
JULY

TACOMA POWER

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

CHRIS ROBINSON

Power Superintendent/COO

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

Doing Business As

TACOMA POWER

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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.

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City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Statements of Net Position (Unaudited)
July 31, 2019 and July 31, 2018

ASSETS AND DEFERRED OUTFLOWS	2019	2018
UTILITY PLANT		
Electric Plant in Service	\$2,118,898,114	\$2,064,341,068
Less Depreciation and Amortization	(1,120,965,828)	(1,079,491,172)
Total	997,932,286	984,849,896
Construction Work in Progress	65,455,742	64,072,422
Net Utility Plant	1,063,388,028	1,048,922,318
NON-UTILITY PROPERTY	182,051	182,051
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
Provision for Debt Service	7,103,613	7,567,340
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve - State of Washington	2,668,401	2,617,232
Fish and Wildlife Reserves	23,991,074	-
Total Restricted Assets	38,760,727	15,182,211
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	137,123,996	148,536,910
Customers' and Contractors' Deposits	2,683,963	2,699,899
Conservation Loan Fund	3,890,830	3,784,723
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	17,918,472	18,664,890
Accrued Unbilled Revenue	30,730,773	30,701,425
Others	9,538,870	13,414,090
Provision for Uncollectibles	(2,384,626)	(1,093,548)
Materials and Supplies	6,573,118	7,026,410
Prepayments and Other	11,096,171	6,376,345
Total Current Assets	265,171,567	278,111,144
OTHER ASSETS		
Regulatory Asset - Conservation	48,132,571	47,981,239
Net Pension Asset	15,506,238	-
Conservation Loan Fund Receivables	2,485,961	2,432,638
Total Other Assets	66,124,770	50,413,877
Total Assets	1,433,627,143	1,392,811,601
DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	19,885,557	38,426,742
Deferred Outflow for OPEB	957,357	-
Total Deferred Outflows	20,842,914	38,426,742
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$1,454,470,057	\$1,431,238,343

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

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>2019</u>	<u>2018</u>
NET POSITION		
Net Investment in Capital Assets	\$608,132,354	\$636,994,345
Restricted for:		
Wynoochee Reserve - State of Washington	2,668,401	2,617,232
Fish and Wildlife Reserves	23,991,074	-
Debt Service	5,462,915	5,888,750
Net Pension Asset	15,506,238	-
Unrestricted	<u>203,774,973</u>	<u>217,893,527</u>
TOTAL NET POSITION	<u>859,535,955</u>	<u>863,393,854</u>
LONG-TERM DEBT		
2010B Electric System Refunding Bonds	147,070,000	147,070,000
2010C Electric System Refunding Bonds	24,185,000	24,185,000
2013A Electric System Rev & Refunding Bonds	96,125,000	105,490,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
2017 Electric System Revenue Bonds	<u>70,575,000</u>	<u>70,575,000</u>
Total Bonded Indebtedness	373,575,000	382,940,000
Less: Unamortized Bond Premiums	<u>22,245,363</u>	<u>23,822,663</u>
Net Bonded Indebtedness	395,820,363	406,762,663
Line of Credit	<u>55,250,000</u>	<u>250,000</u>
Total Long-Term Debt	<u>451,070,363</u>	<u>407,012,663</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	3,289,341	2,746,016
Taxes and Other Payables	12,199,293	13,600,712
Purchases and Transmission of Power Accrued	12,863,513	11,828,575
Interest Payable	1,640,698	1,678,590
Customers' Deposits	2,644,616	2,704,864
Current Portion of Long-Term Debt	9,365,000	10,095,000
Current Accrued Compensated Absences	<u>1,091,328</u>	<u>1,044,235</u>
Total Current Liabilities	<u>43,093,789</u>	<u>43,697,992</u>
LONG-TERM LIABILITIES		
Long-Term Accrued Compensated Absences	9,821,955	9,398,115
Net OPEB Liability	12,272,355	-
Net Pension Liability	-	36,687,245
Other Long-Term Liabilities	<u>4,221,625</u>	<u>15,143,610</u>
Total Long-Term Liabilities	<u>26,315,935</u>	<u>61,228,970</u>
TOTAL LIABILITIES	<u>520,480,087</u>	<u>511,939,625</u>
DEFERRED INFLOWS		
Deferred Inflow for Pensions	26,395,236	7,904,864
Deferred Inflow for OPEB	58,779	-
Rate Stabilization	<u>48,000,000</u>	<u>48,000,000</u>
Total Deferred Inflows	74,454,015	55,904,864
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$1,454,470,057</u>	<u>\$1,431,238,343</u>

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
July 31, 2019 and July 31, 2018

	<u>July 2019</u>	<u>July 2018</u>
OPERATING REVENUES		
Sales of Electric Energy	\$26,720,266	\$32,651,743
Other Operating Revenues	2,216,251	1,571,742
Click! Network Operating Revenues	<u>2,149,755</u>	<u>2,162,506</u>
Total Operating Revenue	<u>31,086,272</u>	<u>36,385,991</u>
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	2,766,898	2,753,002
Other Production Expense	<u>548,714</u>	<u>444,627</u>
Total Expense Power Produced	<u>3,315,612</u>	<u>3,197,629</u>
Purchased Power	<u>11,480,230</u>	<u>10,951,687</u>
Total Production Expense	<u>14,795,842</u>	<u>14,149,316</u>
Transmission Expense	3,126,684	2,760,702
Distribution Expense	2,991,888	2,838,616
Click! Network Commercial Operations Expense	1,758,142	1,841,128
Customer Accounts Expense (CIS)	1,614,285	1,148,341
Conservation and Other Customer Assistance	1,481,482	1,202,562
Taxes	663,728	1,164,933
Depreciation	4,022,220	4,395,100
Administrative and General	<u>3,511,906</u>	<u>2,517,611</u>
Total Operating Expenses	<u>33,966,177</u>	<u>32,018,309</u>
OPERATING INCOME (LOSS)	<u>(2,879,905)</u>	<u>4,367,682</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	425,004	313,183
Contribution to Family Need	(41,667)	(8,333)
Other Net Non-Op Revenues and Deductions	49,666	148,368
Interest on Long-Term Debt	(1,767,378)	(1,710,002)
Amort of Debt Related Costs	129,158	134,639
Interest Charged to Construction	<u>-</u>	<u>247,038</u>
Total Non-Operating Revenues (Expenses)	<u>(1,205,217)</u>	<u>(875,107)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(4,085,122)	3,492,575
Capital Contributions		
Cash	510,373	619,134
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,313,133)	(2,521,008)
Transfers from (to) Other Funds	<u>-</u>	<u>(31,158)</u>
CHANGE IN NET POSITION	<u>(\$5,558,329)</u>	<u>\$1,889,096</u>
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - July 31		

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$251,490,695	\$253,448,944	(\$1,958,249)	-0.8%
11,641,496	11,062,545	578,951	5.2%
15,076,695	14,979,257	97,438	0.7%
<u>278,208,886</u>	<u>279,490,746</u>	<u>(1,281,860)</u>	-0.5%
21,151,670	15,607,377	5,544,293	35.5%
3,577,036	3,304,436	272,600	8.2%
<u>24,728,706</u>	<u>18,911,813</u>	<u>5,816,893</u>	<u>30.8%</u>
97,044,264	76,605,329	20,438,935	26.7%
<u>121,772,970</u>	<u>95,517,142</u>	<u>26,255,828</u>	<u>27.5%</u>
21,676,688	19,517,003	2,159,685	11.1%
20,526,996	19,223,246	1,303,750	6.8%
12,615,413	14,156,407	(1,540,994)	-10.9%
8,803,334	8,032,831	770,503	9.6%
10,689,475	8,637,750	2,051,725	23.8%
12,300,097	12,472,990	(172,893)	-1.4%
28,679,283	32,296,692	(3,617,409)	-11.2%
23,837,885	18,903,779	4,934,106	26.1%
<u>260,902,141</u>	<u>228,757,840</u>	<u>32,144,301</u>	<u>14.1%</u>
17,306,745	50,732,906	(33,426,161)	-65.9%
4,236,164	3,389,165	846,999	25.0%
(291,667)	(58,333)	(233,334)	-400.0%
1,249,310	959,836	289,474	30.2%
(12,338,499)	(11,927,073)	(411,426)	-3.4%
904,104	942,474	(38,370)	-4.1%
-	895,622	(895,622)	-100.0%
<u>(6,240,588)</u>	<u>(5,798,309)</u>	<u>(442,279)</u>	<u>-7.6%</u>
11,066,157	44,934,597	(33,868,440)	-75.4%
3,569,409	6,978,856	(3,409,447)	-48.9%
224,602	168,031	56,571	33.7%
2,212,566	2,176,369	36,197	1.7%
(20,968,563)	(21,003,514)	34,951	0.2%
-	(31,158)	31,158	100.0%
<u>(3,895,829)</u>	<u>33,223,181</u>	<u>(37,119,010)</u>	<u>-111.7%</u>
863,431,784	830,170,673	33,261,111	4.0%
<u>\$859,535,955</u>	<u>\$863,393,854</u>	<u>(3,857,899)</u>	

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 Power
 Summary of Revenues and Billings (Unaudited)
 July 31, 2019 and July 31, 2018

	<u>For the month of July 2019</u>	<u>For the month of July 2018</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$12,126,040	\$11,690,330
Commercial	(664,134)	2,279,271
General	10,499,043	10,151,208
Contract Industrial	2,043,200	1,999,076
Public Street and Highway Lighting	41,755	44,090
Sales to Other Electric Utilities	<u>29,862</u>	<u>28,611</u>
Total Sales to Customers	24,075,766	26,192,586
Bulk Power Sales	<u>2,644,500</u>	<u>6,459,157</u>
Total Sales of Electric Energy	<u>26,720,266</u>	<u>32,651,743</u>
Other Operating Revenue		
Rentals and Leases from Elect Property	852,504	346,265
Wheeling	829,928	810,957
Service Fees and Other	533,819	414,520
Telecommunications Revenue	<u>2,149,755</u>	<u>2,162,506</u>
Total Other Operating Revenues	<u>4,366,006</u>	<u>3,734,248</u>
TOTAL OPERATING REVENUES	<u><u>\$31,086,272</u></u>	<u><u>\$36,385,991</u></u>
BILLINGS (Number of Months Billed)		
Residential	173,829	165,886
Commercial	18,798	16,513
General	2,739	2,557
Contract Industrial	2	2
Public Streets and Highway Lighting	1,142	1,116
Sales to Other Electric Utilities	<u>1</u>	<u>1</u>
TOTAL BILLINGS	<u><u>196,511</u></u>	<u><u>186,075</u></u>

YEAR TO DATE		2019/2018 VARIANCE	PERCENT CHANGE
July 31, 2019	July 31, 2018		
\$115,857,414	\$111,499,535	\$4,357,879	3.9%
18,179,905	17,778,068	401,837	2.3%
75,489,715	73,589,420	1,900,295	2.6%
13,463,495	13,187,769	275,726	2.1%
800,456	(416,958)	1,217,414	292.0%
<u>277,978</u>	<u>268,953</u>	<u>9,025</u>	3.4%
224,068,963	215,906,787	8,162,176	3.8%
<u>27,421,732</u>	<u>37,542,157</u>	<u>(10,120,425)</u>	-27.0%
<u>251,490,695</u>	<u>253,448,944</u>	<u>(1,958,249)</u>	-0.8%
2,420,120	2,341,890	78,230	3.3%
6,082,548	5,800,440	282,108	4.9%
3,138,828	2,920,215	218,613	7.5%
<u>15,076,695</u>	<u>14,979,257</u>	<u>97,438</u>	0.7%
<u>26,718,191</u>	<u>26,041,802</u>	<u>676,389</u>	2.6%
<u>\$278,208,886</u>	<u>\$279,490,746</u>	<u>(\$1,281,860)</u>	-0.5%
1,145,207	1,121,966	23,241	2.1%
116,381	112,028	4,353	3.9%
18,068	18,083	(15)	-0.1%
14	14	-	0.0%
6,699	6,504	195	3.0%
<u>7</u>	<u>7</u>	<u>-</u>	0.0%
<u>1,286,376</u>	<u>1,258,602</u>	<u>27,774</u>	2.2%

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Power
 Gross Generation Report (Unaudited)
 July 31, 2019 and July 31, 2018

	For the month of July 2019	For the month of July 2018
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	17,381,000	24,378,000
Generated - Alder	10,067,000	13,847,000
TOTAL NISQUALLY	<u>27,448,000</u>	<u>38,225,000</u>
Generated - Cushman No 1	1,326,000	2,099,000
Generated - Cushman No 2	535,000	1,740,000
TOTAL CUSHMAN	<u>1,861,000</u>	<u>3,839,000</u>
Generated - Mossyrock	37,694,000	43,331,000
Generated - Mayfield	23,245,000	25,132,000
TOTAL COWLITZ	<u>60,939,000</u>	<u>68,463,000</u>
Generated - Wynoochee	-	736,000
Generated - Hood Street	320,300	13,700
Tacoma's Share of Priest Rapids	1,604,000	2,373,000
Tacoma's Share of GCPHA	42,023,000	45,398,000
TOTAL KWH GENERATED - TACOMA SYSTEM	134,195,300	159,047,700
Purchased Power		
BPA Slice Contract	157,499,000	190,790,000
BPA Block Contract	113,921,000	110,935,000
Interchange Net	(56,921,500)	(88,817,500)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED	348,693,800	371,955,200
Losses	3,623,028	3,808,697
Baldi Replacement	15,362	15,928
Ketron	14,460	13,323
NT PC Mutuals Schedules	(2,040,000)	(1,966,000)
PC Mutual Inadvertent	70,220	94,913
TACOMA SYSTEM FIRM LOAD	<u>350,376,870</u>	<u>373,922,061</u>
Maximum Kilowatts (System Firm Load)	608,123	617,263
Average Kilowatts (System Firm Load)	470,937	502,583
PIERCE COUNTY MUTUAL LOAD	95,444,000	101,958,000
KWH BILLED		
Residential Sales	114,680,738	112,450,800
Commercial Sales	(13,495,416)	24,371,881
General	149,613,401	151,439,370
Contract Industrial	42,943,680	42,492,540
Public Street and Highway Lighting	733,610	791,551
Sales to Other Electric Utilities	477,900	483,300
TOTAL FIRM	<u>294,953,913</u>	<u>332,029,442</u>
Bulk Power Sales	77,157,000	114,697,000
TOTAL KWH BILLED	<u><u>372,110,913</u></u>	<u><u>446,726,442</u></u>

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
160,850,000	236,070,000	(75,220,000)	-31.9%
94,483,000	151,402,000	(56,919,000)	-37.6%
<u>255,333,000</u>	<u>387,472,000</u>	<u>(132,139,000)</u>	-34.1%
40,823,000	53,481,000	(12,658,000)	-23.7%
53,065,000	80,828,000	(27,763,000)	-34.3%
<u>93,888,000</u>	<u>134,309,000</u>	<u>(40,421,000)</u>	-30.1%
383,137,000	653,321,000	(270,184,000)	-41.4%
299,845,000	462,612,000	(162,767,000)	-35.2%
<u>682,982,000</u>	<u>1,115,933,000</u>	<u>(432,951,000)</u>	-38.8%
10,066,000	13,654,000	(3,588,000)	-26.3%
1,996,283	1,725,800	270,483	15.7%
13,216,000	18,535,000	(5,319,000)	-28.7%
147,636,000	161,780,000	(14,144,000)	-8.7%
1,205,117,283	1,833,408,800	(628,291,517)	-34.3%
1,292,015,000	1,691,862,000	(399,847,000)	-23.6%
926,972,000	902,678,000	24,294,000	2.7%
(602,172,750)	(1,578,055,083)	975,882,333	61.8%
<u>2,821,931,533</u>	<u>2,849,893,717</u>	<u>(27,962,184)</u>	-1.0%
21,848,664	29,399,907	(7,551,243)	-25.7%
146,451	370,017	(223,566)	-60.4%
173,220	187,656	(14,436)	-7.7%
(18,775,000)	(18,804,000)	29,000	0.2%
837,725	975,196	(137,471)	-14.1%
<u>2,826,162,593</u>	<u>2,862,022,493</u>	<u>(35,859,900)</u>	-1.3%
870,751,000	862,896,000	7,855,000	0.9%
1,236,881,169	1,226,098,083	10,783,086	0.9%
198,636,068	197,093,168	1,542,900	0.8%
1,142,381,296	1,146,380,224	(3,998,928)	-0.3%
280,875,660	287,829,900	(6,954,240)	-2.4%
6,424,429	(9,774,707)	16,199,136	165.7%
4,680,900	4,767,300	(86,400)	-1.8%
<u>2,869,879,522</u>	<u>2,852,393,968</u>	<u>17,485,554</u>	0.6%
1,881,070,000	1,800,835,000	179,926,000	10.0%
<u>4,750,949,522</u>	<u>4,653,228,968</u>	<u>97,720,554</u>	2.1%

City of Tacoma, Washington
 Department of Public Utilities
 Click! Network
 Commercial Operations
 Operational Summary (Unaudited)
 July 31, 2019

