
NOVEMBER

TACOMA WATER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

CHRISTINE COOLEY

Secretary

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

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.

Variance analysis: According to Ordinance No. 28688, Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water for funding flexibility prior to December 31, 2020. Fleet Services Fund maintains the purchasing and maintenance responsibilities. \$23.6 million of Net book value in assets was transferred out from Fleet Services Fund, of which \$15.8 million, \$2.0 million, and \$5.8 million were transferred to Power, Rail, and Water respectively.

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)	3
Summary of Revenues and Billings (Unaudited)	5
Summary of Water Billed (Unaudited)	7
Supplemental Data	10

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Statements of Net Position (Unaudited)
 November 30, 2020 and November 30, 2019

	November 30,	
	2020	2019
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,169,058,135	\$1,127,993,924
Less Depreciation and Amortization	(314,733,418)	(281,273,850)
Total	854,324,717	846,720,074
Construction Work in Progress	31,256,304	22,782,649
Net Utility Plant	885,581,021	869,502,723
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	1,669,080	12,327,098
Regional Water Supply System Operating Fund	941,893	909,840
Provision for Debt Payment	16,986,545	18,860,713
Customer Water Main Deposits	3,533,888	3,420,239
Water Supply Forum Fund	621,979	470,944
Special Bond Reserves	21,688,936	22,114,719
Water Customer Contribution Fund	2,083,281	582,488
Water Capital Reserves	35,641,372	38,030,964
Water System Development Charge	75,714,874	72,667,657
Total Restricted Assets	158,881,848	169,384,662
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	68,506,109	67,649,066
Customers' Deposits	239,100	311,883
Receivables:		
Customers	6,686,842	5,342,441
Accrued Unbilled Revenues	5,818,438	5,930,220
Others	140,456	632,536
BABs Interest Subsidies	1,810,921	18,884
Provision for Uncollectible Accounts	(1,348,254)	(379,863)
Materials and Supplies	2,861,771	2,705,247
Prepayments	1,708,918	1,715,959
Total Current Assets	86,424,301	83,926,373
TOTAL ASSETS	1,131,380,133	1,123,306,721
OTHER ASSETS		
Regulatory Assets - Surcharges	3,564,203	2,060,981
Net Pension Asset	-	3,438,481
Total Other Assets	3,564,203	5,499,462
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	817,297	1,004,543
Deferred Outflows for Pensions	12,149,265	4,409,587
Deferred Outflows for OPEB	471,178	295,709
Total Deferred Outflows	13,437,740	5,709,839
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,148,382,076	\$1,134,516,022

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

	November 30,	
	2020	2019
NET POSITION		
Net Investment in Capital Assets	\$466,128,753	\$444,980,728
Restricted for:		
Water Capital Reserves	31,489,991	33,400,577
Water System Development Charge	40,139,427	37,092,210
Debt Service Funds	8,063,233	9,466,268
Pension Asset	-	3,438,481
Unrestricted	<u>73,909,802</u>	<u>68,718,467</u>
TOTAL NET POSITION	619,731,206	597,096,731
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>7,923,125</u>	<u>9,229,780</u>
Net Outstanding Revenue Bonds	357,940,641	367,569,780
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	422,780,627	439,337,782
CURRENT LIABILITIES		
Salaries and Wages Payable	582,119	-
Purchases and Contracts Payable	1,789,126	943,651
Interest Expense Accrued	8,923,312	9,394,445
Taxes Accrued	1,484,276	1,603,234
Customers' and Contractors' Deposits	293,593	351,776
Current Portion of Long-Term Debt	15,095,421	14,710,633
Other Current Liabilities	478,623	469,238
Current Accrued Compensated Absences	<u>237,357</u>	<u>244,160</u>
Total Current Liabilities	28,883,827	27,717,137
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,244,496	6,412,903
Customer Advances for Construction	8,978,937	7,521,793
Unearned Revenue	7,357,863	7,689,023
Other Long-Term Liabilities	1,143,252	1,280,607
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>39,691,608</u>	<u>28,882,662</u>
TOTAL LIABILITIES	<u>491,356,062</u>	<u>495,937,581</u>
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization	35,575,447	35,575,447
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	41,481,710
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$1,148,382,076</u>	<u>\$1,134,516,022</u>

