
MAY

TACOMA WATER

2024

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

CARLOS M. WATSON

Chair

JOHN O'LOUGHLIN

Vice-Chair

WILLIAM BRIDGES

Secretary

ELLY CLAUS-MCGAHAN

Member

ANITA GALLAGHER

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)
May 31, 2024 and May 31, 2023

	MAY 31,	
	2024	2023
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,311,468,516	\$1,277,218,426
Less Depreciation and Amortization	<u>(390,996,075)</u>	<u>(368,526,728)</u>
Total	920,472,441	908,691,698
Right to Use Lease and Subscription Assets	1,390,101	52,613
Less - Accumulated Amortization	<u>(699,409)</u>	<u>(33,308)</u>
Total	690,692	19,305
Construction Work in Progress	<u>34,858,607</u>	<u>29,659,143</u>
Net Utility Plant	<u>956,021,740</u>	<u>938,370,146</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
Regional Water Supply System Operating Fund	3,530,367	1,048,909
Provision for Debt Payment	12,174,730	17,015,858
Customer Water Main Deposits	3,786,520	3,739,670
Water Supply Forum Fund	600,687	598,567
Special Bond Reserves	17,437,652	21,699,360
Water Customer Contribution Fund	742,359	1,465,193
Water Capital Reserves	20,399,983	20,657,537
Water System Development Charge	<u>62,549,468</u>	<u>73,868,009</u>
Total Restricted Assets	121,221,766	140,093,103
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	57,691,664	56,168,704
Grant Loan Fund	197,193	386,402
Customers' Deposits	277,935	221,225
Receivables:		
Customers	6,421,022	6,142,997
Accrued Unbilled Revenues	8,329,250	6,771,474
Others	1,613,499	2,480,996
BABs Interest Subsidies	1,781,224	44,538
Provision for Uncollectible Accounts	<u>(1,685,184)</u>	<u>(2,149,376)</u>
Materials and Supplies	5,952,970	5,878,367
Prepayments	<u>2,477,894</u>	<u>2,482,958</u>
Total Current Assets	<u>83,057,467</u>	<u>78,428,285</u>
TOTAL ASSETS	<u>1,160,793,936</u>	<u>1,157,384,497</u>
OTHER ASSETS		
Regulatory Assets - Surcharges	3,602,148	3,675,415
Net Pension Asset	<u>-</u>	<u>14,152,644</u>
Total Other Assets	3,602,148	17,828,059
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	82,974	349,185
Deferred Outflows for Pensions	17,038,690	7,782,163
Deferred Outflows for OPEB	<u>1,333,332</u>	<u>1,806,572</u>
Total Deferred Outflows	18,454,996	9,937,920
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$1,182,851,080</u>	<u>\$1,185,150,476</u>

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

	MAY 31,	
	2024	2023
NET POSITION		
Net Investment in Capital Assets	\$604,643,461	\$558,003,708
Restricted for:		
Water Capital Reserves	18,164,624	17,943,172
Water System Development Charge	26,974,021	38,292,562
Debt Service Funds	4,533,243	8,150,659
Pension Asset	-	14,152,644
Unrestricted	60,656,892	43,215,865
TOTAL NET POSITION	714,972,241	679,758,610
LIABILITIES		
LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	-	5,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds	72,620,000	74,985,000
2013 Water Revenue Bonds Refunding	-	74,355,000
2015 Water Refunding Bonds, Series A	2,025,000	3,960,000
2024 Water Revenue Bonds Refunding	63,800,000	-
2010 RWSS Revenue Bonds, Series A	-	355,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	-	49,935,000
2024 RWSS Revenue Bonds Refunding	28,970,000	-
Total Outstanding Revenue Bonds	288,435,000	324,615,000
Plus: Unamortized Bond Premium	14,369,328	5,219,622
Net Outstanding Revenue Bonds	302,804,328	329,834,622
PWTF Pre-Construction Loans	-	53,363
PWTF Construction Loans	6,813,545	8,285,559
State Drinking Water Loans	40,708,481	44,778,674
Total Long-Term Debt	350,326,354	382,952,218
CURRENT LIABILITIES		
Salaries and Wages Payable	1,332,623	1,003,858
Purchases and Contracts Payable	2,279,976	3,032,661
Interest Expense Accrued	7,641,487	8,865,199
Taxes Accrued	2,193,582	2,002,623
Customers' and Contractors' Deposits	348,803	277,231
Current Lease and Subscription Liability	239,076	14,098
Current Portion of Long-Term Debt	13,813,651	14,953,204
Current OPEB Liability	118,965	-
Other Current Liabilities	3,626,506	3,555,403
Current Accrued Compensated Absences	366,960	355,143
Total Current Liabilities	31,961,629	34,059,420
LONG-TERM LIABILITIES		
Muckleshoot Agreements	4,798,533	4,982,789
Customer Advances for Construction	8,910,675	9,865,224
Long Term Lease and Subscription Liability	214,254	5,637
Unearned Revenue	6,222,201	6,315,124
Other Long-Term Liabilities	3,325,206	6,569,179
Pension Liability	13,200,837	-
OPEB Liability	4,145,257	5,350,651
Long-Term Accrued Compensated Absences	3,302,639	3,196,288
Total Long-Term Liabilities	44,119,602	36,284,892
TOTAL LIABILITIES	426,407,585	453,296,530
DEFERRED INFLOWS OF RESOURCES		
Unamortized Gains on Refunding of Bonds	4,464,889	-
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	312,516	16,189,221
Deferred Inflows for OPEB	1,118,402	330,668
Total Deferred Inflows	41,471,254	52,095,336
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$1,182,851,080	\$1,185,150,476