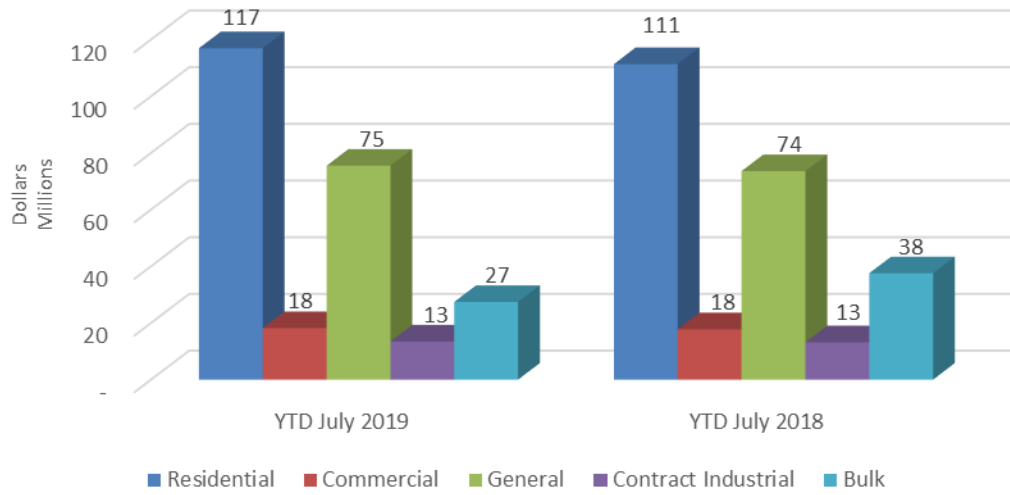
	July 2019	July 2018
TELECOMMUNICATIONS REVENUE		
CATV	\$1,337,763	\$1,422,723
Broadband	79,974	88,040
ISP	693,873	614,125
Interdepartmental	38,145	37,618
Total Operating Revenue	2,149,755	2,162,506
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	178,105	262,903
General Expense	26,605	29,181
Contract Services	1,055,279	972,955
IS & Intergovernmental Services	131,271	122,516
Fleet Services	558	1,877
Capitalized A & G Expense	(411)	(5,618)
Total Admin & Sales Expense	1,391,407	1,383,814
Operations & Maintenance Expense		
Salaries & Wages Expense	241,901	376,254
General Expense	12,423	21,773
Contract Services	84,045	45,316
IS & Intergovernmental Services	1,272	2,874
Fleet Services	33,590	18,464
New Connect Capital	(6,496)	(7,367)
Total Oper & Maint Expense	366,735	457,314
Total Telecommunications Expense	1,758,142	1,841,128
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	391,613	321,378
Taxes	288,701	295,352
Depreciation and Amortization	142,475	188,696
	431,176	484,048
NET OPERATING REVENUES (EXPENSES)	(\$39,563)	(\$162,670)

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$9,497,588	\$9,896,457	(\$398,869)	-4.0%
568,529	622,180	(53,651)	-8.6%
4,826,114	4,286,824	539,290	12.6%
184,464	173,796	10,668	6.1%
<u>15,076,695</u>	<u>14,979,257</u>	<u>97,438</u>	0.7%
1,218,042	1,835,274	(617,232)	-33.6%
260,685	242,463	18,222	7.5%
7,652,373	7,673,978	(21,605)	-0.3%
837,008	937,353	(100,345)	-10.7%
3,531	5,013	(1,482)	-29.6%
(19,897)	(25,939)	6,042	23.3%
<u>9,951,742</u>	<u>10,668,142</u>	<u>(716,400)</u>	-6.7%
1,933,746	2,778,325	(844,579)	-30.4%
103,028	183,628	(80,600)	-43.9%
483,287	422,652	60,635	14.3%
12,227	18,745	(6,518)	-34.8%
176,470	138,182	38,288	27.7%
(45,087)	(53,267)	8,180	15.4%
<u>2,663,671</u>	<u>3,488,265</u>	<u>(824,594)</u>	-23.6%
12,615,413	14,156,407	(1,540,994)	-10.9%
2,461,282	822,850	1,638,432	199.1%
2,041,970	2,058,981	(17,011)	-0.8%
<u>1,003,023</u>	<u>1,332,795</u>	<u>(329,773)</u>	-24.7%
3,044,993	3,391,776	(346,784)	
<u>(\$583,711)</u>	<u>(\$2,568,926)</u>	<u>\$1,985,216</u>	77.3%

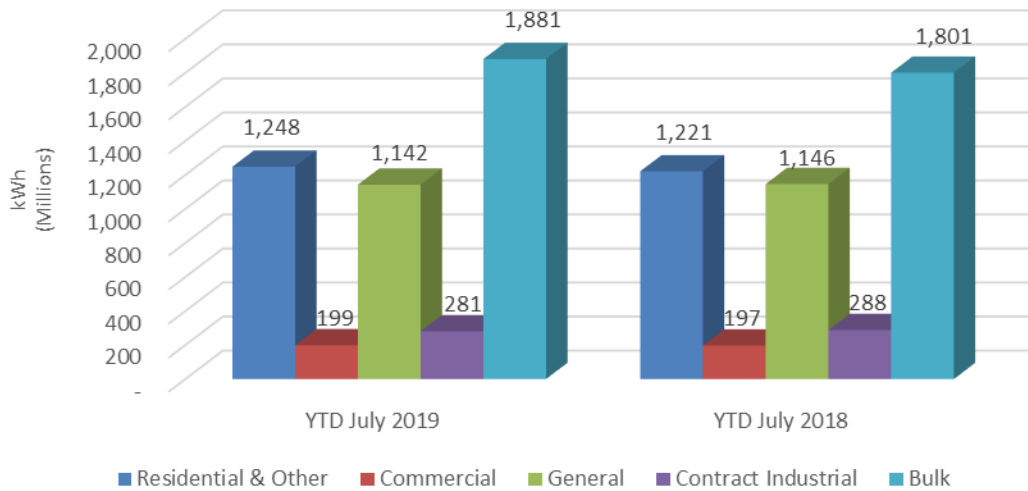
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Supplemental Data

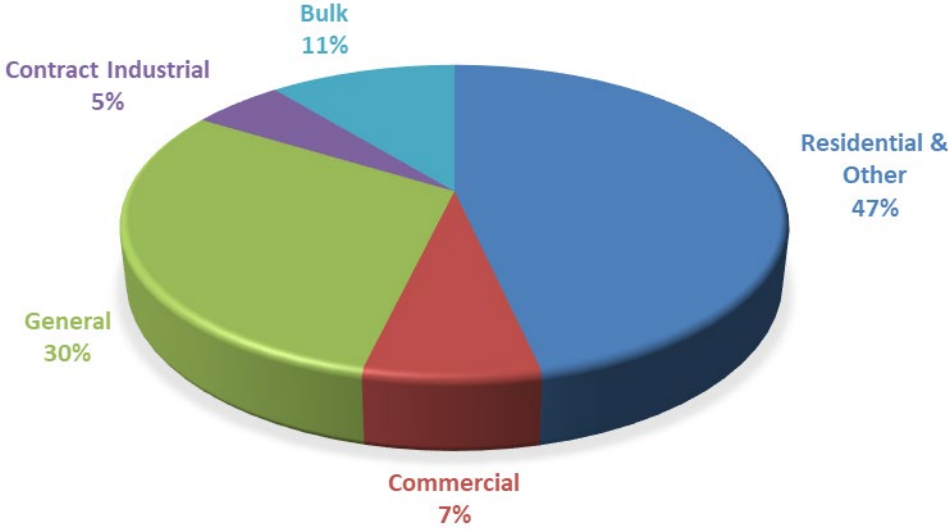
Sales of Electric Energy Year to Date - July 2019 & 2018



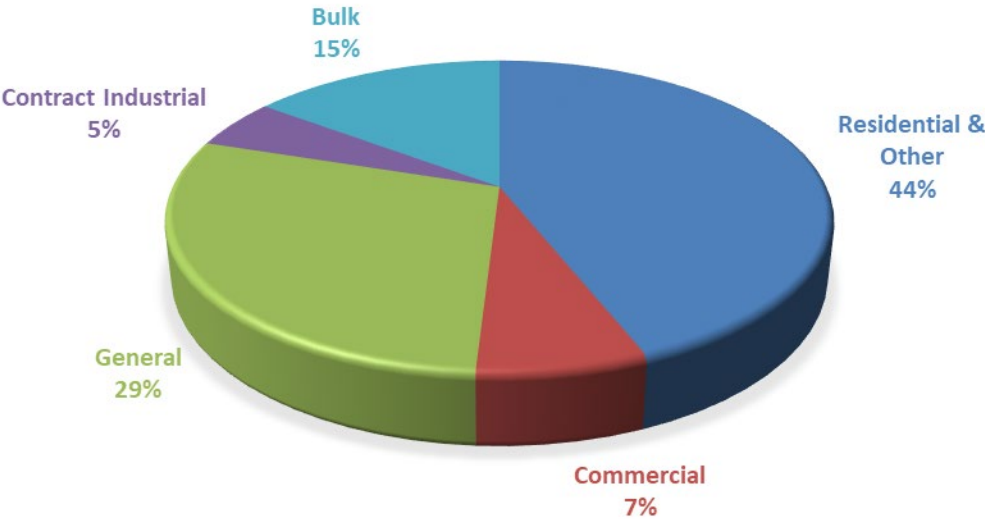
Total Power Billed Year to Date - July 2019 & 2018



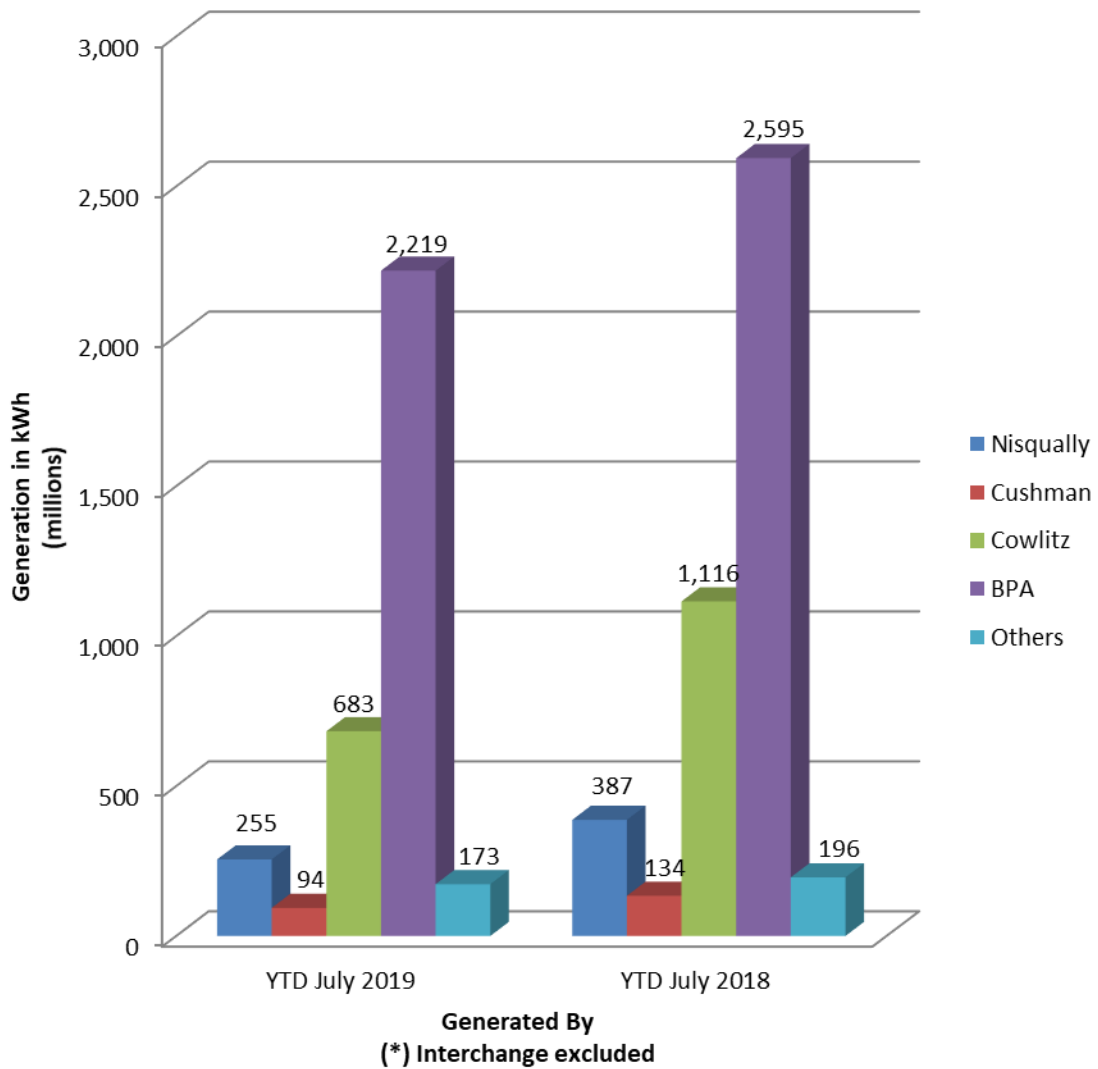
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - JULY 2019 (\$251,490,695)**



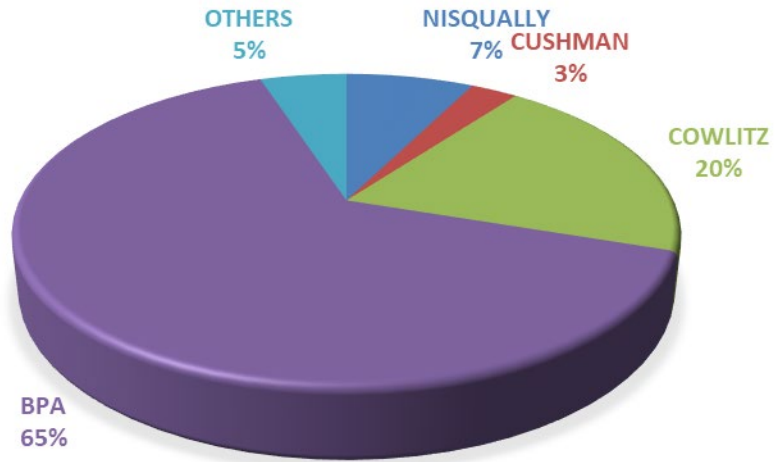
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - JULY 2018 (\$253,448,944)**



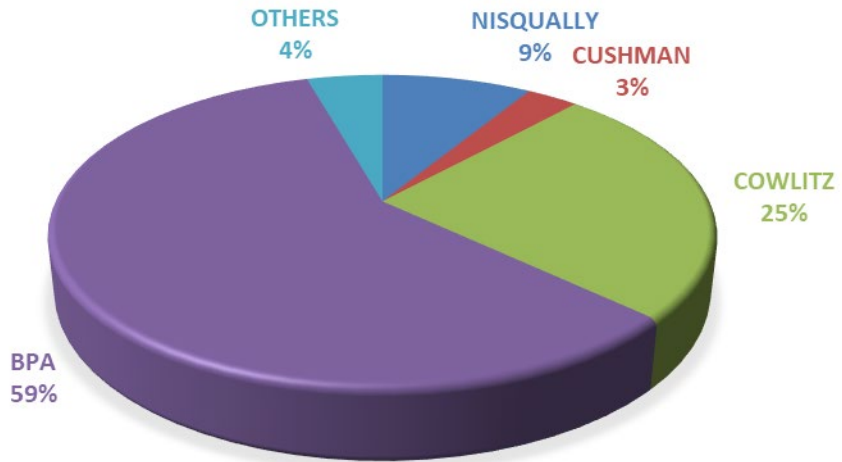
Power Sources (*) Year to Date July 2019 & 2018



