
AUGUST

TACOMA WATER

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

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Chair

BRYAN FLINT

Vice-Chair

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Member

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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 (Unaudited)
August 31, 2019 and August 31, 2018

	August 31,	
	2019	2018
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,125,118,738	\$1,106,146,723
Less Depreciation and Amortization	(275,211,113)	(254,630,460)
Total	849,907,625	851,516,263
Construction Work in Progress	19,775,863	19,253,054
Net Utility Plant	869,683,488	870,769,317
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	28,824	-
2010 Construction Fund	-	12,274,420
2013 Construction Fund	15,041,334	16,258,679
Regional Water Supply System Operating Fund	1,331,079	1,324,623
Provision for Debt Payment	13,953,148	13,191,689
Customer Water Main Deposits	3,399,264	3,339,186
Water Supply Forum Fund	468,523	331,902
Special Bond Reserves	22,113,092	22,106,936
Water Customer Contribution Fund	621,932	561,598
Water Capital Reserves	37,899,687	36,165,508
Water System Development Charge	71,747,723	65,991,962
Total Restricted Assets	166,604,606	171,546,503
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	64,623,025	59,885,586
Customers' Deposits	309,931	315,690
Receivables:		
Customers	6,488,697	7,736,385
Accrued Unbilled Revenues	5,930,220	5,457,221
Others	1,048,165	697,886
BABs Interest Subsidies	1,059,277	960,192
Provision for Uncollectible Accounts	(458,927)	(507,210)
Materials and Supplies	2,584,902	2,432,019
Prepayments	1,868,484	1,138,843
Total Current Assets	83,453,774	78,116,612
TOTAL ASSETS	1,120,234,831	1,120,925,395
OTHER ASSETS		
Regulatory Assets - Surcharges	1,741,449	770,916
Net Pension Asset	3,438,481	
Total Other Assets	5,179,930	770,916
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	1,051,354	1,238,598
Deferred Outflows for Pensions	4,409,587	8,671,039
Deferred Outflows for OPEB	295,709	
Total Deferred Outflows	5,756,650	9,909,637
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,131,171,411	\$1,131,605,948

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

	August 31,	
	2019	2018
NET POSITION		
Net Investment in Capital Assets	\$443,364,761	\$443,090,230
Restricted for:		
Water Capital Reserves	33,269,300	31,056,116
Water System Development Charge	36,172,276	30,416,515
Debt Service Funds	8,495,516	7,610,874
Pension Asset	3,438,481	-
Unrestricted	65,661,105	57,645,427
TOTAL NET POSITION	590,401,439	569,819,162
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	9,583,511	11,032,950
Net Outstanding Revenue Bonds	367,923,511	376,982,950
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	443,922,759	459,910,215
CURRENT LIABILITIES		
Salaries and Wages Payable	939,689	854,199
Purchases and Contracts Payable	1,343,779	861,999
Interest Expense Accrued	5,457,632	5,580,815
Taxes Accrued	2,066,415	2,245,675
Customers' and Contractors' Deposits	363,439	352,125
Current Portion of Long-Term Debt	14,710,633	13,554,949
Other Current Liabilities	1,876,940	4,615,232
Current Accrued Compensated Absences	244,160	229,834
Total Current Liabilities	27,002,687	28,294,828
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,412,903	6,585,519
Customer Advances for Construction	7,301,079	7,222,339
Unearned Revenue	7,445,773	7,340,381
Other Long-Term Liabilities	1,224,726	4,727,290
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	28,362,817	36,222,554
TOTAL LIABILITIES	499,288,263	524,427,597
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	\$1,131,171,411	\$1,131,605,948