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City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
May 31, 2024 and May 31, 2023

			YEAR TO DATE		2024 OVER (UNDER) 2023	PERCENT CHANGE
	MAY 2024	MAY 2023	MAY 31 2024	MAY 31 2023		
OPERATING REVENUES						
Sales of Water	\$7,920,837	\$7,836,461	\$38,441,171	\$37,630,345	\$810,826	2.2%
Other Operating Revenues	652,621	646,861	3,268,279	3,419,588	(151,309)	-4.4%
Contract Resource Obligation Revenue	726,890	605,947	3,101,967	2,484,170	617,797	24.9%
Total Operating Revenues	9,300,348	9,089,269	44,811,417	43,534,103	1,277,314	2.9%
OPERATING EXPENSES						
Production Expense:						
Source of Supply	248,494	98,464	1,607,292	1,521,155	86,137	5.7%
Water Treatment	1,242,391	1,103,947	5,030,132	5,166,197	(136,065)	-2.6%
Total Production Expense	1,490,885	1,202,411	6,637,424	6,687,352	(49,928)	-0.7%
Power Pumping Expense	52,535	239,625	308,086	615,944	(307,858)	-50.0%
Transmission and Storage Expense	397,169	369,660	2,057,523	1,884,497	173,026	9.2%
Distribution Expense	1,663,333	1,889,820	8,845,546	8,694,462	151,084	1.7%
Customer Accounting and Consumer Service	653,611	536,004	2,783,123	2,632,562	150,561	5.7%
Taxes	494,540	487,024	2,520,206	2,472,567	47,639	1.9%
Depreciation and Amortization	2,497,918	2,441,003	12,387,789	12,203,047	184,742	1.5%
Administrative and General	1,406,623	1,531,487	7,689,296	7,692,125	(2,829)	0.0%
Total Operating Expenses	8,656,614	8,697,034	43,228,993	42,882,556	346,437	0.8%
OPERATING INCOME (LOSS)	643,734	392,235	1,582,424	651,547	930,877	142.9%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	577,698	448,016	2,744,538	2,007,028	737,510	36.7%
Operating Grant	-	-	-	158,133	(158,133)	-100.0%
Gain on Sale/Disposal of Capital Asset	-	(17,600)	84,150	3,919,000	(3,834,850)	-97.9%
Others	4,464	48,608	(831,804)	150,881	(982,685)	-651.3%
Transfer from Other Government	-	-	10,580,728	-	10,580,728	NA
Interest on Long-Term Debt	(1,142,517)	(1,207,358)	(5,857,311)	(6,037,418)	180,107	3.0%
Interest on Long-Term Debt BABs Sub	(247,704)	(247,704)	(1,238,516)	(1,238,516)	-	0.0%
Amortization Of Debt Premium	175,353	60,063	776,345	300,314	476,031	158.5%
Total Non-Operating Revenues (Expenses)	(632,706)	(915,975)	6,258,130	(740,578)	6,998,708	945.0%
Net Income (Loss) Before Capital Contributions and Transfers	11,028	(523,740)	7,840,554	(89,031)	7,929,585	8906.5%
Capital Grants and Contributions:						
Cash	645,251	3,280,387	2,125,982	5,863,886	(3,737,904)	-63.7%
Capital Grants	-	-	-	264,403	(264,403)	-100.0%
Donated Fixed Assets	-	-	78,355	126,674	(48,319)	-38.1%
Federal BABs Subsidies	301,820	301,820	1,509,101	1,509,101	-	0.0%
Transfers:						
City Gross Earnings Tax	(699,034)	(686,004)	(3,402,742)	(3,593,321)	190,579	5.3%
CHANGE IN NET POSITION	\$259,065	\$2,372,463	8,151,250	4,081,712	4,069,538	99.7%
NET POSITION - JANUARY 1			706,820,991	675,676,898	31,144,093	
TOTAL NET POSITION - MAY 31			\$714,972,241	\$679,758,610	\$35,213,631	5.2%

