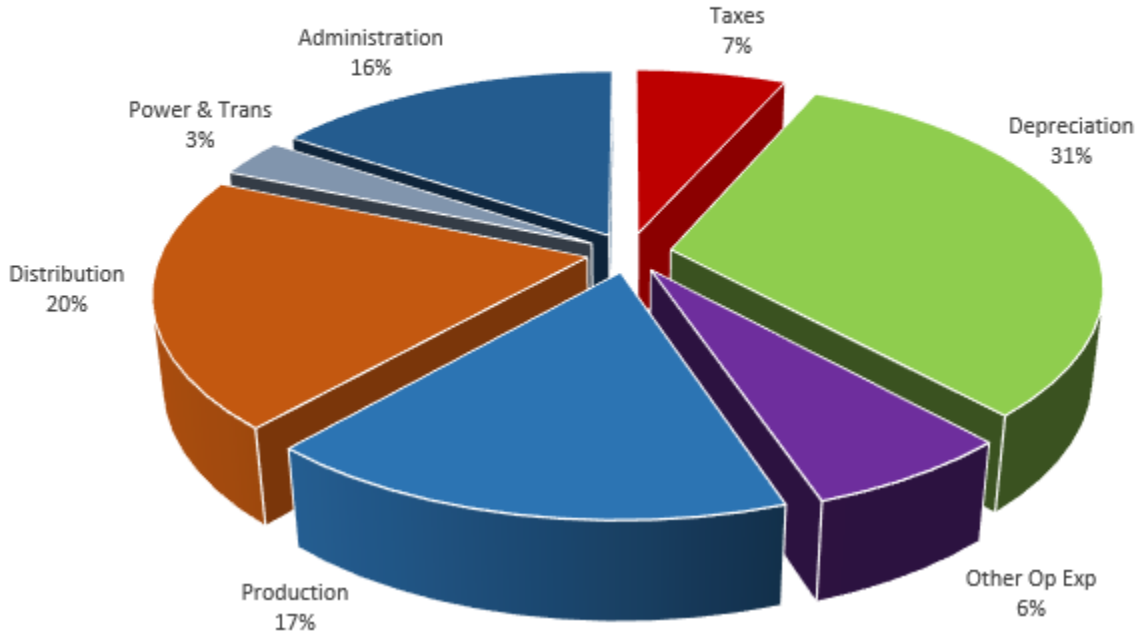
WATER SALES
Year to Date - October 2020
(\$79,370,906)



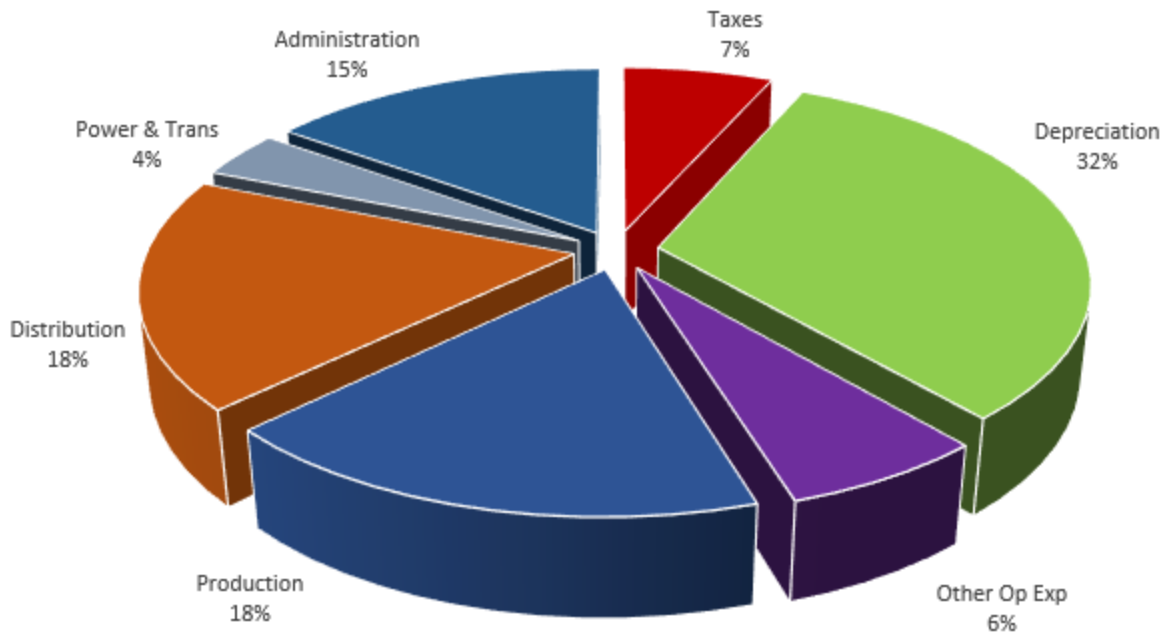
WATER SALES
Year to Date - October 2019
(\$77,508,621)



TOTAL OPERATING EXPENSES
Year to Date - October 2020
(\$68,000,007)



TOTAL OPERATING EXPENSES
Year to Date - October 2019
(\$65,764,074)





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.