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

	AUGUST 2019	AUGUST 2018
OPERATING REVENUES		
Sales of Water	\$9,242,472	\$11,090,737
Other Operating Revenues	819,902	1,191,495
Contract Resource Obligation Revenue	413,186	302,455
Total Operating Revenues	<u>10,475,560</u>	<u>12,584,687</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	639,035	579,274
Water Treatment	752,133	614,261
Total Production Expense	<u>1,391,168</u>	<u>1,193,535</u>
Power Pumping Expense	84,669	81,753
Transmission and Storage Expense	252,806	201,395
Distribution Expense	1,206,709	996,781
Customer Accounting and Consumer Service	403,486	437,357
Taxes	479,518	559,241
Depreciation	2,103,843	2,059,321
Administrative and General	1,060,928	789,212
Total Operating Expenses	<u>6,983,127</u>	<u>6,318,595</u>
OPERATING INCOME (LOSS)	3,492,433	6,266,092
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	431,507	328,492
Miscellaneous	17,221	(124)
Interest on Long-Term Debt	(1,297,733)	(1,326,613)
Interest on Long-Term Debt BABs Sub	(260,530)	(320,064)
Amortization Of Debt Premium	102,307	110,934
Interest Charged to Construction	-	64,488
Total Non-Operating Revenues (Expenses)	<u>(1,007,228)</u>	<u>(1,142,887)</u>
Net Income (Loss) Before Capital Contributions and Transfers	2,485,205	5,123,205
Capital Contributions:		
Cash	847,258	1,354,622
Donated Fixed Assets	-	-
Federal BABs Subsidies	320,064	320,064
Transfers:		
City Gross Earnings Tax	(809,419)	(957,816)
Transfer from (to) Other Funds	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$2,843,108</u>	<u>\$5,840,075</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - AUGUST 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
AUGUST 31, 2019	AUGUST 31, 2018		
\$56,494,331	\$57,001,132	(\$506,801)	-0.9%
7,341,934	7,548,545	(206,611)	-2.7%
3,251,226	2,906,703	344,523	11.9%
67,087,491	67,456,380	(368,889)	-0.5%
4,572,263	4,985,163	(412,900)	-8.3%
4,724,870	4,585,335	139,535	3.0%
9,297,133	9,570,498	(273,365)	-2.9%
503,402	370,884	132,518	35.7%
1,501,666	1,513,999	(12,333)	-0.8%
9,696,245	8,957,064	739,181	8.3%
3,416,679	3,451,472	(34,793)	-1.0%
3,298,237	3,338,035	(39,798)	-1.2%
16,839,186	17,878,353	(1,039,167)	-5.8%
8,352,144	7,306,869	1,045,275	14.3%
52,904,692	52,387,174	517,518	1.0%
14,182,799	15,069,206	(886,407)	-5.9%
4,402,832	3,666,933	735,899	20.1%
61,897	48,486	13,411	27.7%
(10,439,784)	(10,727,252)	287,468	2.7%
(2,500,978)	(2,454,890)	(46,088)	-1.9%
818,454	887,470	(69,016)	-7.8%
(32,311)	287,738	(320,049)	-111.2%
(7,689,890)	(8,291,515)	601,625	7.3%
6,492,909	6,777,691	(284,782)	-4.2%
4,334,453	5,905,299	(1,570,846)	-26.6%
601,158	3,003,683	(2,402,525)	-80.0%
2,560,512	2,454,890	105,622	4.3%
(5,325,950)	(5,070,194)	(255,756)	-5.0%
-	31,158	(31,158)	NA
8,663,082	13,102,527	(4,439,445)	-33.9%
581,738,357	556,716,635	25,021,722	
\$590,401,439	\$569,819,162	\$20,582,277	3.6%

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

	AUGUST 2019	AUGUST 2018
SALES OF WATER		
Residential and Domestic	\$6,101,376	\$7,357,352
Commercial and Industrial	2,178,966	2,555,271
Special Rate	599,118	621,723
Sales to Other Utilities	<u>363,012</u>	<u>556,391</u>
Total	<u><u>\$9,242,472</u></u>	<u><u>\$11,090,737</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	94,139	107,413
Commercial and Industrial	6,126	7,429
Sales to Other Utilities	<u>15</u>	<u>15</u>
Total	<u><u>100,280</u></u>	<u><u>114,857</u></u>