**POWER SOURCES (*)
YEAR TO DATE - JULY 2019**

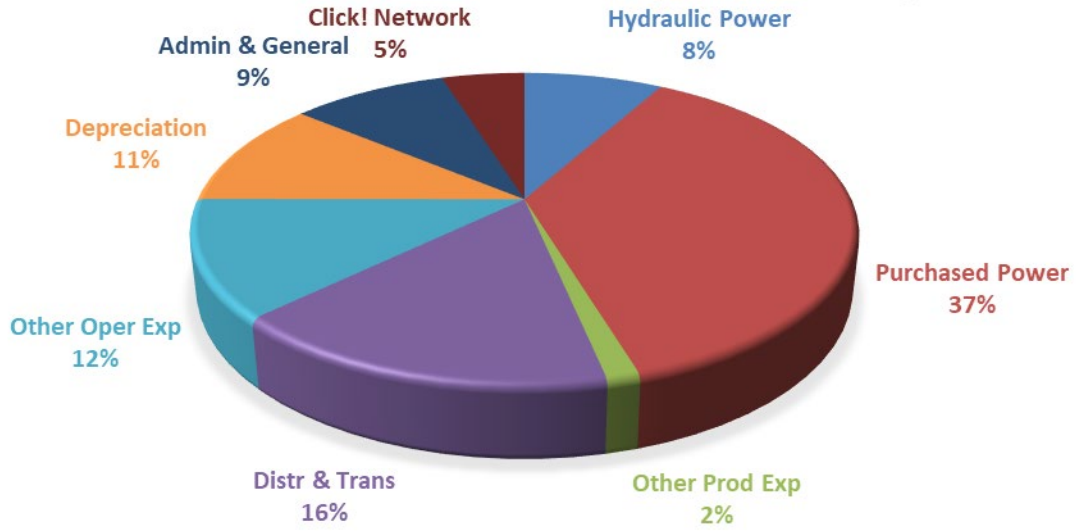


**POWER SOURCES (*)
YEAR TO DATE - JULY 2018**

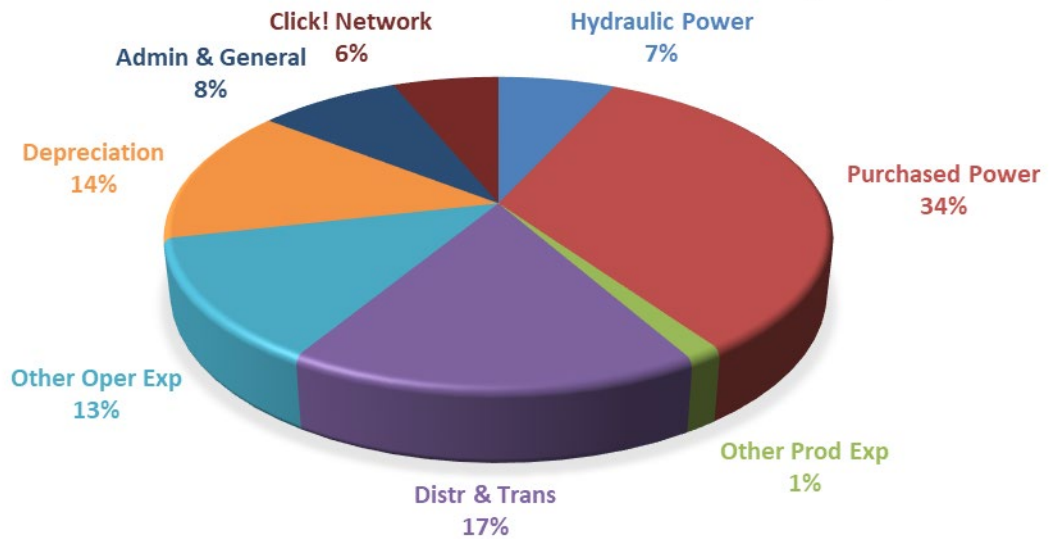


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
YEAR TO DATE - JULY 2019 (\$260,902,141)



TOTAL OPERATING EXPENSES *
YEAR TO DATE - JULY 2018 (\$228,757,840)



* City Gross Earnings Taxes are not included in Total Operating Expenses.

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JULY

TACOMA WATER

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

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.

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Summary of Revenues and Billings (Unaudited)	5
Summary of Water Billed (Unaudited)	7
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City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Net Position (Unaudited)
July 31, 2019 and July 31, 2018

	July 31,	
	2019	2018
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,124,765,958	\$1,105,262,142
Less Depreciation and Amortization	(273,135,584)	(252,571,139)
Total	851,630,374	852,691,003
Construction Work in Progress	17,578,410	18,363,725
Net Utility Plant	869,208,784	871,054,728
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	28,824	-
2010 Construction Fund	-	13,399,810
2013 Construction Fund	16,538,613	16,235,631
Regional Water Supply System Operating Fund	1,456,807	1,200,579
Provision for Debt Payment	11,549,655	10,915,524
Customer Water Main Deposits	3,399,264	3,311,626
Water Supply Forum Fund	467,677	346,933
Special Bond Reserves	22,112,524	22,106,498
Water Customer Contribution Fund	462,976	552,178
Water Capital Reserves	38,139,603	36,114,239
Water System Development Charge	71,038,245	65,416,900
Total Restricted Assets	165,194,188	169,599,918
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	62,504,815	55,846,980
Customers' Deposits	310,929	311,549
Receivables:		
Customers	6,011,447	6,567,816
Accrued Unbilled Revenues	5,930,220	5,457,221
Others	789,361	658,769
BABs Interest Subsidies	739,348	640,128
Provision for Uncollectible Accounts	(416,457)	(508,706)
Materials and Supplies	2,605,831	2,443,303
Prepayments	1,943,039	1,176,860
Total Current Assets	80,418,533	72,593,920
TOTAL ASSETS	1,115,314,468	1,113,741,529
OTHER ASSETS		
Regulatory Assets - Surcharges	1,673,322	957,253
Net Pension Asset	3,438,481	-
Total Other Assets	5,111,803	957,253
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	1,066,957	1,254,202
Deferred Outflows for Pensions	4,409,587	8,671,039
Deferred Outflows for OPEB	295,709	-
Total Deferred Outflows	5,772,253	9,925,241
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,126,198,524	\$1,124,624,023

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

	July 31,	
	2019	2018
NET POSITION		
Net Investment in Capital Assets	\$444,284,460	\$444,366,612
Restricted for:		
Water Capital Reserves	33,509,216	31,004,847
Water System Development Charge	35,462,798	29,841,453
Debt Service Funds	7,650,272	6,981,386
Pension Asset	3,438,481	-
Unrestricted	63,213,104	51,784,790
TOTAL NET POSITION	587,558,331	563,979,088
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	21,890,000
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	10,820,000	12,340,000
2010 RWSS Revenue Bonds, Series A	1,655,000	1,955,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	57,710,000	59,400,000
Total Outstanding Revenue Bonds	358,340,000	365,950,000
Plus: Unamortized Bond Premium	9,701,422	11,159,487
Net Outstanding Revenue Bonds	368,041,422	377,109,487
PWTF Pre-Construction Loans	320,261	480,435
PWTF Construction Loans	14,297,433	16,834,030
State Drinking Water Loans	61,381,554	65,612,800
Total Long-Term Debt	444,040,670	460,036,752
CURRENT LIABILITIES		
Salaries and Wages Payable	734,891	615,244
Purchases and Contracts Payable	1,032,455	815,536
Interest Expense Accrued	3,899,383	3,934,138
Taxes Accrued	1,993,570	1,834,089
Customers' and Contractors' Deposits	359,252	345,597
Current Portion of Long-Term Debt	14,710,633	13,554,949
Other Current Liabilities	2,346,174	5,075,266
Current Accrued Compensated Absences	244,160	229,834
Total Current Liabilities	25,320,518	26,404,653
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,412,903	6,585,519
Customer Advances for Construction	6,854,784	7,861,695
Unearned Revenue	7,390,573	7,310,926
Other Long-Term Liabilities	1,160,700	4,739,176
Pension Liability	-	8,278,522
OPEB Liability	3,780,897	-
Long-Term Accrued Compensated Absences	2,197,439	2,068,503
Total Long-Term Liabilities	27,797,296	36,844,341
TOTAL LIABILITIES	497,158,484	523,285,746
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization	35,575,446	35,575,447
Deferred Inflows for Pensions	5,853,098	1,783,742
Deferred Inflows for OPEB	53,165	-
Total Deferred Inflows	41,481,709	37,359,189
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$1,126,198,524	\$1,124,624,023

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
July 31, 2019 and July 31, 2018

	JULY 2019	JULY 2018
OPERATING REVENUES		
Sales of Water	\$8,772,921	\$8,075,163
Other Operating Revenues	873,627	843,847
Contract Resource Obligation Revenue	435,719	379,087
Total Operating Revenues	<u>10,082,267</u>	<u>9,298,097</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	616,811	714,896
Water Treatment	625,958	601,793
Total Production Expense	<u>1,242,769</u>	<u>1,316,689</u>
Power Pumping Expense	57,872	50,562
Transmission and Storage Expense	192,106	173,398
Distribution Expense	1,337,147	1,196,332
Customer Accounting and Consumer Service	452,791	429,443
Taxes	441,662	408,818
Depreciation	2,105,202	2,061,943
Administrative and General	911,959	1,038,258
Total Operating Expenses	<u>6,741,508</u>	<u>6,675,443</u>
OPERATING INCOME (LOSS)	3,340,759	2,622,654
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	413,083	319,615
Miscellaneous	(1,512)	7,019
Interest on Long-Term Debt	(1,299,681)	(1,310,266)
Interest on Long-Term Debt BABs Sub	(320,064)	(336,412)
Amortization Of Debt Premium	102,307	110,934
Interest Charged to Construction	-	57,628
Total Non-Operating Revenues (Expenses)	<u>(1,105,867)</u>	<u>(1,151,482)</u>
Net Income (Loss) Before Capital Contributions and Transfers	2,234,892	1,471,172
Capital Contributions:		
Cash	294,149	370,526
Donated Fixed Assets		1,917,507
Federal BABs Subsidies	320,064	320,064
Transfers:		
City Gross Earnings Tax	(775,290)	(709,799)
Transfer from (to) Other Funds	-	31,158
CHANGE IN NET POSITION	<u>\$2,073,815</u>	<u>\$3,400,628</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - JULY 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		2019 OVER (UNDER) 2018	PERCENT CHANGE
JULY 31, 2019	JULY 31, 2018		
\$47,251,859	\$45,910,396	\$1,341,463	2.9%
6,522,032	6,357,049	164,983	2.6%
2,838,040	2,604,248	233,792	9.0%
<u>56,611,931</u>	<u>54,871,693</u>	<u>1,740,238</u>	3.2%
3,933,228	4,405,889	(472,661)	-10.7%
<u>3,972,738</u>	<u>3,971,074</u>	<u>1,664</u>	0.0%
7,905,966	8,376,963	(470,997)	-5.6%
418,733	289,131	129,602	44.8%
1,248,860	1,312,604	(63,744)	-4.9%
8,489,536	7,960,282	529,254	6.6%
3,013,193	3,014,115	(922)	0.0%
2,818,719	2,778,794	39,925	1.4%
14,735,343	15,819,032	(1,083,689)	-6.9%
7,291,217	6,517,658	773,559	11.9%
<u>45,921,567</u>	<u>46,068,579</u>	<u>(147,012)</u>	-0.3%
10,690,364	8,803,114	1,887,250	21.4%
3,971,325	3,338,442	632,883	19.0%
44,676	48,611	(3,935)	-8.1%
(9,142,050)	(9,400,639)	258,589	2.8%
(2,240,448)	(2,134,826)	(105,622)	-4.9%
716,148	776,536	(60,388)	-7.8%
<u>(32,311)</u>	<u>223,249</u>	<u>(255,560)</u>	-114.5%
<u>(6,682,660)</u>	<u>(7,148,627)</u>	<u>465,967</u>	6.5%
4,007,704	1,654,487	2,353,217	142.2%
3,487,195	4,550,677	(1,063,482)	-23.4%
601,158	3,003,683	(2,402,525)	-80.0%
2,240,448	2,134,826	105,622	4.9%
(4,516,531)	(4,112,378)	(404,153)	-9.8%
-	31,158	(31,158)	NA
5,819,974	7,262,453	(1,442,479)	-19.9%
581,738,357	556,716,635	25,021,722	
<u>\$587,558,331</u>	<u>\$563,979,088</u>	<u>\$23,579,243</u>	4.2%

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Revenues and Billings (Unaudited)
 July 31, 2019 and July 31, 2018

	<u>JULY 2019</u>	<u>JULY 2018</u>
SALES OF WATER		
Residential and Domestic	\$5,646,471	\$5,273,995
Commercial and Industrial	2,222,444	1,867,630
Special Rate	588,507	570,971
Sales to Other Utilities	<u>315,499</u>	<u>362,567</u>
Total	<u><u>\$8,772,921</u></u>	<u><u>\$8,075,163</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	94,697	90,442
Commercial and Industrial	7,322	6,625
Sales to Other Utilities	<u>15</u>	<u>15</u>
Total	<u><u>102,034</u></u>	<u><u>97,082</u></u>

YEAR TO DATE		2019 OVER (UNDER) 2018	PERCENT CHANGE
JULY 31, 2019	JULY 31, 2018		
\$31,219,416	\$30,301,834	\$917,582	3.0%
10,713,599	10,214,059	499,540	4.9%
3,913,721	3,798,431	115,290	3.0%
<u>1,405,123</u>	<u>1,596,072</u>	<u>(190,949)</u>	-12.0%
<u><u>\$47,251,859</u></u>	<u><u>\$45,910,396</u></u>	<u><u>\$1,341,463</u></u>	2.9%
687,603	674,707	12,896	1.9%
47,398	46,514	884	1.9%
<u>109</u>	<u>105</u>	<u>4</u>	3.8%
<u><u>735,110</u></u>	<u><u>721,326</u></u>	<u><u>13,784</u></u>	1.9%

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Water
 Summary of Water Billed (Unaudited)
 July 31, 2019 and July 31, 2018

	MILLION GALLONS, TOTAL			
	JULY 2019	JULY 2018	YEAR TO DATE	
			JULY 31, 2019	JULY 31, 2018
WATER BILLED				
Residential and Domestic	911.99	901.29	4,420.29	4,366.83
Commercial and Industrial	416.61	361.35	1,792.68	1,705.50
Special Rate	495.18	493.20	3,281.62	3,270.30
Sales to Other Utilities	89.19	82.90	466.42	414.98
	1,912.97	1,838.74	9,961.01	9,757.61

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

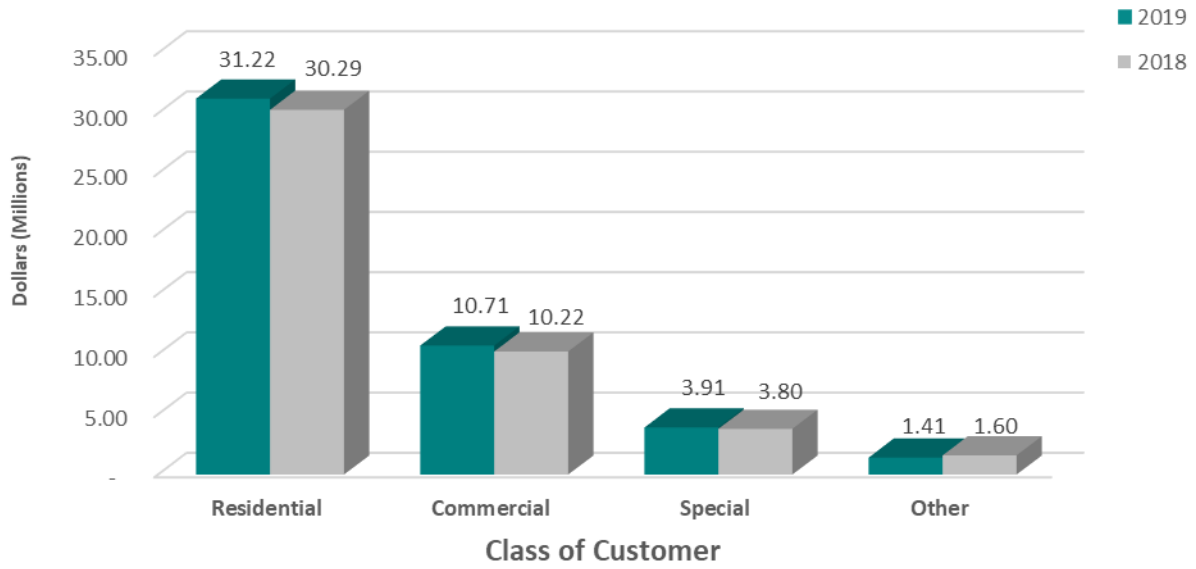
MILLION GALLONS, AVERAGE DAILY

<u>JULY 2019</u>	<u>JULY 2018</u>
29.42	29.07
13.44	11.66
15.97	15.91
<u>2.88</u>	<u>2.67</u>
<u><u>61.71</u></u>	<u><u>59.31</u></u>

