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***APRIL***

***TACOMA WATER***

**2019**

**FINANCIAL  
REPORT**





# Public Utility Board

WOODROW JONES

Chair

KAREN LARKIN

Vice-Chair

BRYAN FLINT

Secretary

MARK PATTERSON

Member

CHRISTINE COOLEY

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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CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA WATER

STATEMENTS OF NET POSITION - APRIL 30, 2019 AND APRIL 30, 2018

<b>ASSETS AND DEFERRED OUTFLOWS</b>	<b>2019</b>	<b>2018</b>
<b>UTILITY PLANT</b>		
Water Plant in Service .....	\$1,123,804,331	\$1,099,076,398
Less Depreciation and Amortization .....	(266,931,417)	(245,227,212)
Total .....	856,872,914	853,849,186
Construction Work in Progress .....	13,443,497	16,774,303
Net Utility Plant .....	870,316,411	870,623,489
<b>NON-UTILITY PROPERTY</b> .....	492,963	492,963
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
2009 Construction Fund .....	-	120,134
2010 Construction Fund .....	2,463,230	16,104,685
2013 Construction Fund .....	16,989,352	14,325,686
Regional Water Supply System Operating Fund .....	742,217	1,003,211
Provision for Debt Payment .....	13,851,424	13,555,435
Customer Water Main Deposits .....	3,366,064	3,304,126
Water Supply Forum Fund .....	465,294	445,729
Special Bond Reserves .....	22,110,856	22,105,272
Water Customer Contribution Fund .....	476,244	439,518
Water Capital Reserves .....	38,746,405	34,339,931
Water System Development Charge .....	70,170,319	64,610,936
Total Restricted Assets .....	169,381,405	170,354,663
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Current Fund .....	62,215,144	60,287,352
Customers' Deposits .....	312,136	321,381
Receivables:		
Customers .....	4,347,846	4,512,369
Accrued Unbilled Revenues .....	5,930,220	5,457,221
Others .....	1,060,104	702,477
BABs Interest Subsidies .....	1,501,103	1,494,700
Provision for Uncollectible Accounts .....	(547,361)	(332,626)
Materials and Supplies .....	2,538,592	2,240,429
Prepayments .....	1,852,097	1,079,849
Total Current Assets .....	79,209,881	75,763,152
<b>TOTAL ASSETS</b> .....	<b>1,119,400,660</b>	<b>1,117,234,267</b>
<b>OTHER ASSETS</b>		
Regulatory Assets - Public Fire Protection Fees .....	-	204,682
Regulatory Assets - Surcharges .....	1,538,205	878,832
Net Pension Asset .....	3,438,481	-
Total Other Assets .....	4,976,686	1,083,514
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized Losses on Refunding Bonds .....	1,113,768	1,301,013
Deferred Outflows for Pensions .....	4,409,587	8,671,039
Deferred Outflows for OPEB .....	295,709	-
Total Deferred Outflows .....	5,819,064	9,972,052
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b> .....	<b>\$1,130,196,410</b>	<b>\$1,128,289,833</b>

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

<b>NET POSITION, LIABILITIES AND DEFERRED INFLOWS</b>	<b>2019</b>	<b>2018</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets .....	\$445,271,873	\$441,819,639
Restricted for:		
Water Capital Reserves .....	34,116,018	29,230,539
Water System Development Charge .....	34,594,872	29,035,489
Debt Service Funds .....	5,539,459	5,104,336
Pension Asset .....	3,438,481	-
Unrestricted .....	59,849,937	54,167,350
<b>TOTAL NET POSITION .....</b>	<b>582,810,640</b>	<b>559,357,353</b>
<b>LONG-TERM DEBT</b>		
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 .....	10,055,153	11,539,099
Net Outstanding Revenue Bonds .....	368,395,153	377,489,099
PWTF Pre-Construction Loans .....	480,435	640,609
PWTF Construction Loans .....	16,834,030	19,370,627
State Drinking Water Loans .....	61,381,554	65,612,800
Total Long-Term Debt .....	447,091,172	463,113,135
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable .....	1,110,218	982,642
Purchases and Contracts Payable .....	1,047,038	684,118
Interest Expense Accrued .....	8,311,963	8,451,099
Taxes Accrued .....	1,728,946	1,599,133
Customers' and Contractors' Deposits .....	367,402	344,772
Current Portion of Long-Term Debt .....	14,710,633	13,554,949
Other Current Liabilities .....	3,753,876	3,680,268
Current Accrued Compensated Absences .....	244,160	229,834
Total Current Liabilities .....	31,274,236	29,526,815
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements .....	6,412,903	6,585,519
Customer Advances for Construction .....	6,521,196	7,107,466
Unearned Revenue .....	7,492,923	7,288,281
Other Long-Term Liabilities .....	1,133,294	7,605,050
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 .....	27,538,652	38,933,341
<b>TOTAL LIABILITIES .....</b>	<b>505,904,060</b>	<b>531,573,291</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate Stabilization .....	35,575,447	35,575,447
Deferred Inflows for Pensions .....	5,853,098	1,783,742
Deferred Inflows for OPEB .....	53,165	-
Total Deferred Inflows .....	41,481,710	37,359,189
<b>TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .</b>	<b>\$1,130,196,410</b>	<b>\$1,128,289,833</b>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
APRIL 30, 2019 AND APRIL 30, 2018