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
November 30, 2020 and November 30, 2019

	November 2020	November 2019
	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Sales of Water	\$5,596,603	\$6,074,995
Other Operating Revenues	518,137	503,339
Contract Resource Obligation Revenue	417,258	388,987
Total Operating Revenues	<u>6,531,998</u>	<u>6,967,321</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	337,026	604,054
Water Treatment	749,124	659,751
Total Production Expense	<u>1,086,150</u>	<u>1,263,805</u>
Power Pumping Expense	68,907	78,779
Transmission and Storage Expense	98,354	150,872
Distribution Expense	1,357,460	1,185,881
Customer Accounting and Consumer Service	399,574	458,435
Taxes	276,739	296,632
Depreciation	2,140,305	2,104,590
Administrative and General	1,155,143	1,020,562
Total Operating Expenses	<u>6,582,632</u>	<u>6,559,556</u>
OPERATING INCOME (LOSS)	(50,634)	407,765
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	231,645	395,971
Miscellaneous	(47,650)	384,119
Interest on Long-Term Debt	(1,246,662)	(1,293,451)
Interest on Long-Term Debt BABs Sub	(280,066)	(320,064)
Amortization Of Debt Premium	92,464	102,307
Interest Charged to Construction	-	-
Total Non-Operating Revenues (Expenses)	<u>(1,250,269)</u>	<u>(731,118)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(1,300,903)	(323,353)
Capital Contributions:		
Cash	380,579	374,036
Donated Fixed Assets	-	18,108
Federal BABs Subsidies	334,184	320,064
Transfers:		
City Gross Earnings Tax	(461,195)	(525,885)
Transfer from (to) Other Funds	<u>5,843,374</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$4,796,039</u>	<u>(\$137,030)</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - NOVEMBER 30		

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	
November 30,	November 30,	OVER	PERCENT
2020	2019	(UNDER)	CHANGE
		2019	
\$84,967,509	\$83,583,617	\$1,383,892	1.7%
6,387,031	6,682,406	(295,375)	-4.4%
4,414,541	4,467,879	(53,338)	-1.2%
<u>95,769,081</u>	<u>94,733,902</u>	<u>1,035,179</u>	<u>1.1%</u>
4,087,965	6,332,913	(2,244,948)	-35.4%
8,385,200	6,515,342	1,869,858	28.7%
<u>12,473,165</u>	<u>12,848,255</u>	<u>(375,090)</u>	<u>-2.9%</u>
662,877	736,917	(74,040)	-10.0%
1,552,144	1,971,250	(419,106)	-21.3%
14,851,251	13,209,814	1,641,437	12.4%
4,867,511	4,739,267	128,244	2.7%
4,826,660	4,691,299	135,361	2.9%
23,578,667	23,160,932	417,735	1.8%
11,770,364	10,965,896	804,468	7.3%
<u>74,582,639</u>	<u>72,323,630</u>	<u>2,259,009</u>	<u>3.1%</u>
21,186,442	22,410,272	(1,223,830)	-5.5%
2,032,054	5,629,818	(3,597,764)	-63.9%
441,739	1,480,315	(1,038,576)	-70.2%
(14,405,995)	(14,459,482)	53,487	0.4%
(2,757,098)	(3,327,065)	569,967	17.1%
1,017,101	1,125,375	(108,274)	-9.6%
-	(32,338)	32,338	100.0%
<u>(13,672,199)</u>	<u>(9,583,377)</u>	<u>(4,088,822)</u>	<u>-42.7%</u>
7,514,243	12,826,895	(5,312,652)	-41.4%
6,209,327	6,036,446	172,881	2.9%
1,169,848	619,266	550,582	88.9%
3,349,186	3,327,065	22,121	0.7%
(7,171,334)	(7,451,298)	279,964	3.8%
<u>5,843,374</u>	<u>-</u>	<u>5,843,374</u>	<u>NA</u>
16,914,644	15,358,374	1,556,270	10.1%
602,816,562	581,738,357	21,078,205	
<u>\$619,731,206</u>	<u>\$597,096,731</u>	<u>\$22,634,475</u>	<u>3.8%</u>