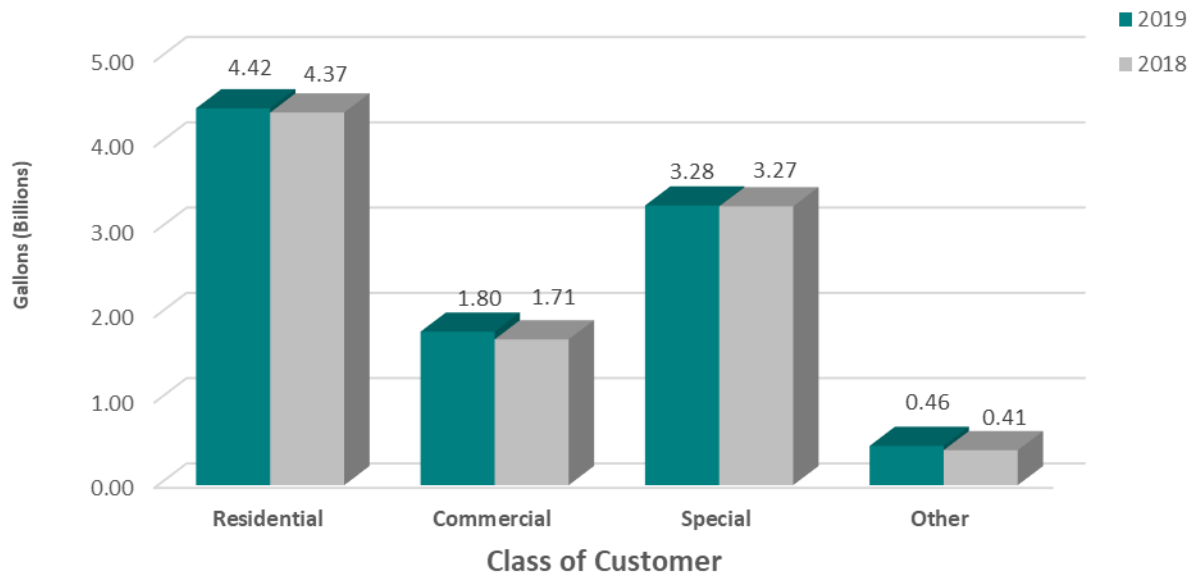
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Supplemental Data

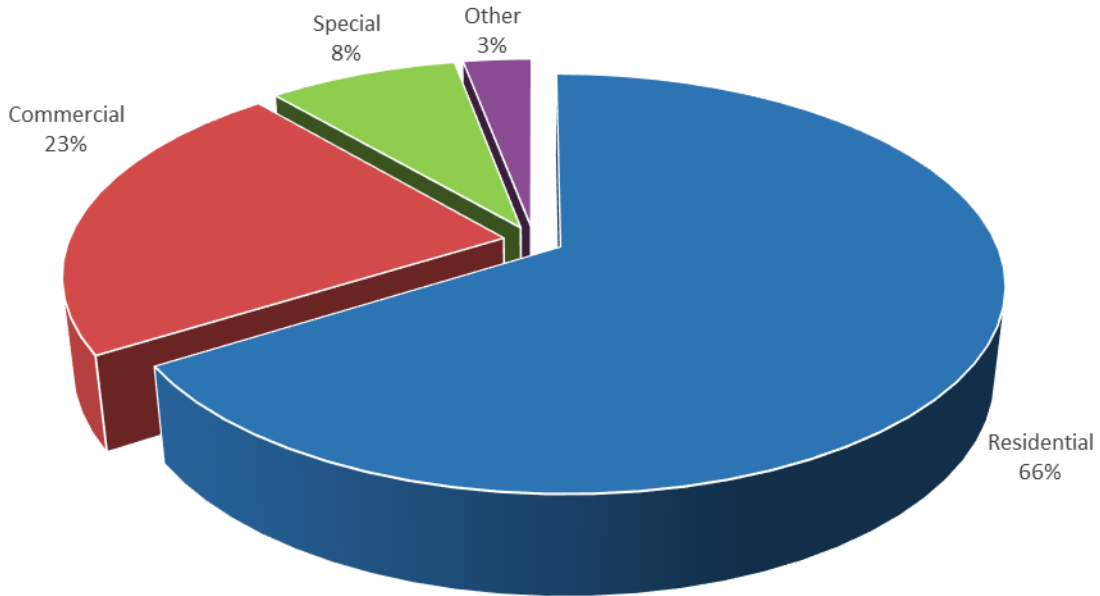
WATER SALES Year to Date - July 2019 & 2018



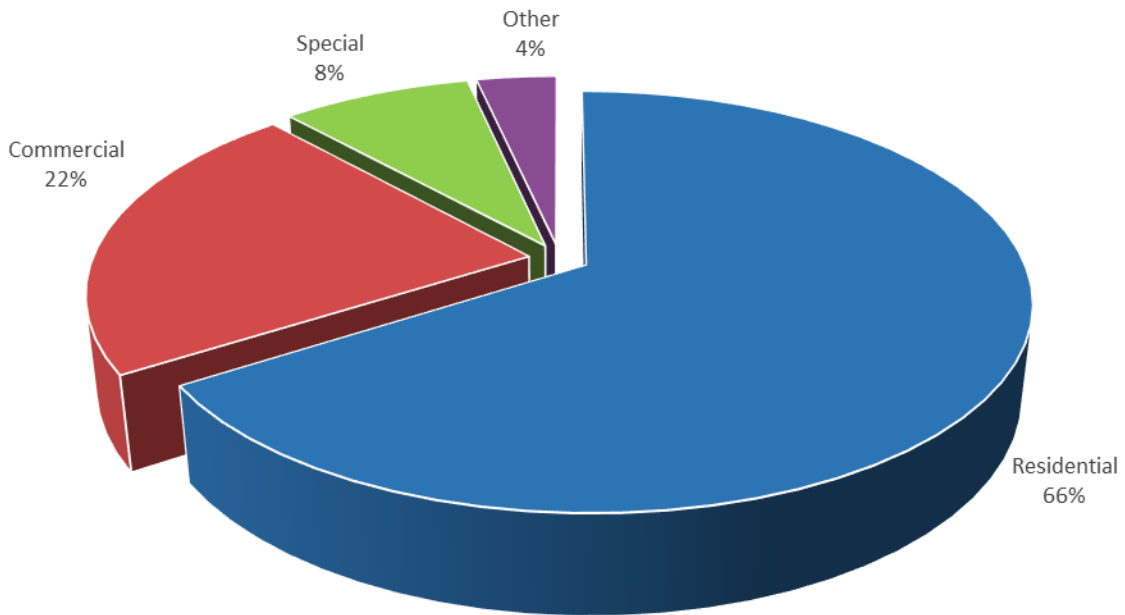
WATER CONSUMPTION Year to Date - July 2019 & 2018



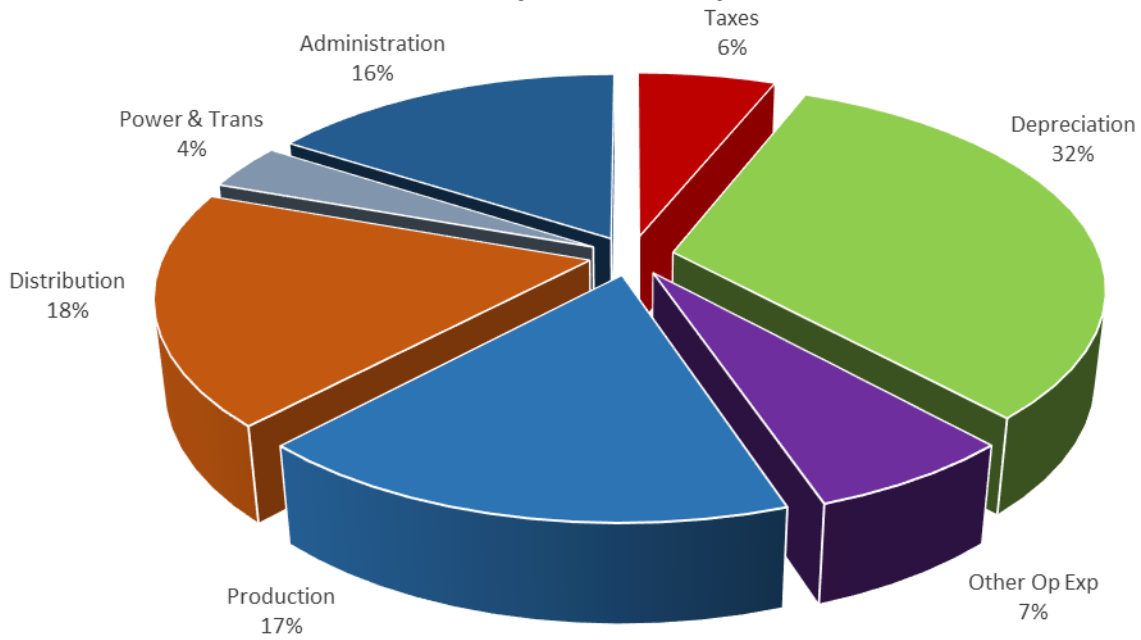
WATER SALES
Year to Date - July 2019
(\$47,251,859)



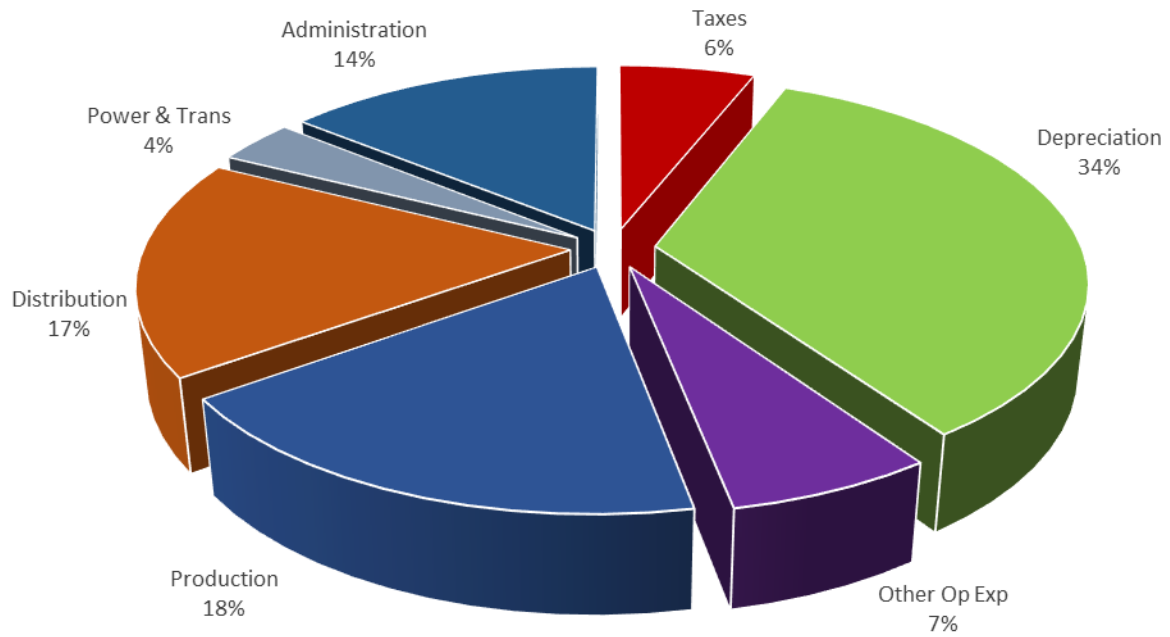
WATER SALES
Year to Date - July 2018
(\$45,910,396)



TOTAL OPERATING EXPENSES
Year to Date - July 2019
(\$45,921,567)



TOTAL OPERATING EXPENSES
Year to Date - July 2018
(\$46,068,579)



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JULY

FLEET SERVICES FUND

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

DON ASHMORE

Utilities Fleet Manager

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES

FLEET SERVICES FUND

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Statements of Net Position (Unaudited)	1
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)	3
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City of Tacoma, Washington
 Department of Public Utilities
 Fleet Services Fund
 Statements of Net Position (Unaudited)
 July 31, 2019 and July 31, 2018

	2019	2018
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	719,411	719,411
Transportation Equipment	47,644,158	43,742,716
Power-Operated Equipment	16,490,855	16,375,559
Accumulated Depreciation	(39,970,403)	(38,249,434)
Total Fixed Assets	25,500,922	23,205,153
Construction Work in Progress	1,700,328	3,116,721
Net Fixed Assets	27,201,250	26,321,874
CURRENT		
Current Fund Cash & Equity in Pooled Investments	16,462,393	17,147,492
Materials and Supplies	348,432	343,856
Total Current Assets	16,810,825	17,491,348
OTHER ASSETS		
Net Pension Asset	367,979	-
TOTAL ASSETS	44,380,054	43,813,222
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	471,904	915,881
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$44,851,958	\$44,729,103

	<u>2019</u>	<u>2018</u>
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$27,201,250	\$26,321,874
Restricted for:		
Tacoma Power	18,095,346	18,095,346
Tacoma Water	7,199,933	7,199,933
Tacoma Rail	981,147	981,147
Net Pension Asset	367,979	-
Unrestricted	<u>(10,168,494)</u>	<u>(9,325,874)</u>
TOTAL NET POSITION	43,677,161	43,272,426
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	237,537	96,275
Wages Payable	<u>104,179</u>	<u>87,893</u>
Total Current Liabilities	341,716	184,168
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	206,696	209,679
Net Pension Liability	<u>-</u>	<u>874,422</u>
Total Long-term Liabilities	206,696	1,084,101
TOTAL LIABILITIES	<u>548,412</u>	<u>1,268,269</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	<u>626,385</u>	<u>188,408</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$44,851,958</u></u>	<u><u>\$44,729,103</u></u>

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
 Fleet Services Fund
 Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
 July 31, 2019 and July 31, 2018

	<u>JULY</u> <u>2019</u>	<u>JULY</u> <u>2018</u>
OPERATING REVENUE		
Maintenance Revenue	\$275,917	\$161,032
Capital Recovery	311,246	207,303
Administrative Overhead	118,225	113,400
Fuel and Fuel Loading	5,117	5,429
Pool Car Rental	<u>14,401</u>	<u>13,312</u>
Total Operating Revenue	724,906	500,476
 OPERATING EXPENSES		
Repairs and Servicing		
Shop Operations	204,437	173,631
Outside Services	<u>2,484</u>	<u>17,776</u>
Total Repairs and Servicing	206,921	191,407
Stores Operations	28,543	28,392
Administration	131,187	137,939
Depreciation	<u>313,320</u>	<u>299,404</u>
Total Operating Expenses	679,971	657,142
 OPERATING INCOME	44,935	(156,666)
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	2,974	10,572
Gain (Loss) on Disposition of Equipment	-	152,645
Sale of Scrap	<u>-</u>	<u>555</u>
Total Non-Operating Revenues (Expenses)	2,974	163,772
 CHANGE IN NET POSITION	<u>\$47,909</u>	<u>\$7,106</u>
 TOTAL NET POSITION - JANUARY 1		
 TOTAL NET POSITION - JULY 31		

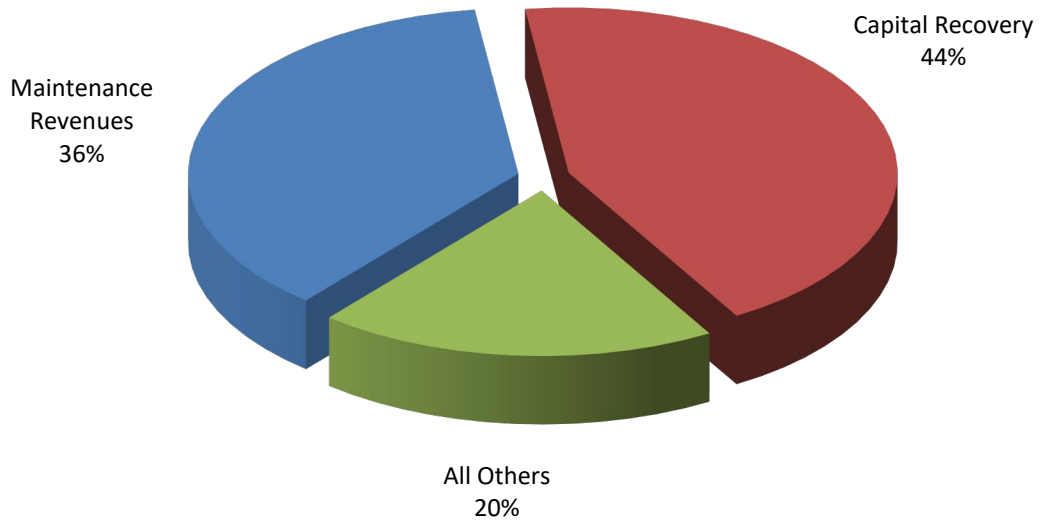
YEAR TO DATE			
JULY 2019	JULY 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$1,798,769	\$1,147,071	\$651,698	56.8%
2,134,935	1,470,809	664,126	45.2%
847,067	783,677	63,390	8.1%
35,220	37,787	(2,567)	-6.8%
75,767	70,241	5,526	7.9%
4,891,758	3,509,585	1,382,173	39.4%
1,424,916	1,394,871	30,045	2.2%
26,188	47,171	(20,983)	-44.5%
1,451,104	1,442,042	9,062	0.6%
168,702	198,699	(29,997)	-15.1%
887,709	929,639	(41,930)	-4.5%
2,211,622	2,091,262	120,360	5.8%
4,719,137	4,661,642	57,495	1.2%
172,621	(1,152,057)	1,324,678	115.0%
137,047	171,121	(34,074)	-19.9%
103,202	185,876	(82,674)	-44.5%
1,300	555	745	100.0%
241,549	357,552	(116,003)	-32.4%
414,170	(794,505)	\$1,208,675	152.1%
43,262,991	44,066,931		
\$43,677,161	\$43,272,426		