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 (Unaudited)
May 31, 2024 and May 31, 2023

	MAY 2024	MAY 2023	YEAR TO DATE		2024 OVER (UNDER) 2023	PERCENT CHANGE
			MAY 31 2024	MAY 31 2023		
SALES OF WATER						
Residential and Domestic	\$6,043,306	\$5,354,792	\$28,542,391	\$25,618,368	\$2,924,023	11.4%
Commercial and Industrial	1,716,603	1,601,350	8,570,095	7,981,368	588,727	7.4%
Special Rate	109,697	722,004	575,203	3,237,598	(2,662,395)	-82.2%
Wholesale	51,231	158,315	753,482	793,011	(39,529)	-5.0%
Total	<u>\$7,920,837</u>	<u>\$7,836,461</u>	<u>\$38,441,171</u>	<u>\$37,630,345</u>	<u>\$810,826</u>	2.2%
BILLINGS (NUMBER OF MONTHS BILLED)						
Residential and Domestic	101,177	97,748	514,051	510,150	3,901	0.8%
Commercial and Industrial	7,017	6,925	34,439	33,948	491	1.4%
Wholesale	18	15	89	92	(3)	-3.3%
Total	<u>108,212</u>	<u>104,688</u>	<u>548,579</u>	<u>544,190</u>	<u>4,389</u>	0.8%

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

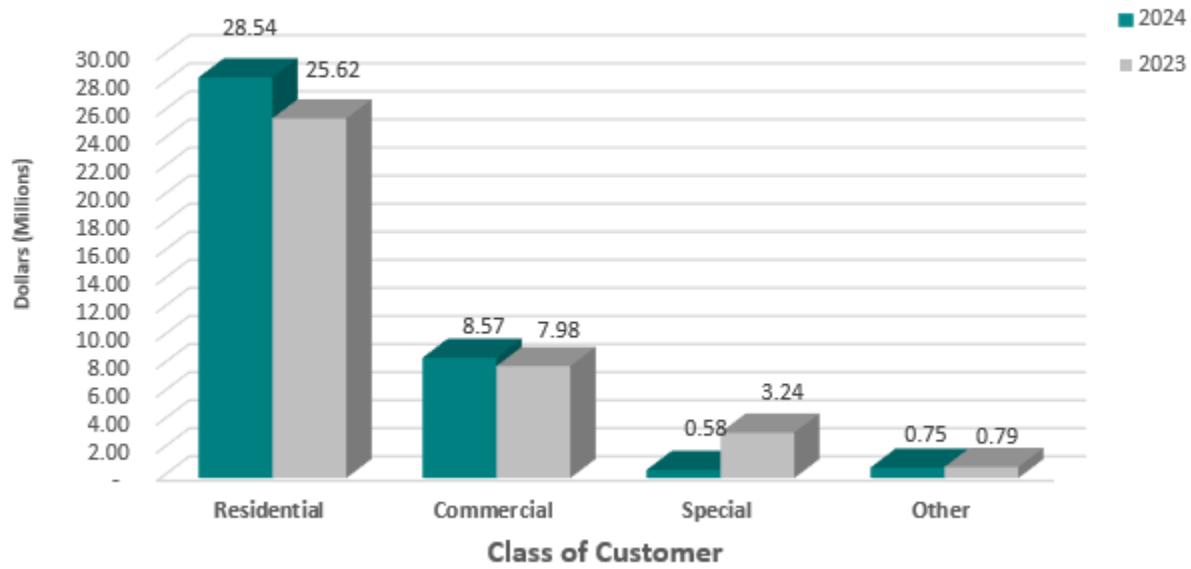
	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	MAY 2024	MAY 2023	YEAR TO DATE		MAY 2024	MAY 2023
			MAY 31, 2024	MAY 31, 2023		
WATER BILLED						
Residential and Domestic	625.14	601.04	2,864.09	2,790.55	20.17	19.39
Commercial and Industrial	269.78	204.91	1,185.38	1,039.45	8.70	6.61
Special Rate	9.16	350.54	56.70	2,286.06	0.30	11.31
Wholesale	51.62	42.20	237.23	223.85	1.67	1.36
	<u>955.70</u>	<u>1,198.69</u>	<u>4,343.40</u>	<u>6,339.91</u>	<u>30.84</u>	<u>38.67</u>