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Revenues and Billings (Unaudited)
 November 30, 2020 and November 30, 2019

	<u>November 2020</u>	<u>November 2019</u>
SALES OF WATER		
Residential and Domestic	\$3,658,547	\$3,658,321
Commercial and Industrial	1,153,747	1,592,402
Special Rate	622,275	580,077
Wholesale	<u>162,034</u>	<u>244,195</u>
Total	<u><u>\$5,596,603</u></u>	<u><u>\$6,074,995</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	74,679	83,448
Commercial and Industrial	5,267	6,268
Wholesale	<u>22</u>	<u>16</u>
Total	<u><u>79,968</u></u>	<u><u>89,732</u></u>

YEAR TO DATE		2020 OVER (UNDER) 2019	PERCENT CHANGE
November 30, 2020	November 30, 2019		
\$58,945,154	\$56,112,175	\$2,832,979	5.0%
17,377,656	18,593,133	(1,215,477)	-6.5%
6,524,188	6,312,882	211,306	3.3%
<u>2,120,511</u>	<u>2,565,427</u>	<u>(444,916)</u>	-17.3%
<u><u>\$84,967,509</u></u>	<u><u>\$83,583,617</u></u>	<u><u>\$1,383,892</u></u>	1.7%
1,072,624	1,070,115	2,509	0.2%
72,459	73,255	(796)	-1.1%
<u>238</u>	<u>176</u>	<u>62</u>	35.2%
<u><u>1,145,321</u></u>	<u><u>1,143,546</u></u>	<u><u>1,775</u></u>	0.2%

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Water Billed (Unaudited)
 November 30, 2020 and November 30, 2019

	MILLION GALLONS, TOTAL			
	November 2020	November 2019	YEAR TO DATE	
			November 30, 2020	November 30, 2019
WATER BILLED				
Residential and Domestic	462.04	404.18	7,981.59	7,766.02
Commercial and Industrial	162.95	227.06	2,682.81	3,136.18
Special Rate	479.59	478.90	5,315.21	5,267.51
Wholesale	53.54	86.89	665.31	810.20
	1,158.12	1,197.03	16,644.92	16,979.91

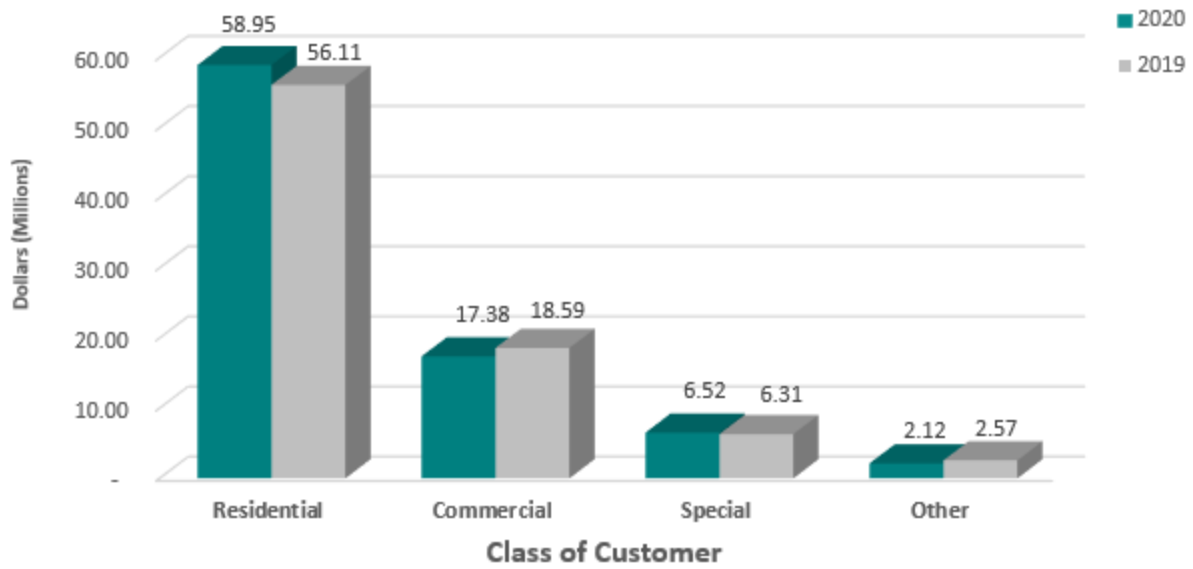
NOTE: For conversion purposes, there are approximately 748 gallons in every 100 cubic feet of water.