	APRIL 2019	APRIL 2018
<b>OPERATING REVENUES</b>		
Sales of Water .....	\$6,529,834	\$6,358,134
Other Operating Revenues .....	905,029	851,776
Contract Resource Obligation Revenue .....	370,650	187,118
Total Operating Revenues .....	<u>7,805,513</u>	<u>7,397,028</u>
<b>OPERATING EXPENSES</b>		
Production Expense:		
Source of Supply .....	531,139	576,100
Water Treatment .....	579,340	560,507
Total Production Expense .....	<u>1,110,479</u>	<u>1,136,607</u>
Power Pumping Expense .....	71,407	45,318
Transmission and Storage Expense .....	205,055	173,168
Distribution Expense .....	1,164,099	1,101,726
Customer Accounting and Consumer Service ...	406,062	416,051
Taxes .....	431,280	323,917
Depreciation .....	2,105,312	2,059,525
Administrative and General .....	950,165	833,958
Total Operating Expenses .....	<u>6,443,859</u>	<u>6,090,270</u>
<b>OPERATING INCOME (LOSS)</b> .....	1,361,654	1,306,758
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	401,198	269,396
Miscellaneous .....	(361)	(1,043)
Interest on Long-Term Debt .....	(1,359,262)	(1,348,863)
Interest on Long-Term Debt BABs Sub .....	(240,688)	(298,940)
Amortization Of Debt Premium .....	102,307	110,934
Interest Charged to Construction .....	-	214,227
Total Non-Operating Revenues (Expenses)	<u>(1,096,806)</u>	<u>(1,054,289)</u>
Net Income (Loss) Before Capital Contributions and Transfers .....	264,848	252,469
Capital Contributions:		
Cash .....	477,971	695,907
Donated Fixed Assets .....	171,662	-
Federal BABs Subsidies .....	300,220	298,940
Transfers:		
City Gross Earnings Tax .....	(603,445)	(559,843)
CHANGE IN NET POSITION .....	<u>\$611,256</u>	<u>\$687,473</u>
NET POSITION - JANUARY 1 .....		
TOTAL NET POSITION - APRIL 30 .....		



YEAR TO DATE		2019 OVER (UNDER) 2018	PERCENT CHANGE
APRIL 30, 2019	APRIL 30, 2018		
\$ 23,932,914	\$ 23,865,942	\$66,972	0.3%
3,861,614	3,758,009	103,605	2.8%
1,539,317	1,287,826	251,491	19.5%
<u>29,333,845</u>	<u>28,911,777</u>	<u>422,068</u>	1.5%
2,181,883	2,265,897	(84,014)	-3.7%
<u>2,192,535</u>	<u>2,239,560</u>	<u>(47,025)</u>	-2.1%
4,374,418	4,505,457	(131,039)	-2.9%
249,925	172,348	77,577	45.0%
691,482	720,379	(28,897)	-4.0%
4,683,357	4,517,362	165,995	3.7%
1,705,186	1,748,778	(43,592)	-2.5%
1,445,947	1,489,105	(43,158)	-2.9%
8,419,355	8,417,585	1,770	0.0%
4,610,067	3,712,346	897,721	24.2%
<u>26,179,737</u>	<u>25,283,360</u>	<u>896,377</u>	3.5%
3,154,108	3,628,417	(474,309)	-13.1%
2,732,682	2,410,869	321,813	13.3%
34,133	(2,331)	36,464	-1564.3%
(5,276,846)	(5,395,974)	119,128	-2.2%
(1,200,880)	(1,195,760)	(5,120)	0.4%
409,227	443,735	(34,508)	-7.8%
(25,962)	214,227	(240,189)	-112.1%
<u>(3,327,646)</u>	<u>(3,525,234)</u>	<u>197,588</u>	-5.6%
(173,538)	103,183	(276,721)	-268.2%
2,087,111	3,296,739	(1,209,628)	-36.7%
358,085	202,964	155,121	76.4%
1,200,880	1,195,760	5,120	0.4%
<u>(2,400,255)</u>	<u>(2,157,928)</u>	<u>(242,327)</u>	11.2%
1,072,283	2,640,718	(1,568,435)	-59.4%
581,738,357	556,716,635	25,021,722	
<u>\$582,810,640</u>	<u>\$559,357,353</u>	<u>\$23,453,287</u>	4.2%