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

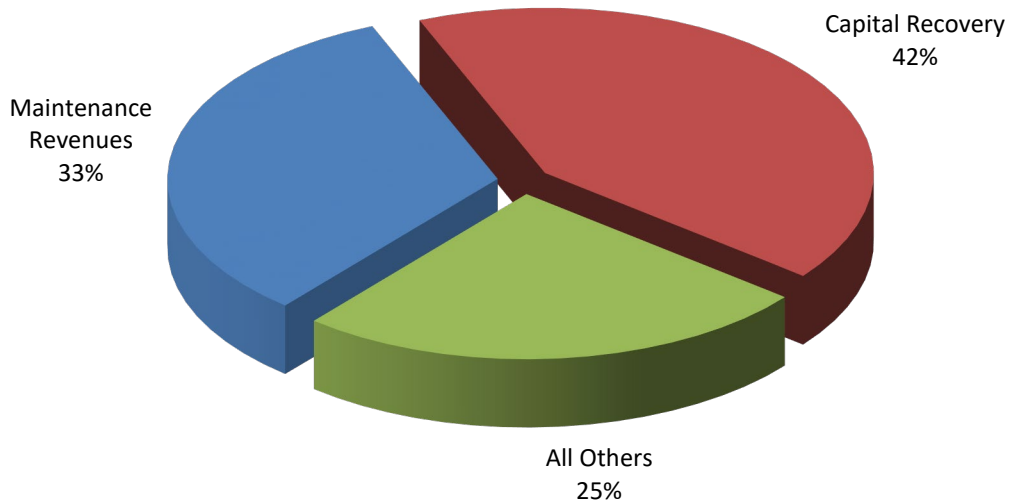
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Supplemental Data

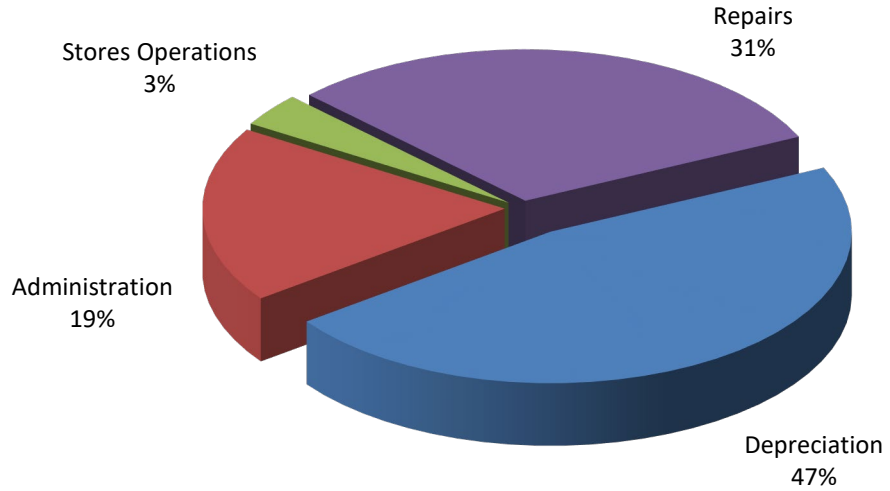
TOTAL OPERATING REVENUES
Year to Date - July 2019 (\$4,891,758)



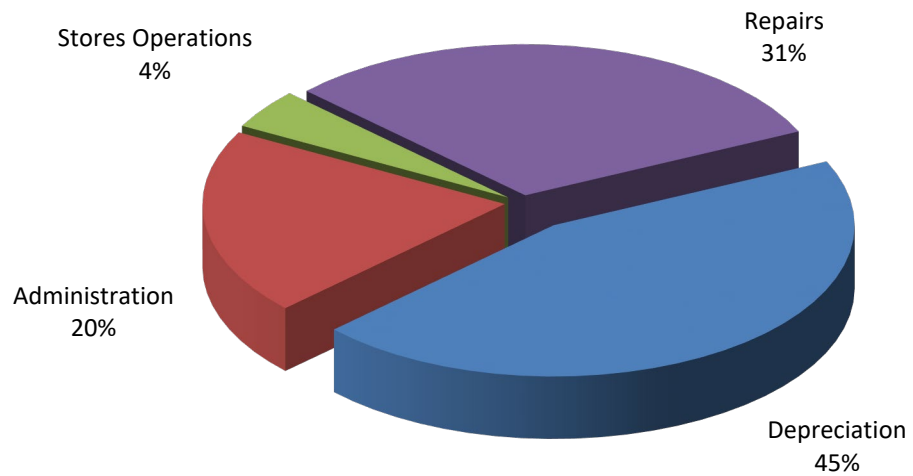
TOTAL OPERATING REVENUES
Year to Date - July 2018 (\$3,509,585)



TOTAL OPERATING EXPENSES
Year to Date - July 2019 (\$4,719,137)



TOTAL OPERATING EXPENSES
Year to Date - July 2018 (\$4,661,642)





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JULY

TACOMA RAIL

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

DALE KING

Rail Superintendent

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, BELT LINE DIVISION

TACOMA RAIL

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.

Statements of Net Position (Unaudited)	1
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)	3
Summary of Switching Revenues and Switching Activities (Unaudited).....	5
Supplemental Data	8

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Rail

Statements of Net Position (Unaudited)
 July 31, 2019 and July 31, 2018

ASSETS	JULY 31, 2019	JULY 31, 2018
CAPITAL ASSETS		
Road and Equipment Property	\$47,179,212	\$46,585,757
Less Accumulated Depreciation	(22,824,667)	(21,072,043)
Total	24,354,545	25,513,714
Construction Work in Progress	1,585,821	476,193
Net Capital Assets	25,940,366	25,989,907
CURRENT ASSETS		
Cash & Equity in Pooled Investments	14,778,008	10,915,393
Customer Accounts Receivable	3,769,580	3,203,290
Grants Receivable	3,381	-
Prepayments	1,027,304	426,512
Materials and Supplies Inventory	1,218,788	1,271,023
Total Current Assets	20,797,061	15,816,218
DEFERRED OUTFLOWS		
Deferred Outflows for OPEB	993,546	-
TOTAL ASSETS	\$47,730,973	\$41,806,125

NET POSITION AND LIABILITIES	<u>JULY 31,</u> <u>2019</u>	<u>JULY 31,</u> <u>2018</u>
NET POSITION		
Net Investment in Capital Assets	\$21,190,220	\$20,419,518
Unrestricted	<u>2,603,996</u>	<u>9,623,230</u>
TOTAL NET POSITION	23,794,216	30,042,748
LONG-TERM DEBT, NET OF CURRENT MATURITIES		
State Loans	<u>3,929,896</u>	<u>4,750,140</u>
Total Long-Term Liabilities	3,929,896	4,750,140
CURRENT LIABILITIES		
Accounts Payable	544,351	464,759
Wages Payable	340,507	285,300
Unemployment and other Tax Payables	354,751	300,083
Volume Incentive Payable	625,000	-
Current Portion of Long Term Debt	820,250	820,250
Current Portion of Compensated Absences	<u>118,329</u>	<u>112,418</u>
Total Current Liabilities	2,803,188	1,982,810
LONG-TERM LIABILITIES		
On the Job Injury Reserve	852,255	821,260
Long-Term Portion of Compensated Absences	1,064,965	1,011,762
Other Contingent Liability	2,320,000	-
Other Post Employment Benefits	12,179,967	-
Incurred but not Reported Claims	<u>496,684</u>	<u>3,197,405</u>
Total Long-Term Liabilities	16,913,871	5,030,427
TOTAL LIABILITIES	<u>23,646,955</u>	<u>11,763,377</u>
DEFERRED INFLOWS		
Deferred Inflows for OPEB	<u>289,802</u>	<u>-</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$47,730,973</u>	<u>\$41,806,125</u>

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 Rail

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
 July 31, 2019 and July 31, 2018

	JULY 2019	JULY 2018
	<u> </u>	<u> </u>
OPERATING REVENUES		
Switching Revenues	\$2,602,756	\$2,326,716
Demurrage and Other Operating Revenues	594,971	416,475
Total Operating Revenues	<u>3,197,727</u>	<u>2,743,191</u>
 OPERATING EXPENSES		
Maintenance of Way and Structures		
Salaries and Wages	85,750	69,140
Supplies and Expense	102,887	70,888
Mechanical		
Salaries and Wages	189,537	170,531
Supplies and Expense	401,804	377,932
Operations		
Salaries and Wages	841,502	818,606
Supplies and Expense	89,917	124,866
Administration		
Salaries and Wages	204,226	210,625
Supplies and Expense	162,596	271,993
Taxes - State	43,973	38,074
Depreciation	146,903	144,789
Total Operating Expenses	<u>2,269,095</u>	<u>2,297,444</u>
 Net Operating Income	928,632	445,747
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	24,856	14,008
Miscellaneous	72,856	72,166
Total Non-Operating Revenues	<u>97,712</u>	<u>86,174</u>
 Contributions - Grants	<u>3,381</u>	-
Total Contributions	3,381	-
 Transfers		
City of Tacoma Gross Earnings Tax	(263,635)	(226,349)
 CHANGE IN NET POSITION	<u>\$766,090</u>	<u>\$305,572</u>
 TOTAL NET POSITION - JANUARY 1		
 TOTAL NET POSITION - JULY 31		

YEAR TO DATE			
JULY 31, 2019	JULY 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$17,500,071	\$16,014,142	\$1,485,929	9.3%
3,588,834	2,836,317	752,517	26.5%
<u>21,088,905</u>	<u>18,850,459</u>	<u>2,238,446</u>	11.9%
603,797	532,894	70,903	13.3%
637,148	866,501	(229,353)	-26.5%
1,359,563	1,130,073	229,490	20.3%
2,561,469	2,208,459	353,010	16.0%
5,943,315	5,675,083	268,232	4.7%
770,485	852,912	(82,427)	-9.7%
1,482,358	1,542,532	(60,174)	-3.9%
2,463,204	2,203,301	259,903	11.8%
294,506	264,863	29,643	11.2%
1,028,429	1,013,520	14,909	1.5%
<u>17,144,274</u>	<u>16,290,138</u>	<u>854,136</u>	5.2%
3,944,631	2,560,321	1,384,310	54.1%
210,485	131,206	79,279	60.4%
539,176	636,699	(97,523)	-15.3%
<u>749,661</u>	<u>767,905</u>	<u>(18,244)</u>	-2.4%
29,168	112,306	(83,138)	-74.0%
<u>29,168</u>	<u>112,306</u>	<u>(83,138)</u>	-74.0%
(1,742,957)	(1,565,159)	(177,798)	-11.4%
2,980,503	1,875,373	1,105,130	58.9%
<u>20,813,713</u>	<u>28,167,375</u>		
<u><u>\$23,794,216</u></u>	<u><u>\$30,042,748</u></u>		

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 Rail

Summary of Switching Revenues and Switching Activities (Unaudited)
 July 31, 2019 and July 31, 2018

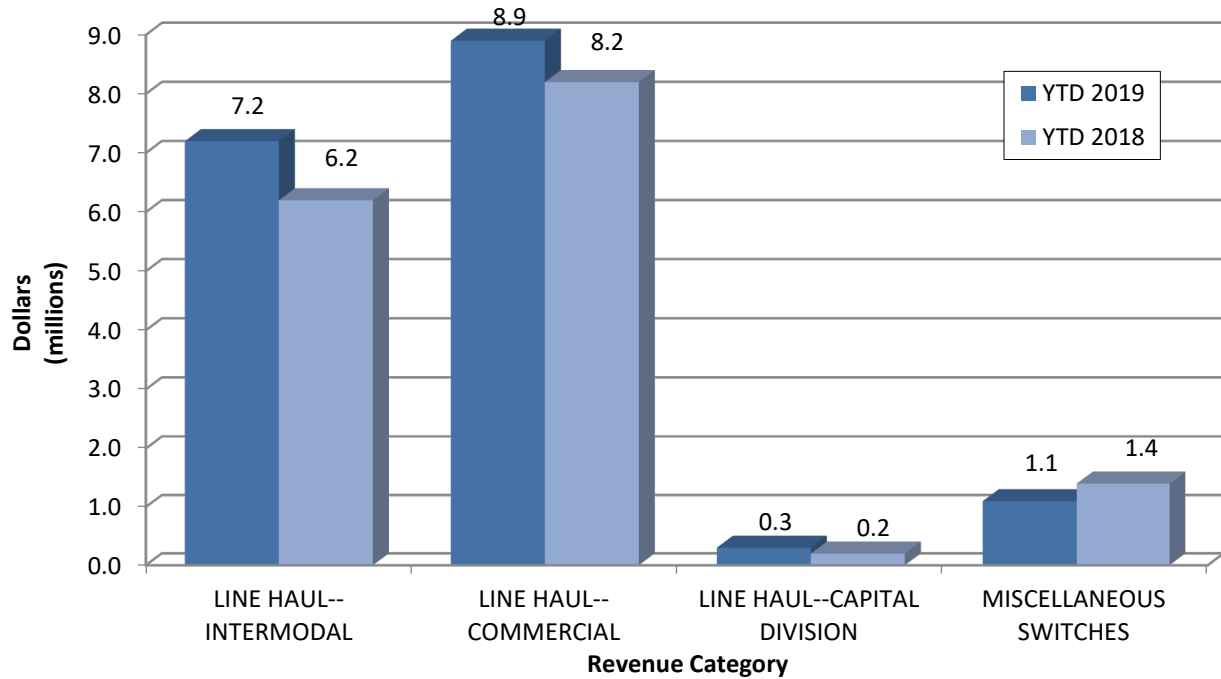
	<u>July 2019</u>	<u>July 2018</u>
SWITCHING REVENUES		
LINE HAULS--INTERMODAL	\$1,076,274	\$986,706
LINE HAULS--COMMERCIAL	1,337,512	1,173,930
LINE HAULS--CAPITAL DIVISION	50,730	26,849
MISCELLANEOUS SWITCHES	<u>138,240</u>	<u>139,231</u>
TOTAL SWITCHING REVENUES	<u><u>\$2,602,756</u></u>	<u><u>\$2,326,716</u></u>
SWITCHING ACTIVITIES (CARS)		
LINE HAULS--INTERMODAL	6,300	5,886
LINE HAULS--COMMERCIAL	2,535	2,433
LINE HAULS--CAPITAL DIVISION	89	47
MISCELLANEOUS SWITCHES	<u>851</u>	<u>1,023</u>
TOTAL CARS SWITCHED	<u><u>9,775</u></u>	<u><u>9,389</u></u>

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$7,230,516	\$6,216,988	\$1,013,528	16.3%
8,869,816	8,178,465	691,351	8.5%
272,460	245,909	26,551	10.8%
<u>1,127,279</u>	<u>1,372,780</u>	<u>(245,501)</u>	<u>-17.9%</u>
<u>\$17,500,071</u>	<u>\$16,014,142</u>	<u>\$1,485,929</u>	<u>9.3%</u>
42,749	36,599	6,150	16.8%
18,511	16,379	2,132	13.0%
478	449	29	6.5%
<u>7,017</u>	<u>8,156</u>	<u>(1,139)</u>	<u>-14.0%</u>
<u>68,755</u>	<u>61,583</u>	<u>7,172</u>	<u>11.6%</u>

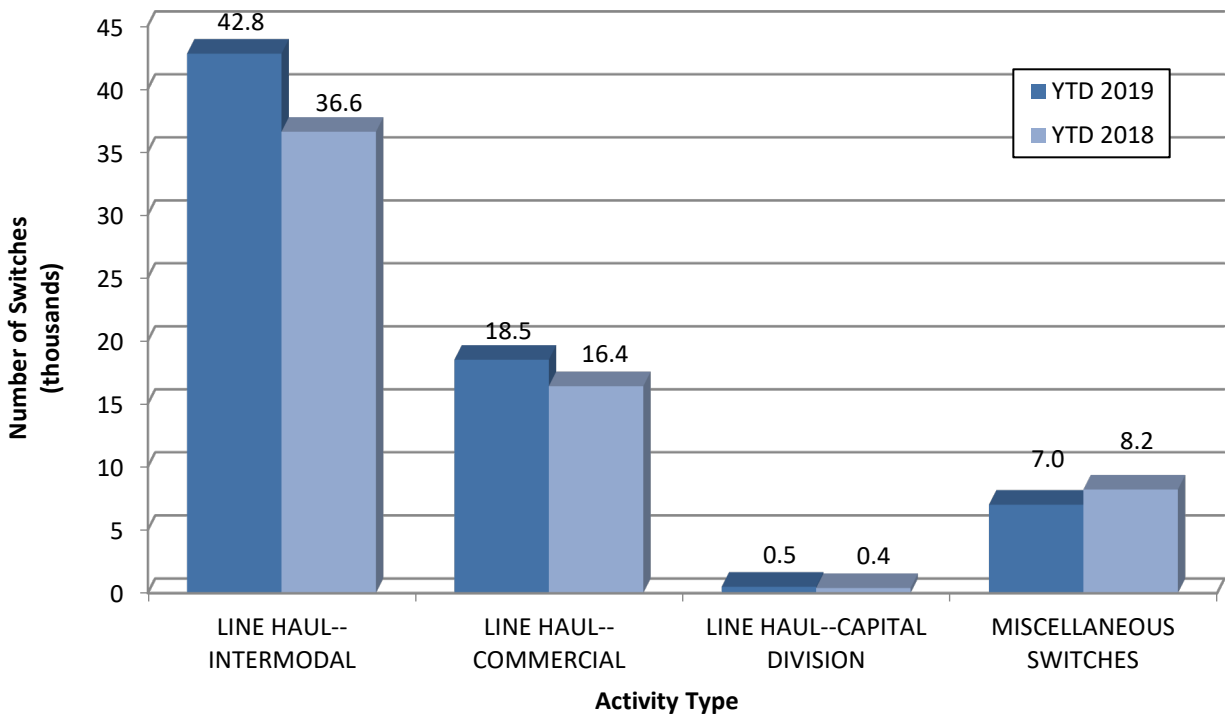
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Supplemental Data