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

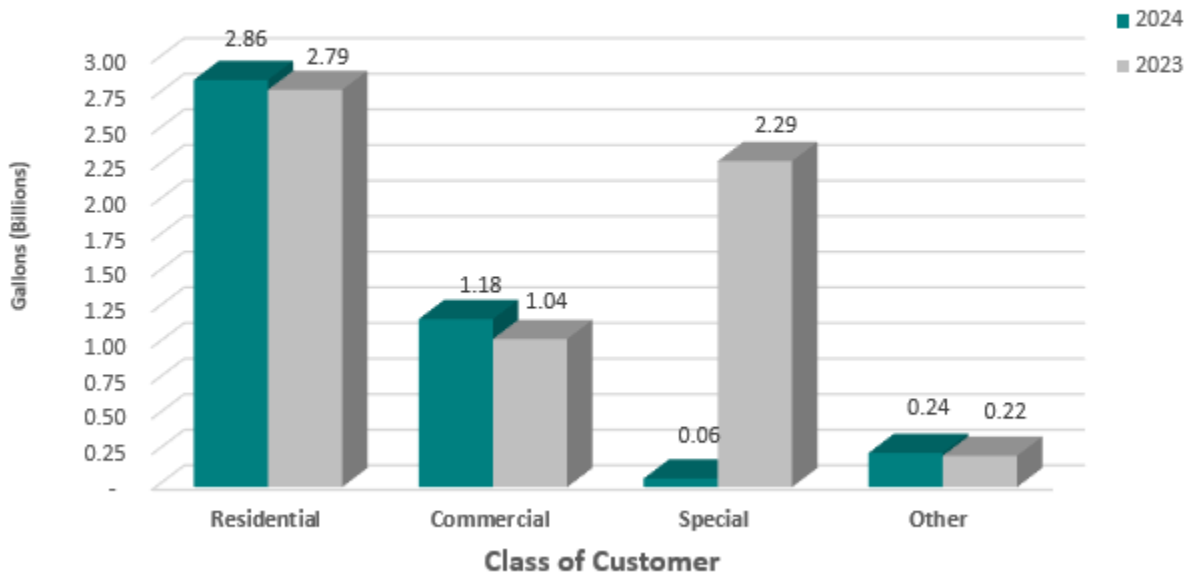
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Supplemental Data