*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  
APRIL 30, 2019 AND APRIL 30, 2018

	APRIL 2019	APRIL 2018
<b>SALES OF WATER</b>		
Residential and Domestic .....	\$4,414,920	\$4,187,182
Commercial and Industrial .....	1,391,553	1,227,656
Special Rate .....	601,500	567,978
Sales to Other Utilities .....	121,861	375,318
Total .....	<u>\$6,529,834</u>	<u>\$6,358,134</u>

**BILLINGS (NUMBER OF MONTHS BILLED)**

Residential and Domestic .....	103,792	102,439
Commercial and Industrial .....	6,833	6,255
Sales to Other Utilities .....	14	15
Total .....	<u>110,639</u>	<u>108,709</u>

YEAR TO DATE		2019 OVER	PERCENT CHANGE
APRIL 30, 2019	APRIL 30, 2018	(UNDER) 2018	
\$15,901,622	\$15,781,518	\$120,104	0.8%
5,243,988	5,116,258	127,730	2.5%
2,130,821	2,078,734	52,087	2.5%
656,483	889,432	(232,949)	-26.2%
<u>\$23,932,914</u>	<u>\$23,865,942</u>	<u>\$66,972</u>	0.3%
396,374	392,540	3,834	1.0%
26,601	26,140	461	1.8%
63	60	3	5.0%
<u>423,038</u>	<u>418,740</u>	<u>4,298</u>	1.0%

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA WATER

SUMMARY OF WATER BILLED  
APRIL 30, 2019 AND APRIL 30, 2018

	MILLION GALLONS, TOTAL			
	APRIL 2019	APRIL 2018	YEAR TO DATE	
			APRIL 30, 2019	APRIL 30, 2018
WATER BILLED				
Residential and Domestic .....	558.26	515.09	2,077.67	2,068.82
Commercial and Industrial .....	213.65	180.15	829.08	795.88
Special Rate .....	509.36	490.71	1,781.96	1,787.01
Sales to Other Utilities .....	41.91	41.79	238.27	216.25
	<u>1,323.18</u>	<u>1,227.74</u>	<u>4,926.98</u>	<u>4,867.96</u>