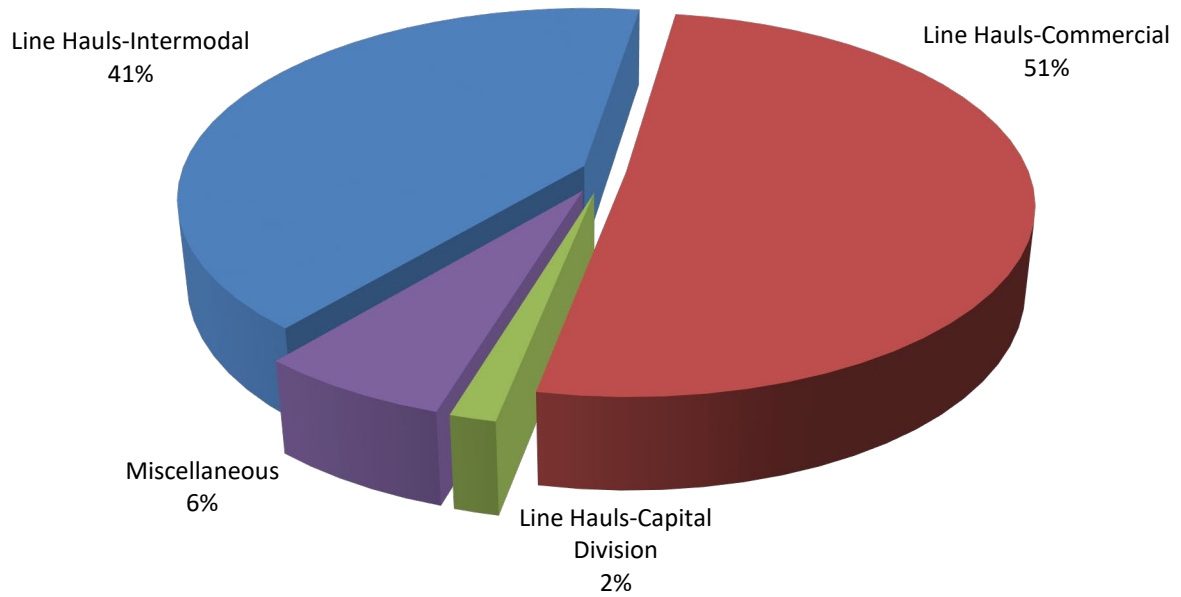
SWITCHING REVENUES Year to Date - July 2019 & 2018



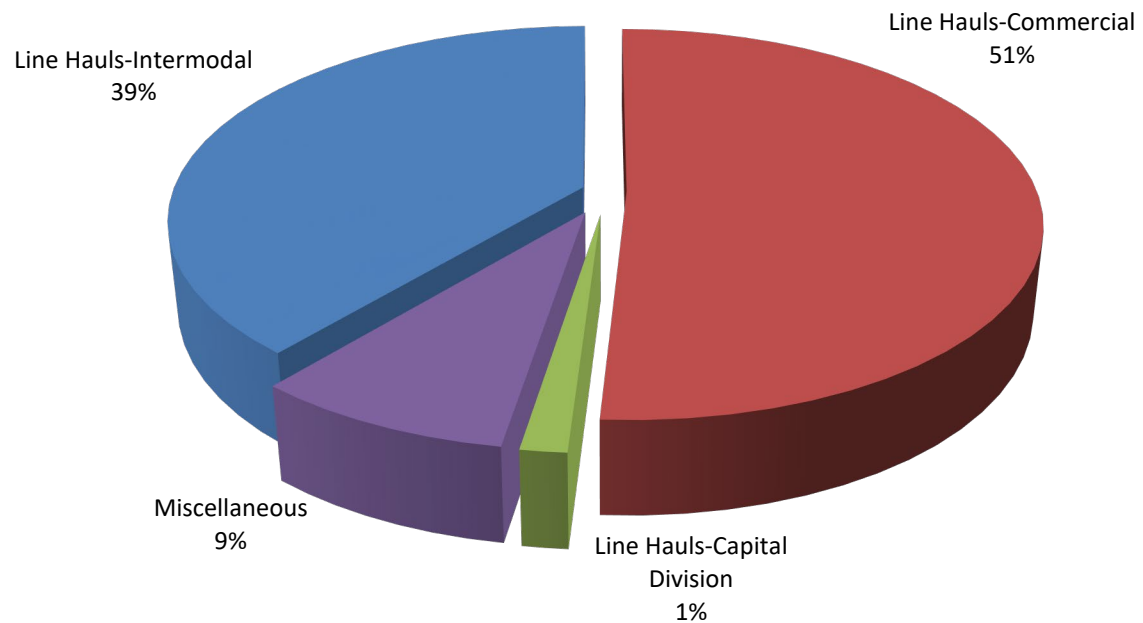
SWITCHING ACTIVITIES Year to Date - July 2019 & 2018



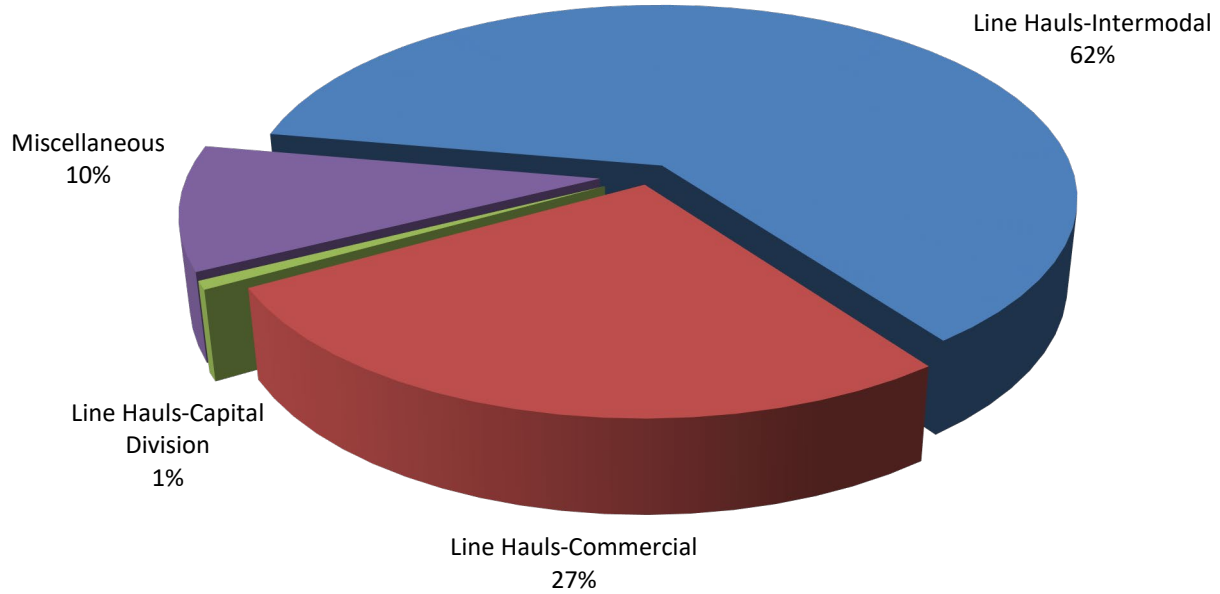
SWITCHING REVENUES Year to Date - July 2019 (\$17,500,071)



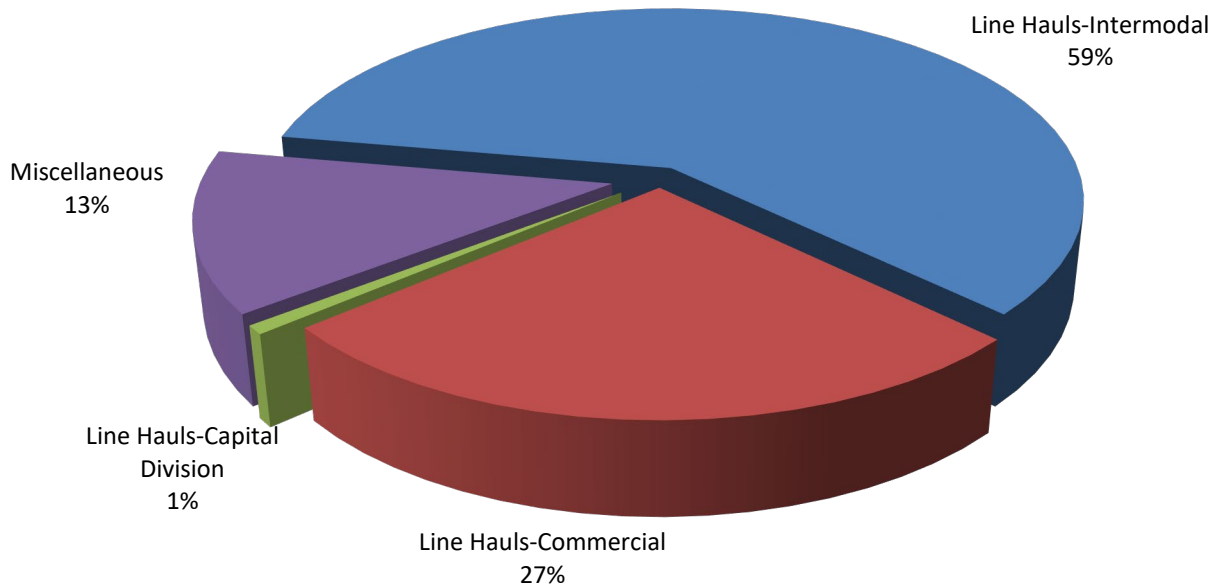
SWITCHING REVENUES Year to Date - July 2018 (\$16,014,142)



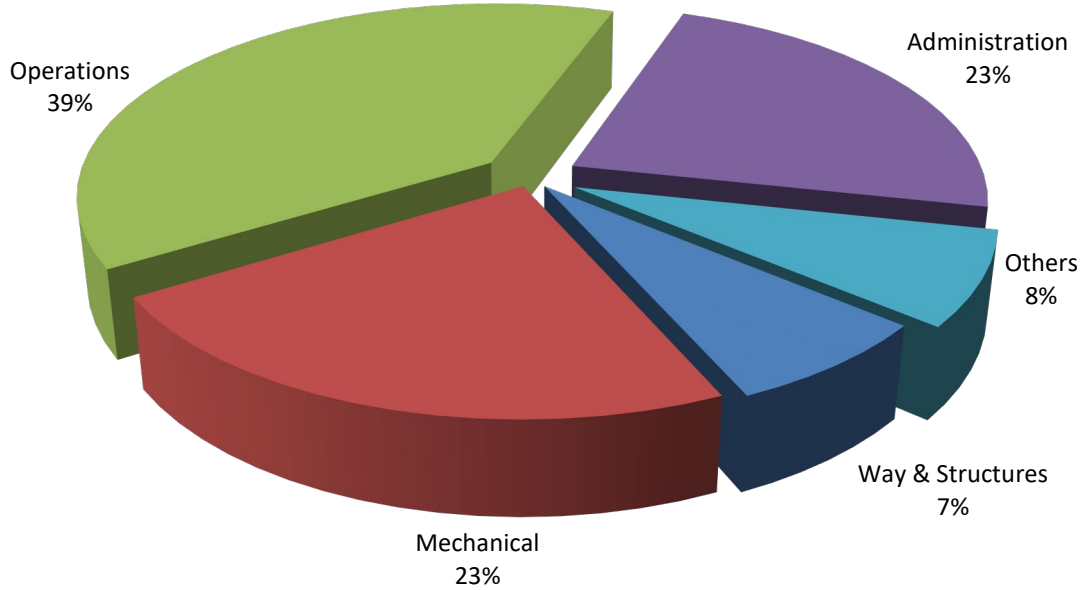
SWITCHING ACTIVITY
Year to Date - July 2019 (68,755 cars)



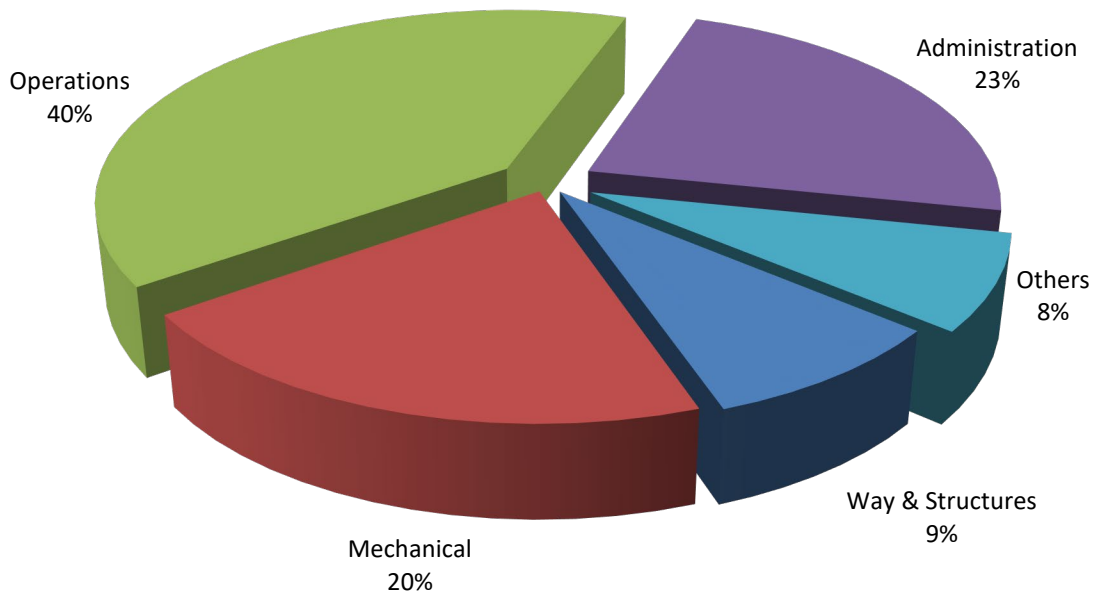
SWITCHING ACTIVITY
Year to Date - July 2018 (61,583 cars)



TOTAL OPERATING EXPENSES
Year to Date - July 2019 (\$17,144,274)



TOTAL OPERATING EXPENSES
Year to Date - July 2018 (\$16,290,138)





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JULY

SELF-INSURANCE CLAIM FUND

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

CHRIS ROBINSON

Power Superintendent/COO

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES

SELF-INSURANCE CLAIM FUND

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.