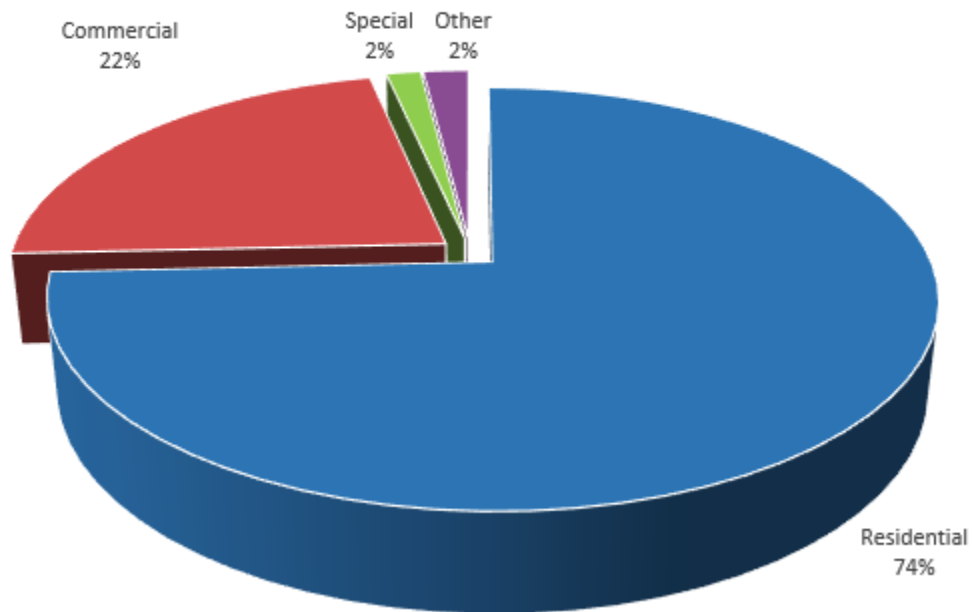
WATER SALES Year to Date - May 2024 & 2023



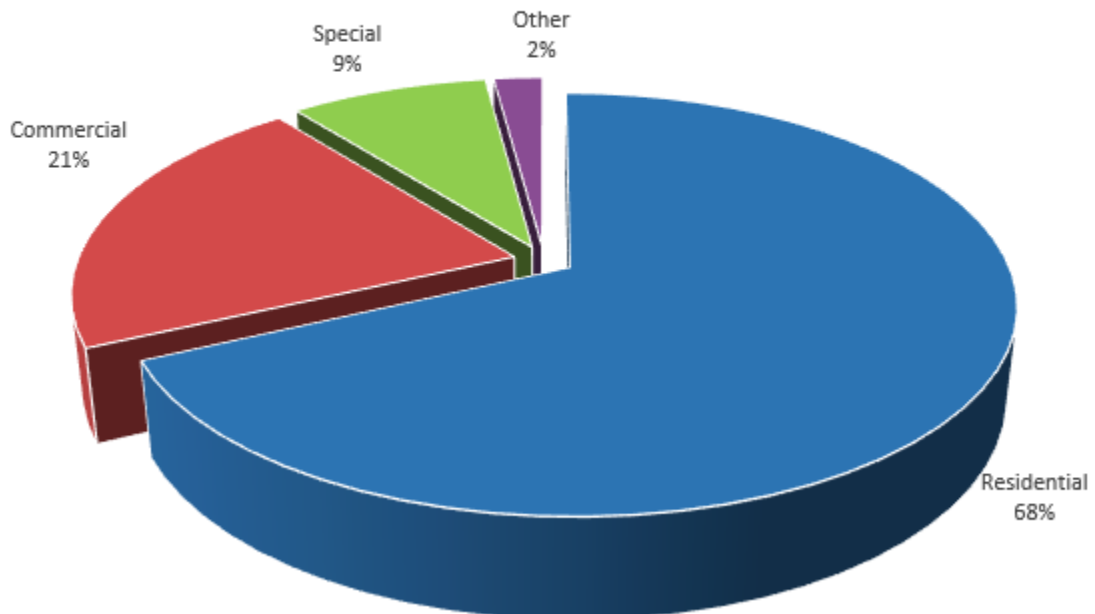
WATER CONSUMPTION Year to Date - May 2024 & 2023