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

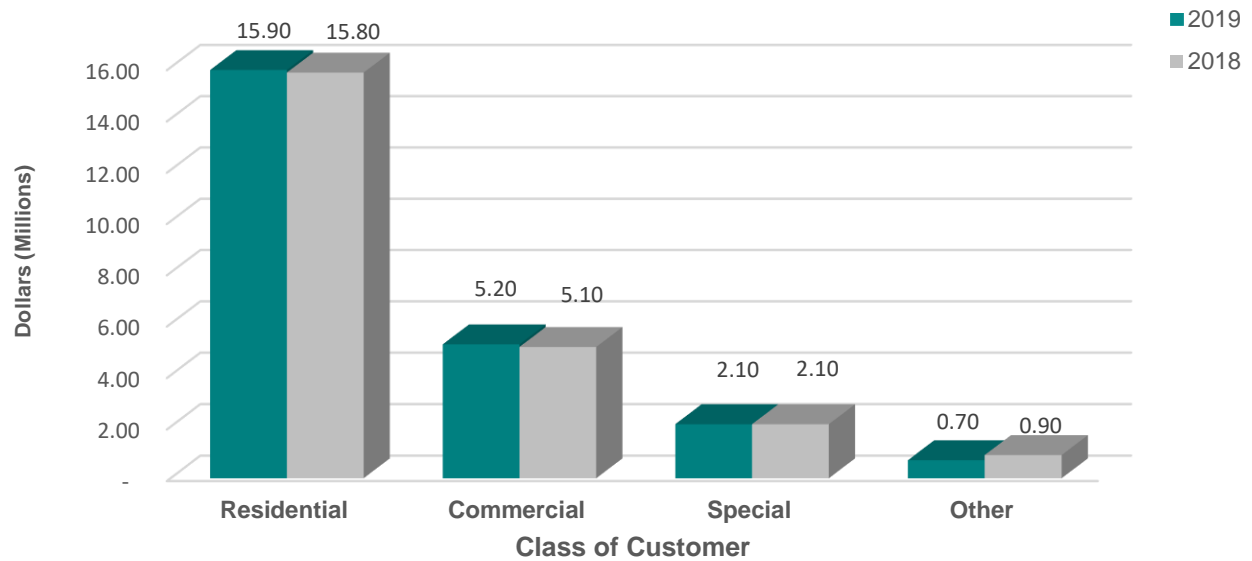
MILLION GALLONS, AVERAGE DAILY

APRIL 2019	APRIL 2018
18.61	17.17
7.12	6.01
16.98	16.36
1.40	1.39
44.11	40.93

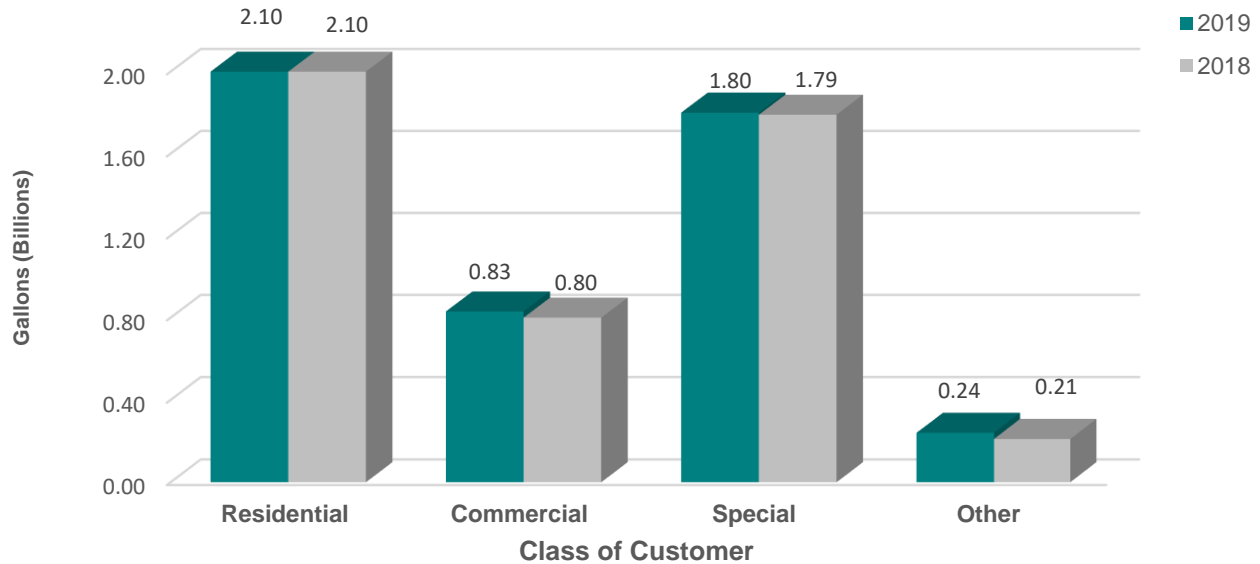
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# Supplemental Data