Statements of Net Position (Unaudited)	1
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)	2

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City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Statements of Net Position (Unaudited)
 July 31, 2019 and July 31, 2018

	2019	2018
ASSETS		
CURRENT		
Cash and Equity in Pooled Investments	\$8,523,262	\$7,510,737
TOTAL ASSETS	\$8,523,262	\$7,510,737
NET POSITION AND LIABILITIES		
NET POSITION		
Restricted:		
Interfund Contributions	\$3,781,552	\$1,502,784
TOTAL NET POSITION	3,781,552	1,502,784
CURRENT LIABILITIES		
Accounts Payable Claims	4,724,564	6,006,069
Accounts Payable Claims Handling	17,146	1,884
TOTAL LIABILITIES	4,741,710	6,007,953
TOTAL NET POSITION AND LIABILITIES	\$8,523,262	\$7,510,737

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

City of Tacoma, Washington
 Department of Public Utilities
 Self-Insurance Claim Fund

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
 July 31, 2019 and July 31, 2018

	<u>JULY 2019</u>	<u>JULY 2018</u>
INCOME		
Premiums	\$153,333	\$128,333
Interest	<u>15,402</u>	<u>10,662</u>
TOTAL INCOME	168,735	138,995
 EXPENSES		
Claims	23,672	7,869
Litigation Expense and Settlements	8,515	474
Incidental and Administrative Expense	<u>8,161</u>	<u>12,294</u>
TOTAL EXPENSES	<u>40,348</u>	<u>20,637</u>
 CHANGE IN NET POSITION	 <u><u>\$128,387</u></u>	 <u><u>\$118,358</u></u>
 TOTAL NET POSITION - JANUARY 1		
 TOTAL NET POSITION - JULY 31		

YEAR-TO-DATE			
JULY 2019	JULY 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$1,073,333	\$2,598,333	(\$1,525,000)	-58.7%
140,950	102,972	37,978	36.9%
1,214,283	2,701,305	(1,487,022)	-55.0%
(236,951)	2,178,154	(2,415,105)	-110.9%
296,302	59,441	236,861	398.5%
69,070	111,334	(42,264)	-38.0%
128,421	2,348,929	(2,220,508)	-94.5%
1,085,862	352,376	733,486	208.2%
2,695,690	1,150,408	1,545,282	
<u>\$3,781,552</u>	<u>\$1,502,784</u>	<u>\$2,278,768</u>	

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

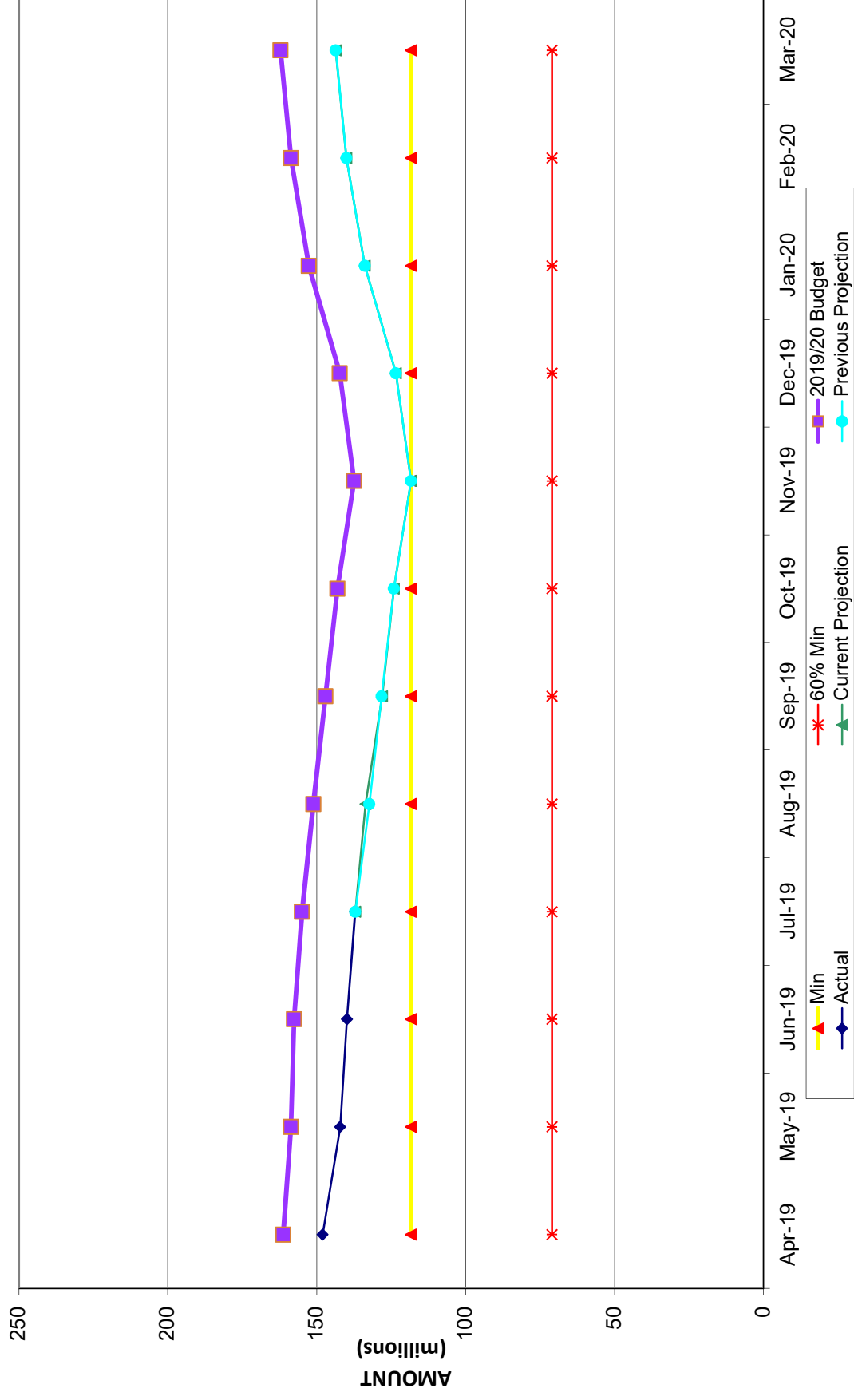


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TACOMA POWER

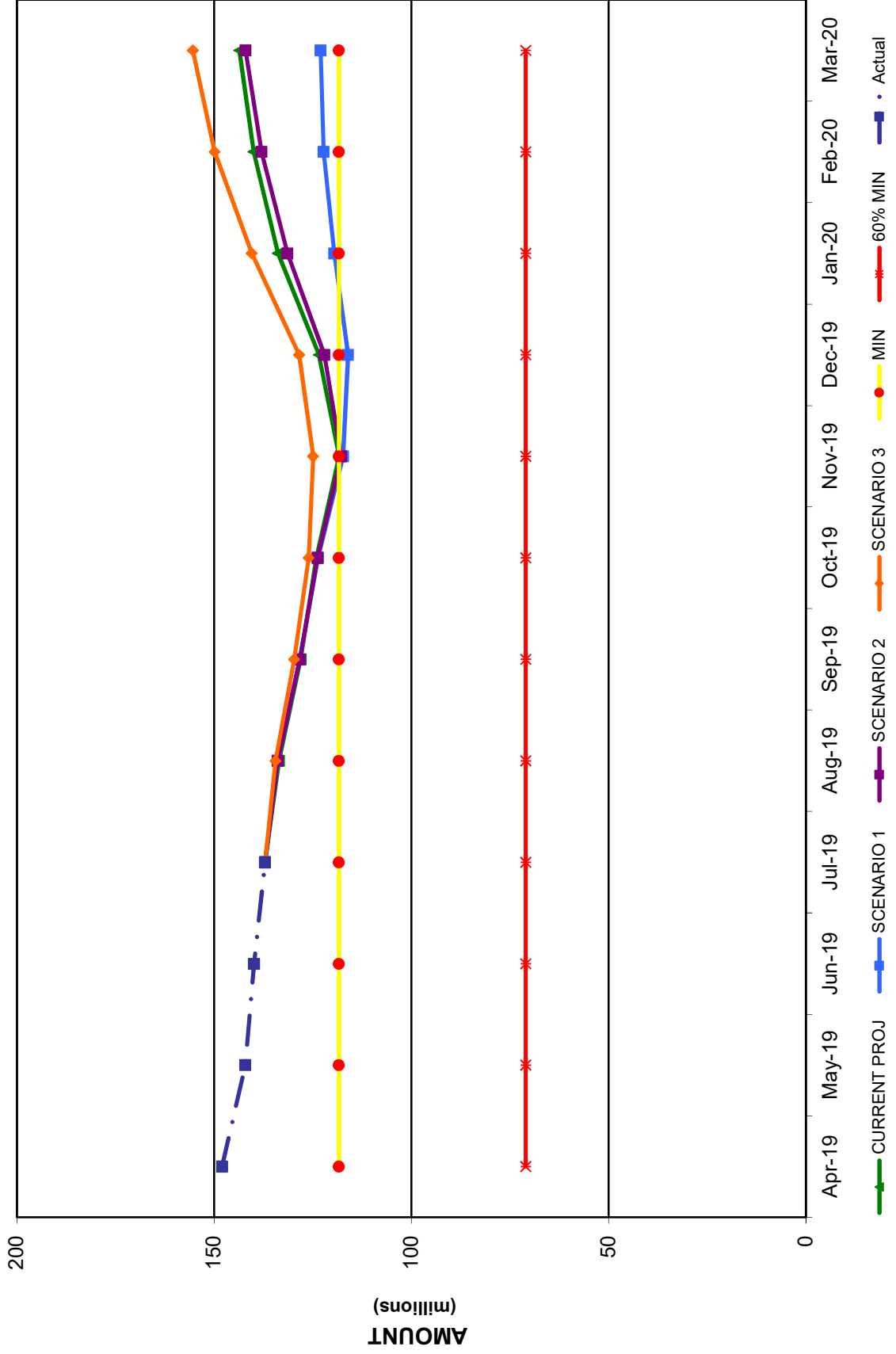
CURRENT FUND BALANCED BUDGET CASH PROJECTIONS

Estimated Cash for 2019-2020



TACOMA POWER CURRENT FUND CASH PROJECTIONS

Actual ^(a) and Estimated Cash* for 2019-2020



TACOMA POWER
2019-2020 BALANCED BUDGET CASH PROJECTION
(000's omitted)

	Jul-19	Jul-19	Aug-19	Sep-19	Oct-19
	Estimate	Actual			
Beginning Cash Balance (4)	139,879	139,879	137,098	133,593	128,051
Cash In					
Retail Sales	27,159	24,076	27,220	27,176	27,106
Wholesale Sales	2,805	2,645	2,898	1,168	1,710
Telecommunications	2,209	2,149	2,198	2,182	2,170
Other Revenue	2,192	2,974	2,192	2,192	2,192
Total Cash In	34,365	31,844	34,508	32,718	33,178
Cash Out					
Personnel Costs	7,131	7,792	7,131	7,131	7,131
Debt Service	2,488	2,548	2,488	2,488	2,488
Taxes	4,431	3,956	4,161	4,178	3,961
BPA Purchases	11,690	11,794	11,389	12,113	11,532
Wholesale Purchases	2,706	1,531	2,153	1,659	1,364
Supplies, Other Services & Charges	6,955	6,639	6,955	6,955	6,955
Capital Outlay	3,736	3,484	3,736	3,736	3,736
Total Cash Out	39,137	37,744	38,013	38,260	37,167
Net	(4,772)	(5,900)	(3,505)	(5,542)	(3,989)
Change in A/R		5,336			
Change in A/P		(2,217)			
Ending Cash Balance	135,107	137,098	133,593	128,051	124,062

The accompanying notes are an integral part of these cash projections.
TACOMA POWER
2019-2020 CURRENT FUND CASH PROJECTIONS

Notes:

1. While this projection is based primarily on historic patterns, it is factored by actual revenue and expense elements when known or when they can reasonably be estimated.
2. Based on Public Utility Board and City Council resolutions, the Division should maintain a minimum cash working capital balance of approximately \$118.4 million (90 days) in the 2019/2020 biennium. Due to seasonal fluctuations, however, the Division may on occasion drop below this recommended level. The cash balance in any month should never be allowed to drop more than 40% below the recommended level (\$71.0 million).
3. Commitments: These projections are based on the 2019/2020 budget.
4. "Actual" cash and investment balance as of July 1st, 2019.
5. BPA Purchase information provided by Power Management May 3, 2019. BPA billings are net of Wynoochee and LaGrande/Cushman billing credits.
6. The Capital Outlay projection is based on the 2019/2020 budget.
7. Regular debt service includes the interest and principal payments on all outstanding Electric System Revenue and Refunding bonds.
8. Retail revenue in this projection is based on the Retail Sales and Forecast provided by the Rates, Planning and Analysis division.
9. On the Current Fund Cash Projections graph the most recent projection is labeled "CURRENT PROJ." Also shown are three scenarios based on estimated wholesale power sales revenues under current forward wholesale market prices and the following streamflow conditions:
 - Scenario 1 represents critical water conditions for 12 months followed by adverse water conditions.
 - Scenario 2 represents adverse water conditions.
 - Scenario 3 represents average water conditions.
10. Wholesale Sale/Purchase information provided by Power Management on August 13, 2019.

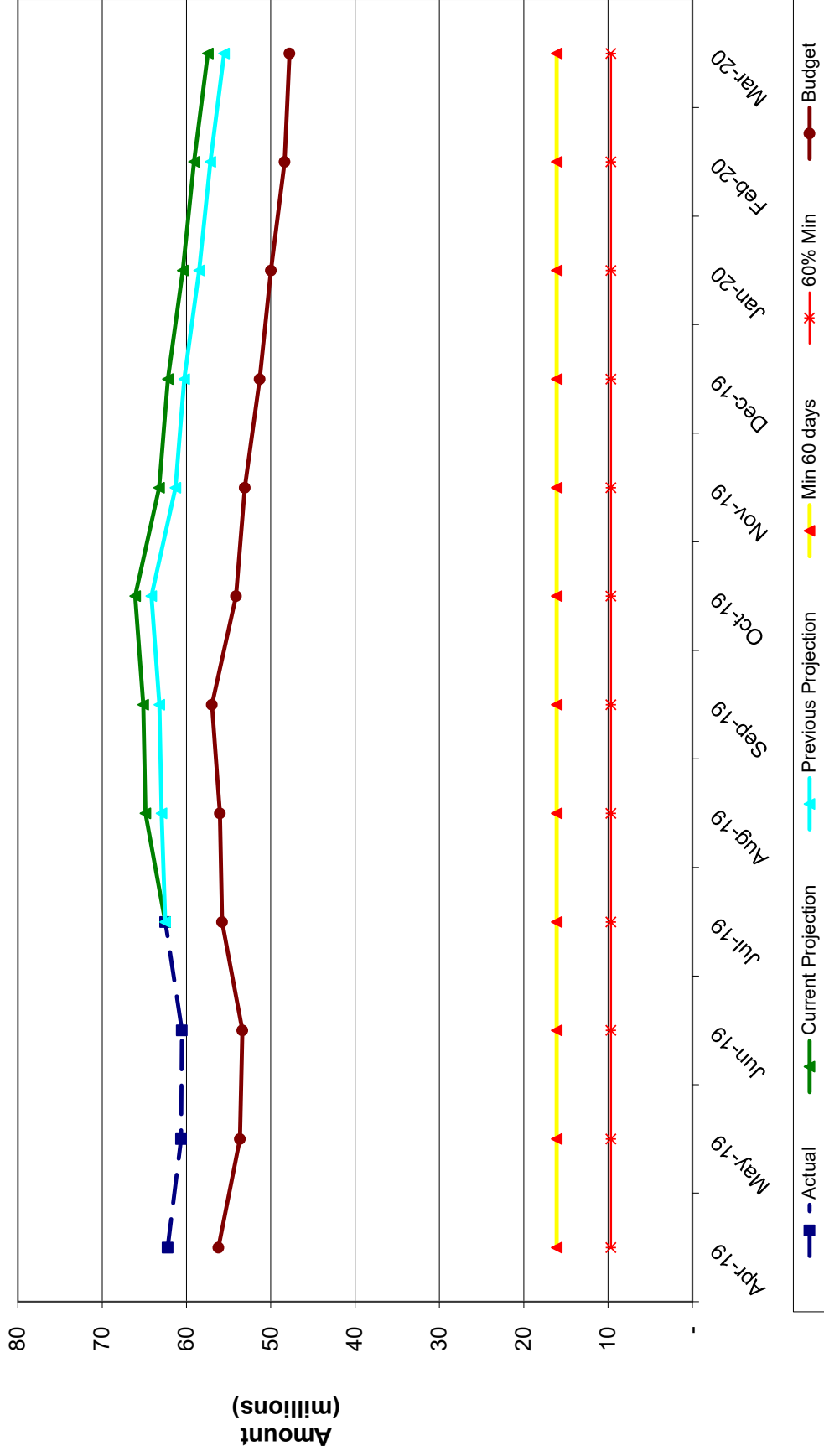
Significant Changes:

Retail Sales were (\$3.1) million less than projected predominantly due to an invoice that was billed incorrectly in June and corrected in July.

Wholesale Purchases were lower than projected by (\$1.2) million predominantly due to lower than market prices.