YEAR TO DATE		2019 OVER (UNDER) 2018	PERCENT CHANGE
AUGUST 31, 2019	AUGUST 31, 2018		
\$37,320,792	\$37,652,545	(\$331,753)	-0.9%
12,892,565	12,775,970	116,595	0.9%
4,512,839	4,420,154	92,685	2.1%
1,768,135	2,152,463	(384,328)	-17.9%
<u>\$56,494,331</u>	<u>\$57,001,132</u>	<u>(\$506,801)</u>	-0.9%
781,742	782,120	(378)	0.0%
53,524	53,943	(419)	-0.8%
124	120	4	3.3%
<u>835,390</u>	<u>836,183</u>	<u>(793)</u>	-0.1%

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

	MILLION GALLONS, TOTAL			
	AUGUST 2019	AUGUST 2018	YEAR TO DATE	
			AUGUST 31, 2019	AUGUST 31, 2018
WATER BILLED				
Residential and Domestic	1,017.30	1,310.15	5,437.59	5,676.98
Commercial and Industrial	391.13	518.51	2,183.81	2,224.01
Special Rate	507.20	521.25	3,788.82	3,791.55
Sales to Other Utilities	99.36	138.72	565.78	553.70
	<u>2,014.99</u>	<u>2,488.63</u>	<u>11,976.00</u>	<u>12,246.24</u>

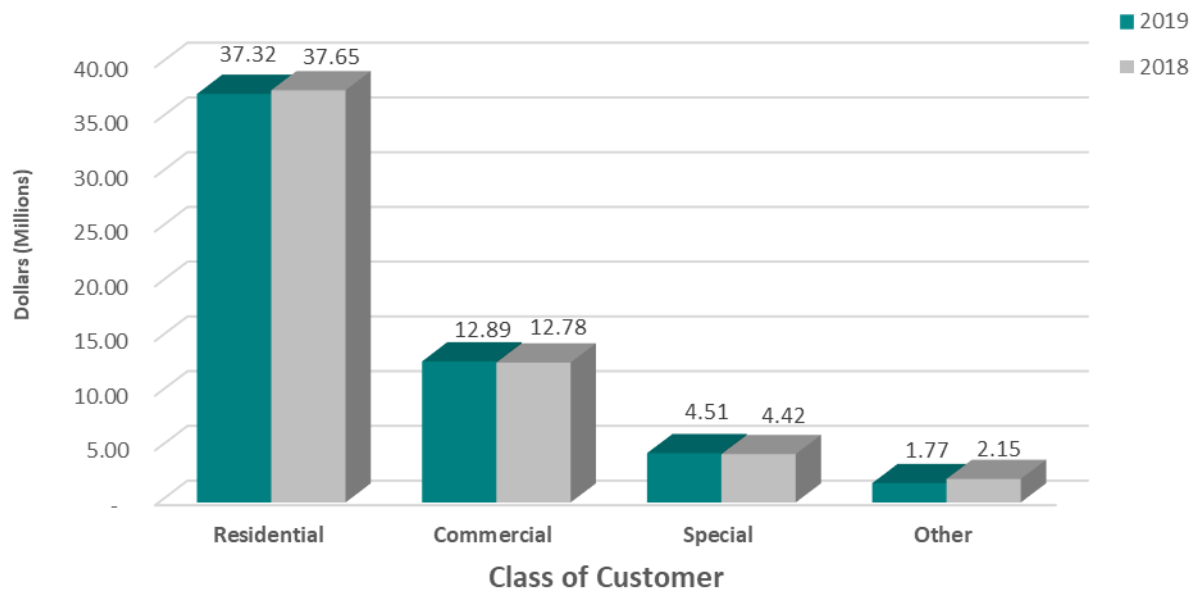
MILLION GALLONS, AVERAGE DAILY

<u>AUGUST 2019</u>	<u>AUGUST 2018</u>
32.82	42.26
12.62	16.73
16.36	16.81
<u>3.21</u>	<u>4.47</u>
<u><u>65.01</u></u>	<u><u>80.27</u></u>