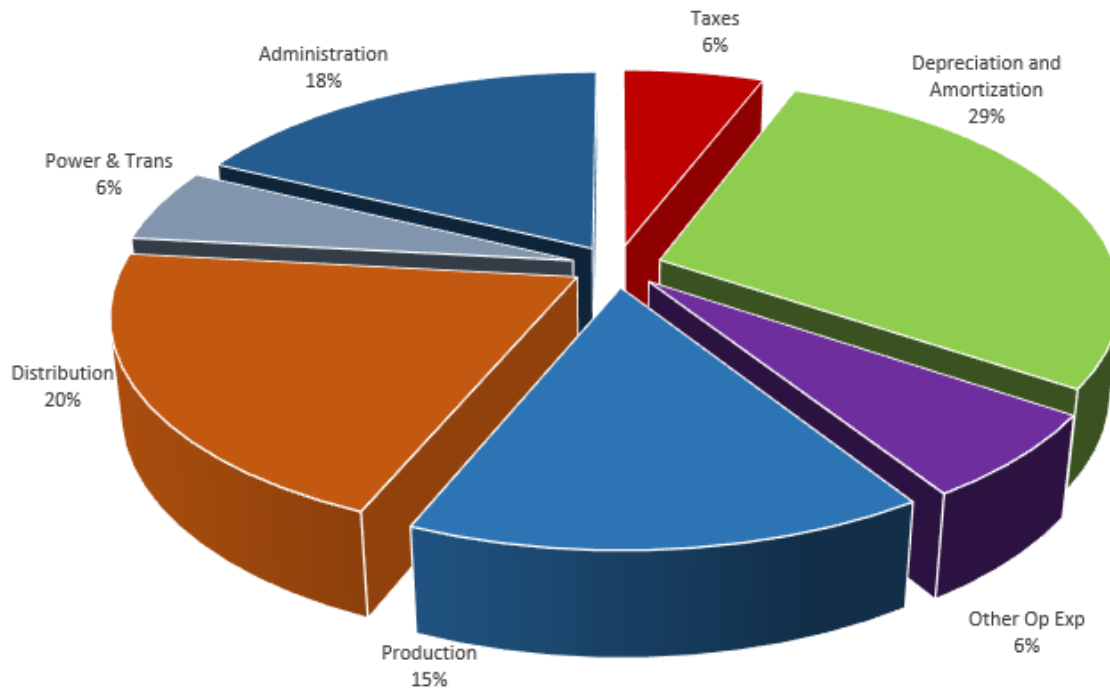
WATER SALES
Year to Date - May 2024
(\$38,441,171)



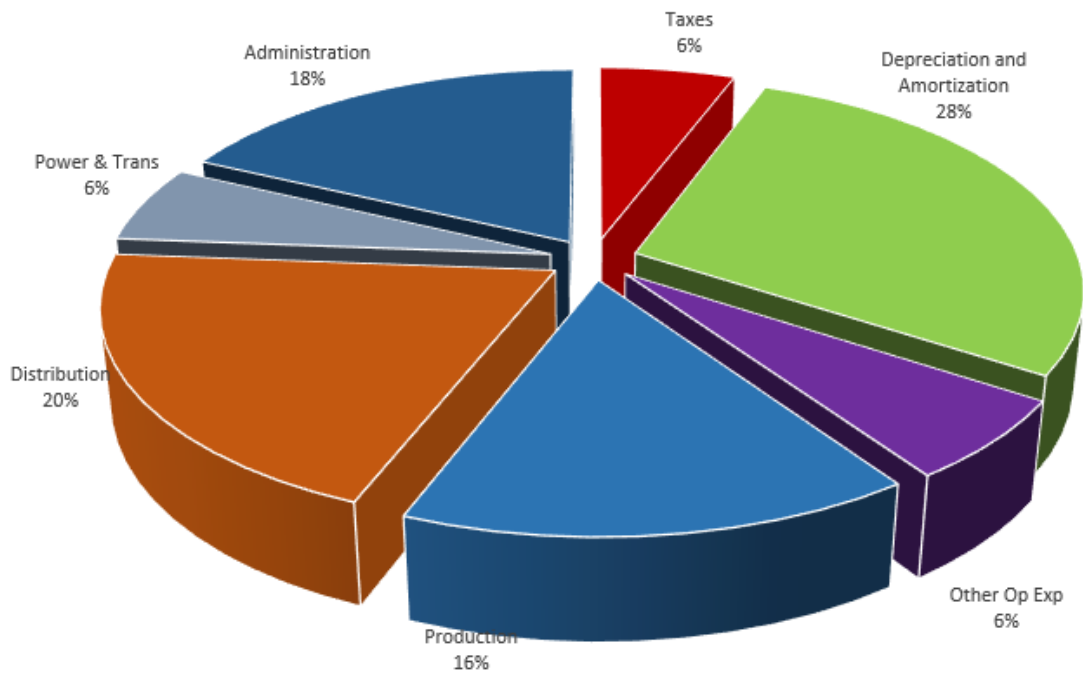
WATER SALES
Year to Date - May 2023
(\$37,630,345)



TOTAL OPERATING EXPENSES
Year to Date - May 2024
(\$43,228,993)



TOTAL OPERATING EXPENSES
Year to Date - May 2023
(\$42,882,556)



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