TACOMA WATER CURRENT FUND CASH PROJECTIONS

Actual & Estimated Cash for 2019/2020



TACOMA WATER
2019/2020 CURRENT FUND CASH PROJECTIONS
(000's omitted)

	Jul-19 Estimate	Jul-19 Actual	Aug-19 Estimate	Sep-19 Estimate	Oct-19 Estimate
Beginning Cash Balance	60,542	60,542	62,505	64,875	65,138
Cash In					
Water Sales	7,836	9,067	10,521	8,301	8,888
Interest	23	161	23	23	23
Other Revenue	312	280	312	312	312
BABs Subsidies	231	248	231	231	231
BABs Subsidy 2010 Bond	-	-	-	-	-
Total Cash In	8,402	9,756	11,087	8,867	9,454
Cash Out					
Personnel Costs	2,170	1,969	2,170	2,170	2,170
Supplies, Other Services & Charges	2,406	2,439	2,406	2,406	2,406
Taxes	1,042	1,084	1,390	1,277	1,184
Debt Service	2,205	2,221	2,205	2,205	2,200
Capital Outlay	546	480	546	546	546
Total Cash Out	8,369	8,193	8,717	8,604	8,506
Change in A/R	-	125	-	-	-
Change in A/P	-	275	-	-	-
Net Change in Cash	33	1,963	2,370	263	949
Ending Cash Balance	60,575	62,505	64,875	65,138	66,086

TACOMA WATER

2019/2020 CURRENT FUND CASH PROJECTIONS

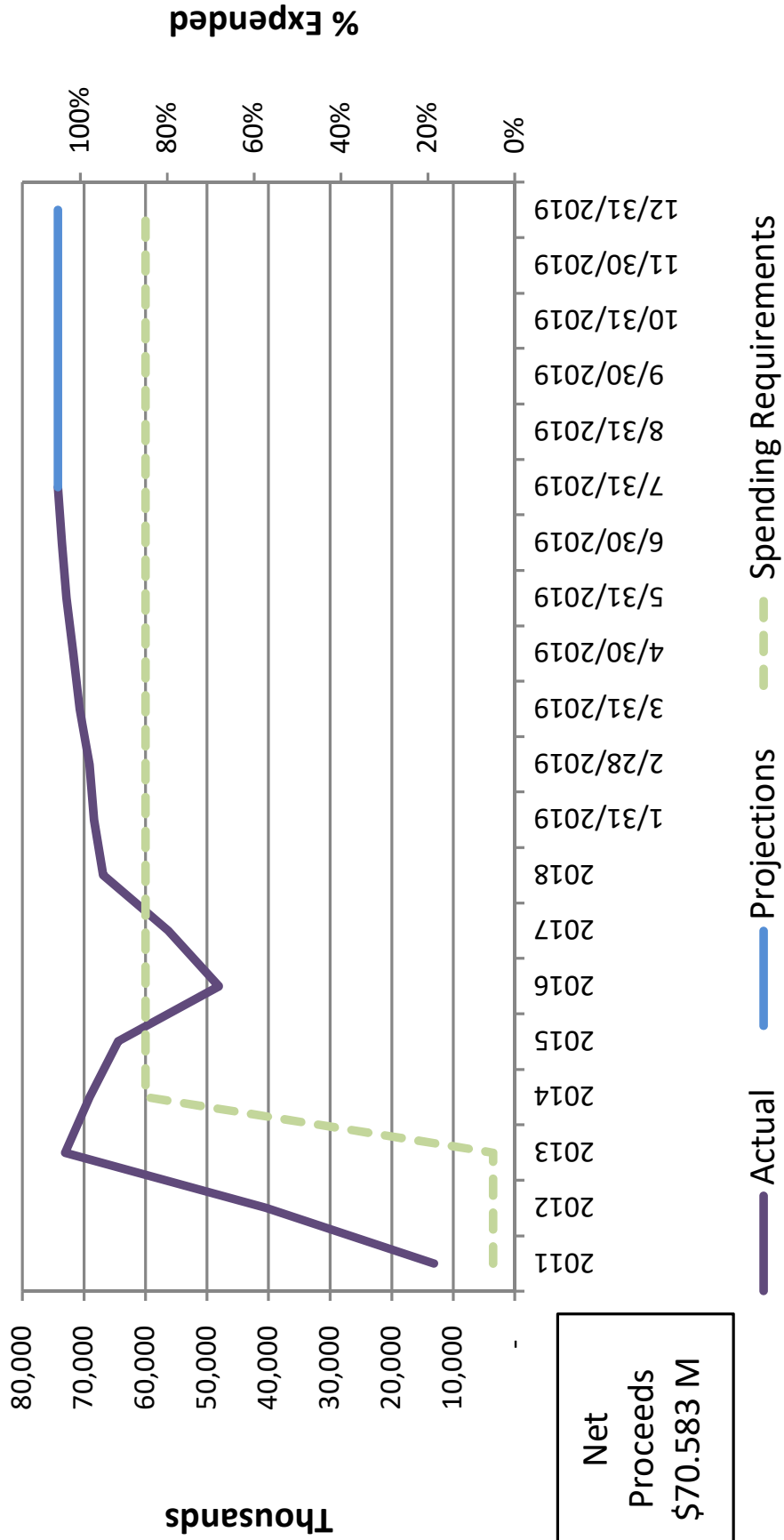
Notes:

1. While this projection is based primarily on historic patterns, it is factored by actual revenue and expense elements when known or when they can reasonably be estimated.
2. Based on City Council Resolution No. 38215, adopted March 8, 2011, the Division should maintain a minimum cash balance equal to 60 days of current expenditures (\$16.098 million in 2019/2020). Due to seasonal fluctuations, however, the Division may on occasion drop below this recommended level. The cash balance in any month should never be allowed to drop more than 40% below the recommended level (\$9.659 million).
3. Projections for changes in A/P and A/R are not provided due to the variable nature of these accounts. In general, a change in A/R is a result of a change in current month billings and collections, both of which are indicators of current and future cash inflows. A change in A/P is a result of a change in current month purchases and payments, both of which are indicators of current and future cash outflows.

Explanation of Variances and/or Changes in Projections:

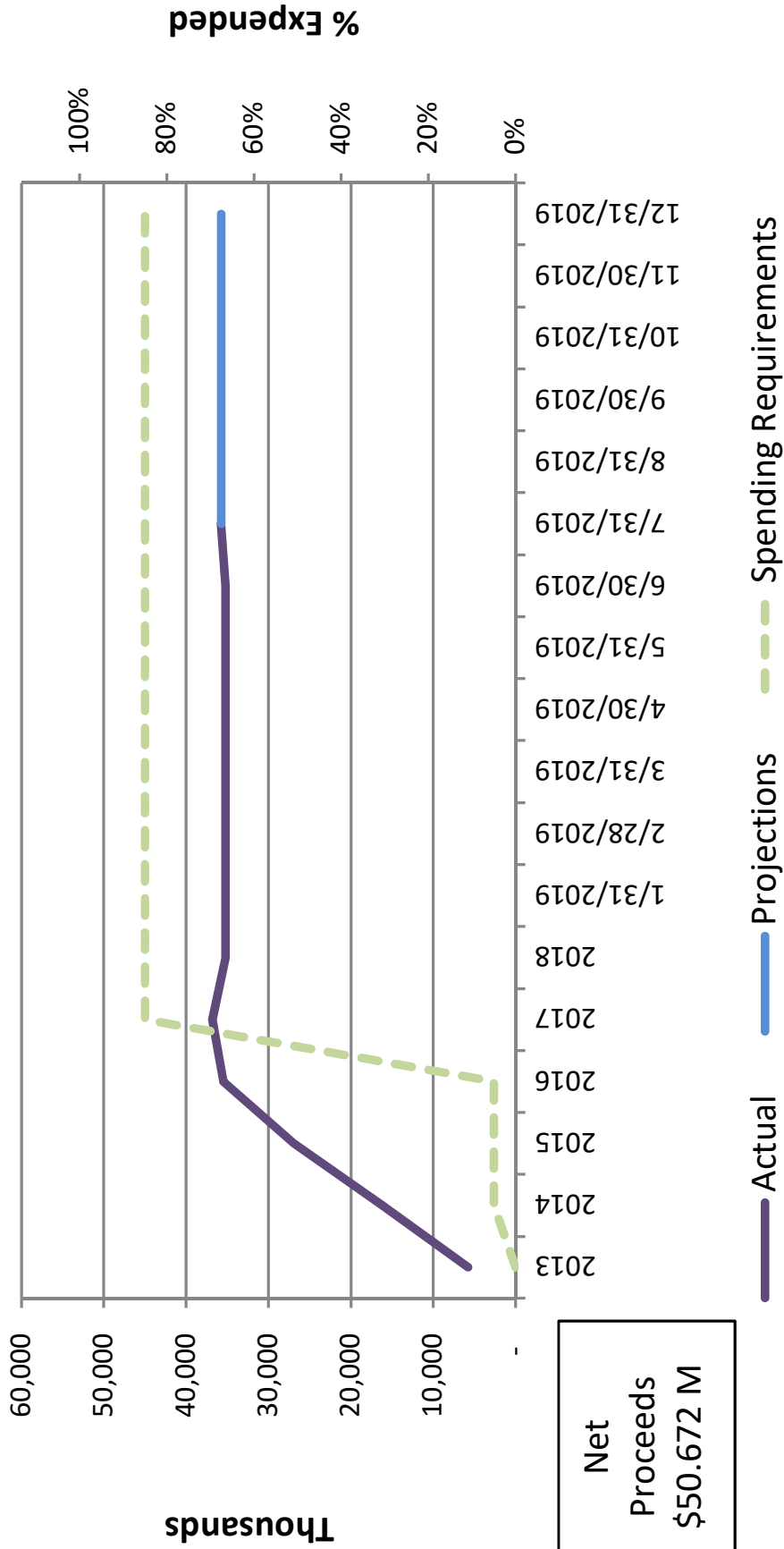
1. Water Sales were \$1.2 million more than projected due to higher consumption than projected in Residential and Commercial rate categories.

Water 4600-10WC Cumulative Bond Spending



Net Proceeds
\$70.583 M

Water 4600-13WC Cumulative Bond Spending



**Tacoma Public Utilities
Water Bonds
As of July 31, 2019**

	Water	
	4600-10WC	4600-13WC
Bond Type	Taxable Build America Bonds	Revenue and Refunding Bonds
Issue Date	8/26/2010	5/7/2013
Months Transpired	108	75

Construction Fund Proceeds	70,583,000	50,672,000
Interest Income	3,634,168	1,611,114
Period		
2011	(13,126,630)	-
2012	(27,346,085)	-
2013	(32,598,851)	(5,767,218)
2014	4,004,026	(10,470,130)
2015	4,610,670	(10,684,407)
2016	16,395,475	(8,545,727)
2017	(8,222,040)	(1,351,277)
2018	(10,608,527)	1,615,620
1/31/2019	(1,468,621)	-
2/28/2019	(695,837)	-
3/31/2019	(1,671,784)	-
4/30/2019	(1,019,914)	-
5/31/2019	(1,091,150)	-
6/30/2019	(693,274)	-
7/31/2019	(684,626)	(541,362)

Total Spending	(74,217,168)	(35,744,501)
Remaining Bond Balance	-	16,538,613
Actual % Spent	105%	71%
Cash Balance	-	16,538,613

4600-10WC

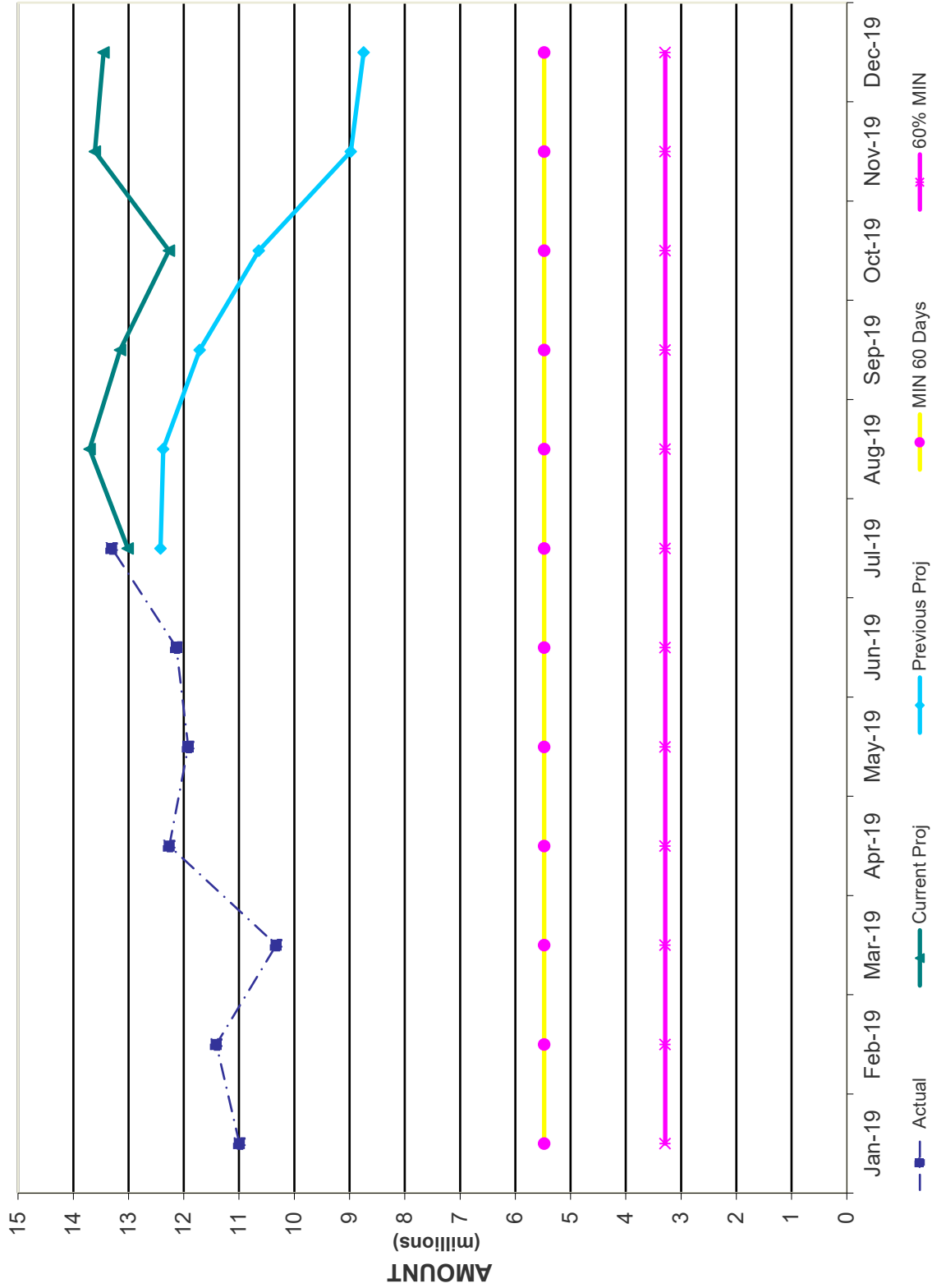
PROJECT	EST \$\$	ACT \$\$	DIFF
WDP 2016-48 Tehaleh 198th Ave	-	355,933	355,933
15/16 Distribution Main Upgrade	-	302,062	302,062
Tacoma's Share Q2 2019 RWSS Capital		26,631	
TOTAL Spending vs. Projection	<u>-</u>	<u>684,626</u>	<u>657,995</u>

4600-13WC

PROJECT	EST \$\$	ACT \$\$	DIFF
19/20 Water Service Replace & Renewals	-	151,633	151,633
WDP 2016-48 Tehaleh 198th Ave E Main Ext	-	84,487	84,487
17/18 MRP: Economic Model	-	66,208	66,208
Lead Gooseneck Service Renewals	-	61,574	61,574
12 Projects	-	177,460	177,460
	-	-	-
	-	-	-
TOTAL Spending vs. Projection	<u>-</u>	<u>541,362</u>	<u>541,362</u>

TACOMA RAIL 2019 CURRENT FUND CASH PROJECTIONS

Actual & Estimated Cash



TACOMA RAIL
2019 CURRENT FUND CASH PROJECTIONS
(000's omitted)

	Jul-19 Estimate	Jul-19 Actual	Aug-19 Estimate	Sep-19 Estimate	Oct-19 Estimate
Beginning Cash Balance	\$12,136	\$12,136	\$13,301	\$13,704	13,151
<u>REVENUES (Cash-In)</u>					
		(1)			
Switching Revenue	2,603	2,603	2,638	2,422	2,460
Demurrage Revenue	136	136	96	96	96
Other Revenues	18	(1)	29	29	29
Lease Revenue	79	72	90	90	90
Interest Income	23	25	20	20	15
Service Maint/Trans Revenue	437	461	310	310	225
Reimbursement/Transfer Ins	3	3	-	-	-
Total Revenues	3,299	3,299	3,183	2,967	2,915
<u>EXPENSES (Cash-Out)</u>					
		(1)			
Personnel Costs	1,222	1,223	1,297	1,307	1,307
Taxes	308	308	299	278	273
Supplies, Other Services & Charges	703	677	752	841	722
Assessments	172	180	166	166	166
Debt Service	90	90	108	111	37
Volume Incentive	(125)	(125)	125	42	42
Capital Outlay	51	51	33	775	1,251
Total Expenses	2,421	2,404	2,780	3,520	3,798
Change in AR		(3) 406			
Change in AP		(3) (136)			
Net Increase (Decrease) in Cash	878	1,165	403	(553)	(883)
Ending Cash Balance	(2) \$13,014	13,301	13,704	13,151	\$12,268

The accompanying notes are an integral part of these cash projections.

TACOMA RAIL
2019 CURRENT FUND CASH PROJECTIONS

Notes:

1. While this projection is based primarily on historic patterns, it is factored by actual revenue and expense elements when known or when they can reasonably be estimated.
2. Based on City Council Resolution No. 37101, adopted February 6, 2007, the Division should maintain a minimum cash balance equal to 60 days of current expenditures (\$5.478 million in the 2017/2018). Due to seasonal fluctuations, however, the Division may on occasion drop below this recommended level. The cash balance in any month should never be allowed to drop more than 40% below the recommended level (\$3.287 million).
3. Change in AR and Change in AP are adjustments to the current month's actual cash flows from Revenues and Expenses which factor into the actual ending cash balance. A positive number in Change in AR indicates collections from outstanding accounts receivables exceeded revenues billed in the same month. Conversely, a positive number in Change in AP indicates that payments for goods and services were less than recorded expenses for the same month. The outstanding AR and AP balances at the end of the month will impact the future cash inflows and outflows, respectively.