MILLION GALLONS, AVERAGE DAILY

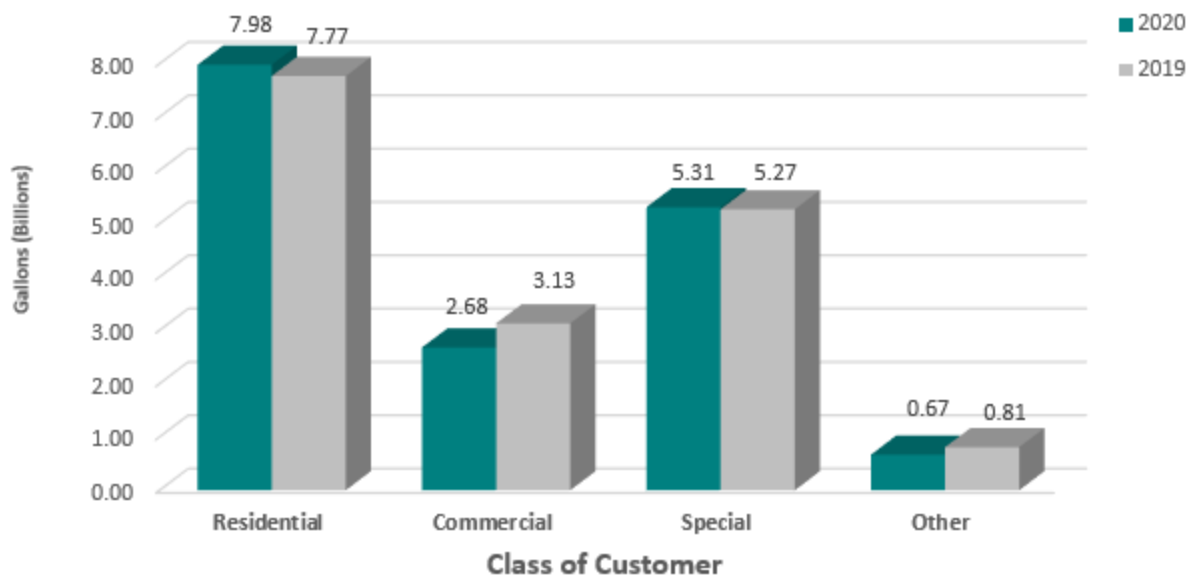
<u>November 2020</u>	<u>November 2019</u>
15.40	13.47
5.43	7.57
15.99	15.96
<u>1.78</u>	<u>2.90</u>
<u><u>38.60</u></u>	<u><u>39.90</u></u>

Supplemental Data

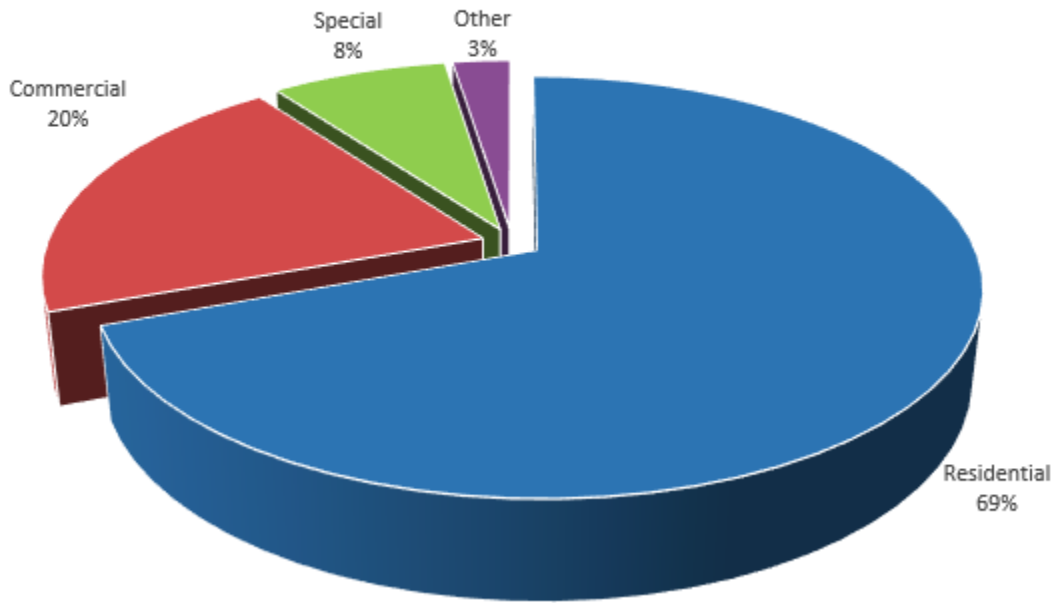
WATER SALES Year to Date - November 2020 & 2019