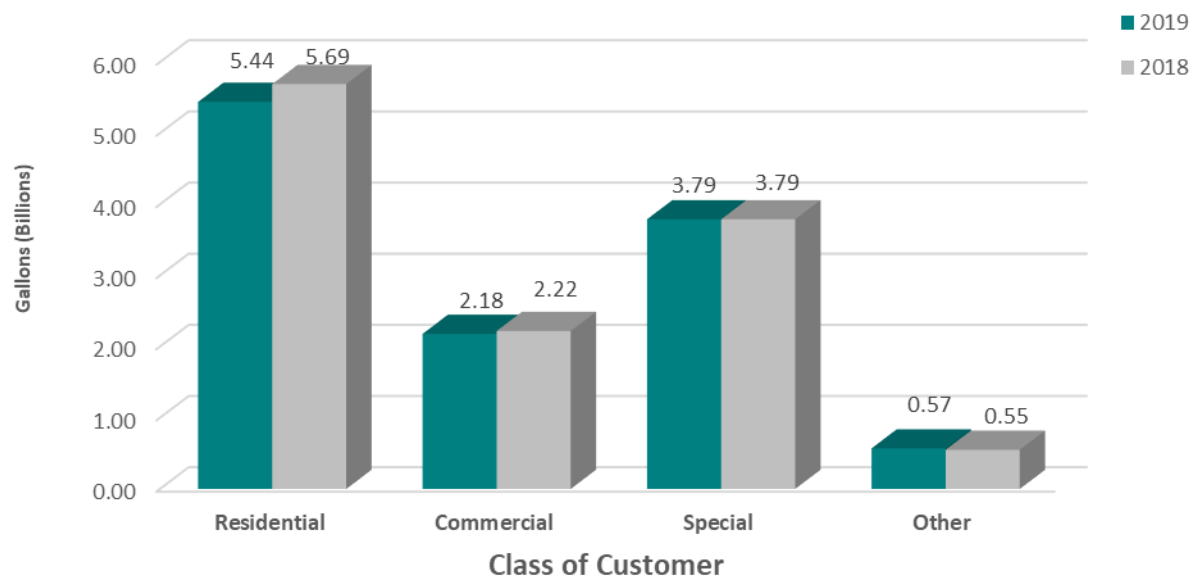
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Supplemental Data

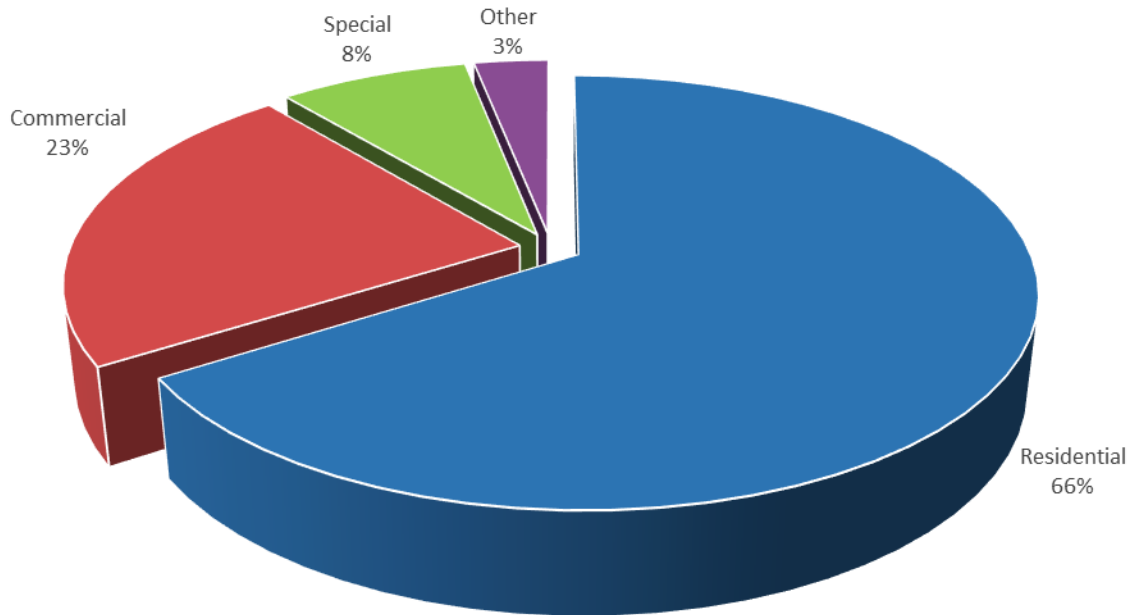
WATER SALES Year to Date - August 2019 & 2018