### WATER SALES Year to Date - April 2019 & 2018

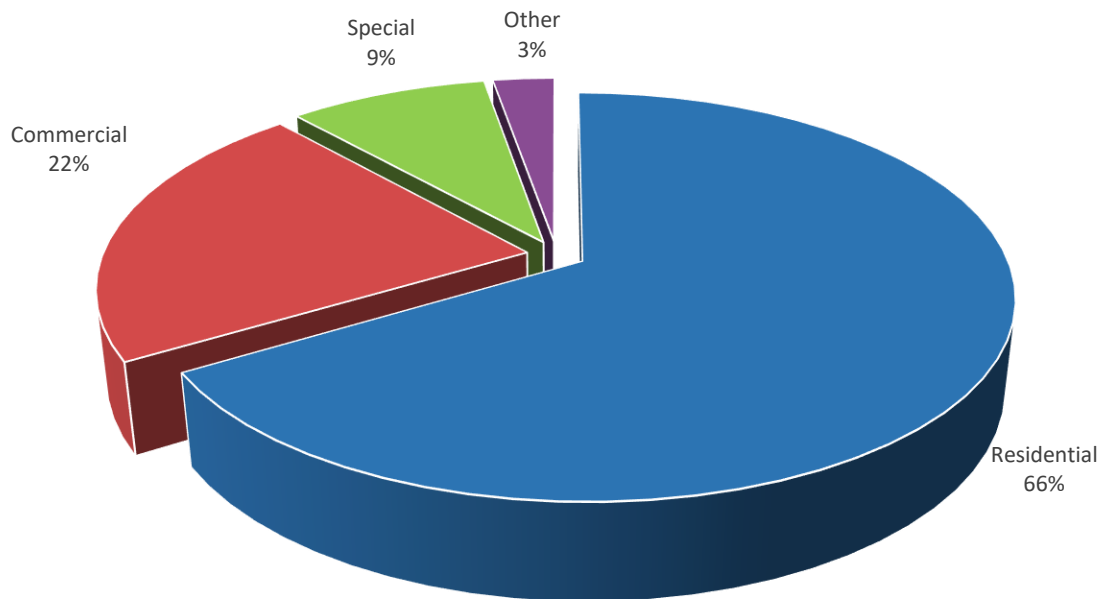


### WATER CONSUMPTION Year to Date - April 2019 & 2018

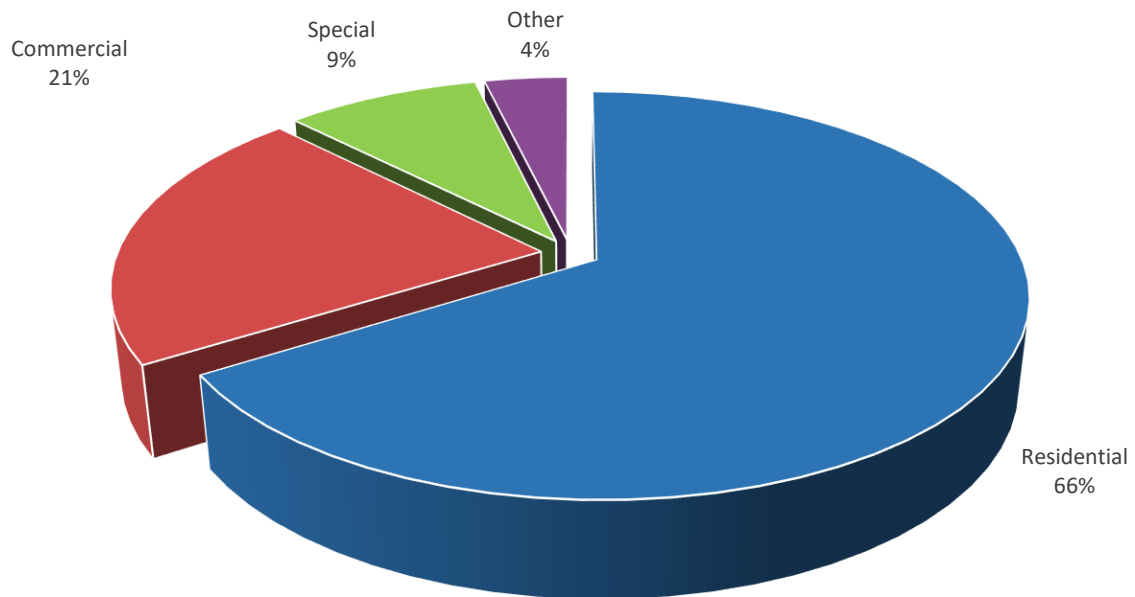




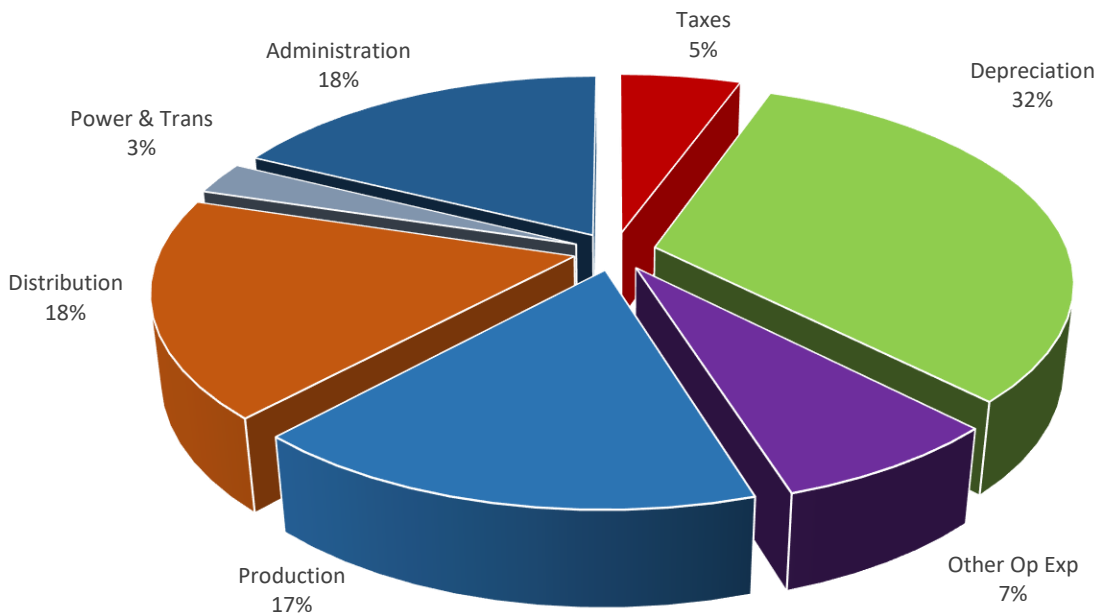
**WATER SALES**  
**Year to Date - April 2019**  
**(\$23,932,914)**



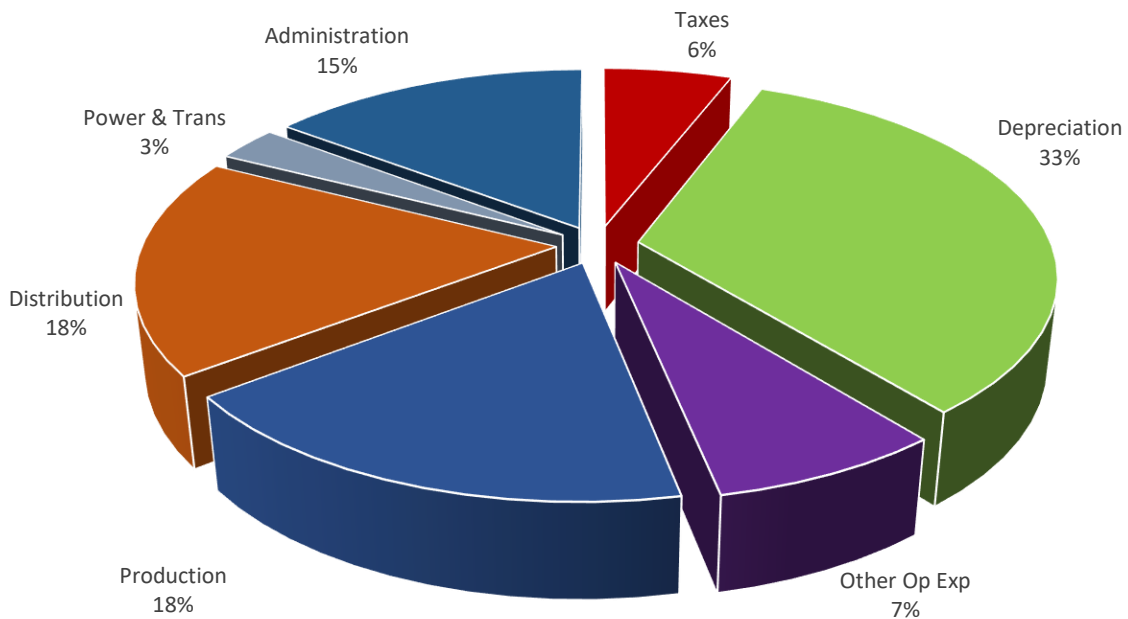
**WATER SALES**  
**Year to Date - April 2018**  
**(\$23,865,942)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - April 2019**  
**(\$26,179,737)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - April 2018**  
**(\$25,283,360)**





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.