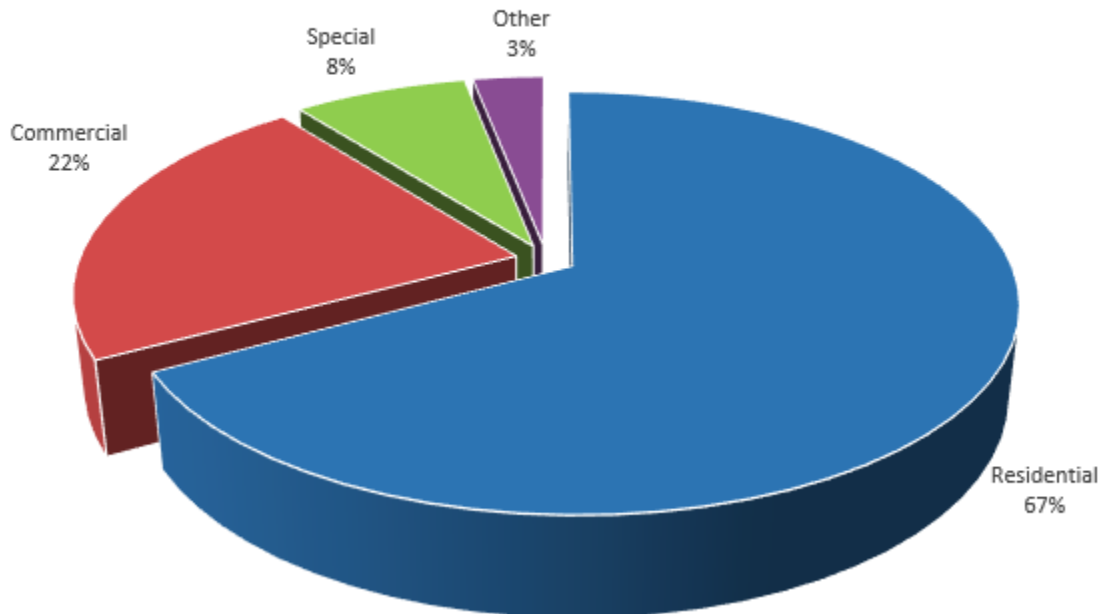
WATER CONSUMPTION Year to Date - November 2020 & 2019