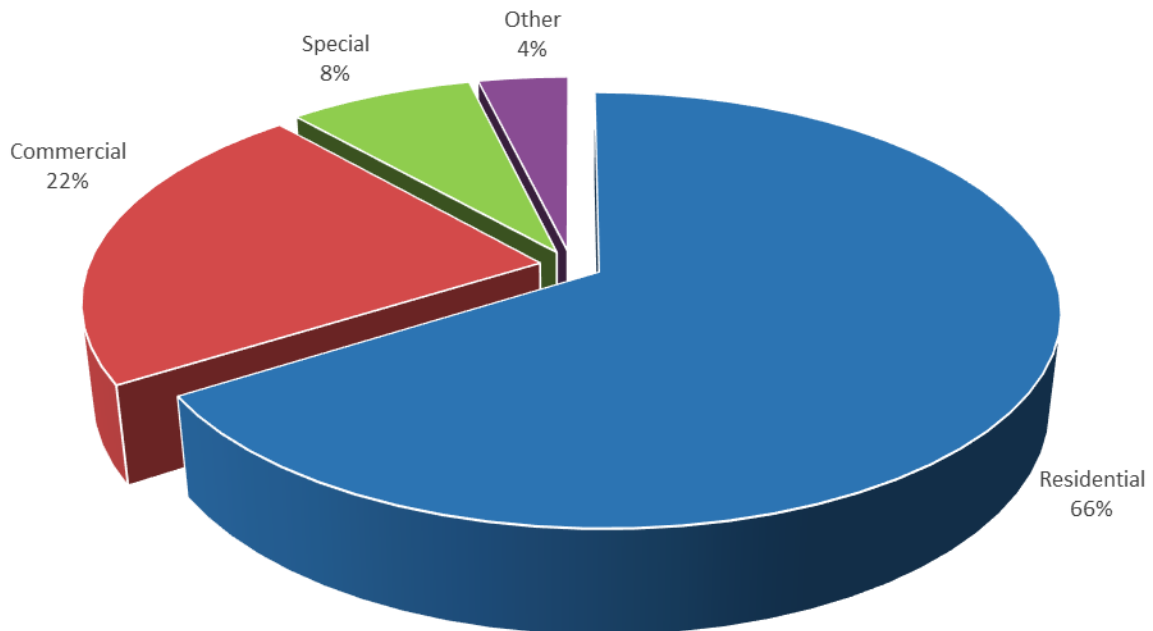
WATER CONSUMPTION Year to Date - August 2019 & 2018