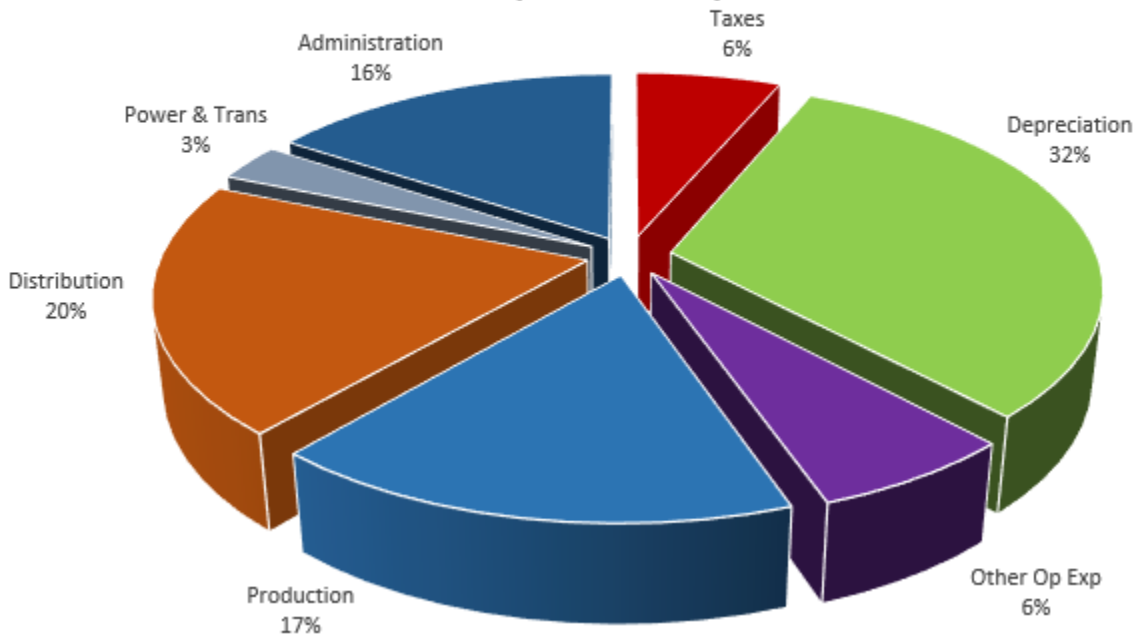
WATER SALES
Year to Date - November 2020
(\$84,967,509)



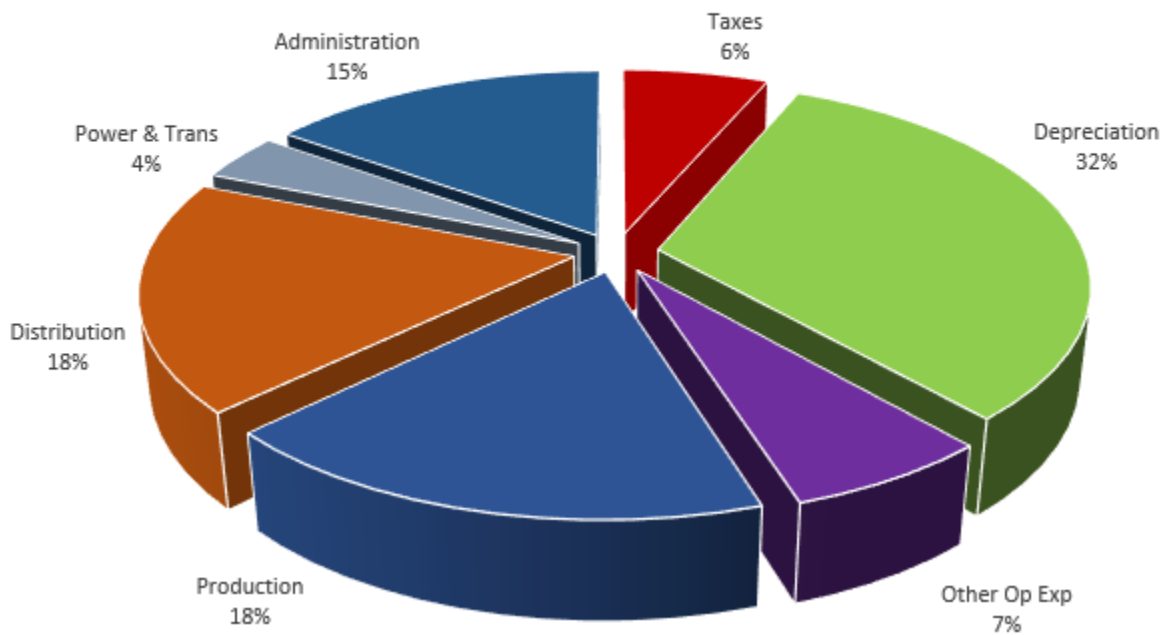
WATER SALES
Year to Date - November 2019
(\$83,583,617)



TOTAL OPERATING EXPENSES
Year to Date - November 2020
(\$74,582,639)



TOTAL OPERATING EXPENSES
Year to Date - November 2019
(\$72,323,630)





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.