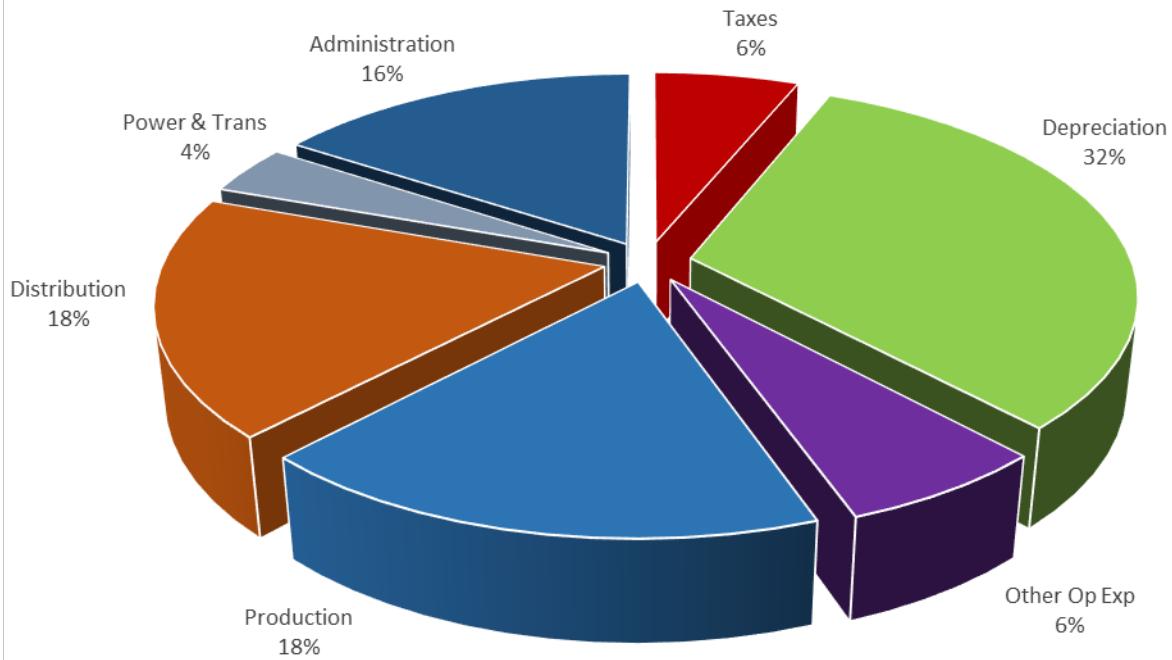
WATER SALES
Year to Date - August 2019
(\$56,494,331)



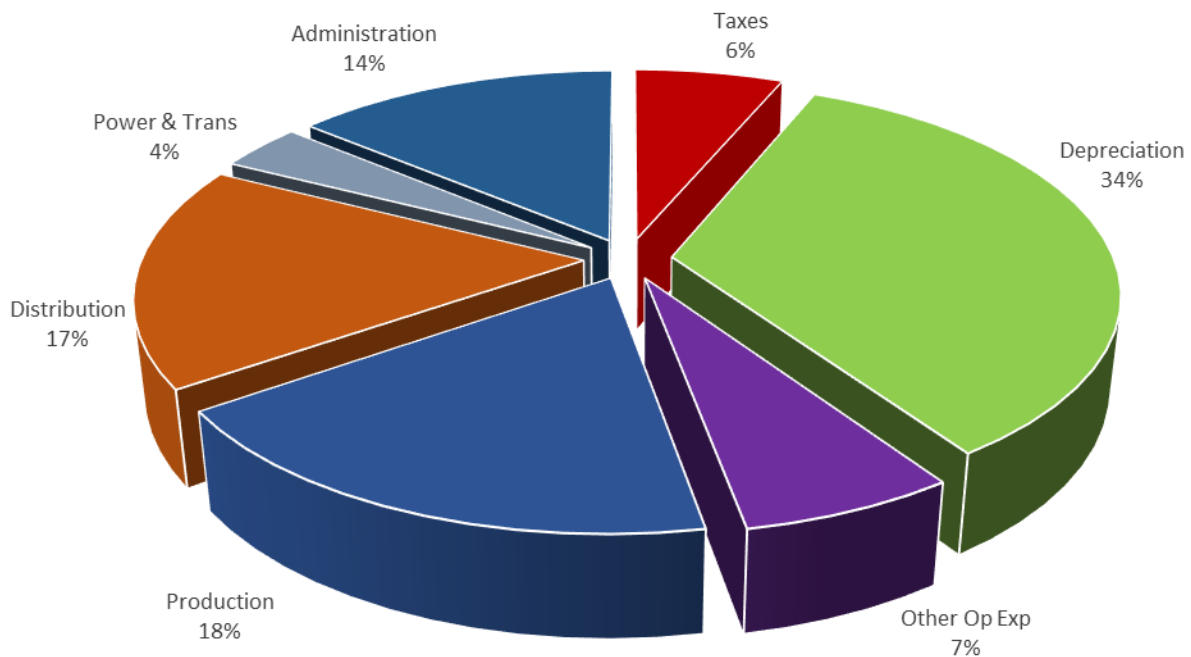
WATER SALES
Year to Date - August 2018
(\$57,001,132)



TOTAL OPERATING EXPENSES
Year to Date - August 2019
(\$52,904,692)



TOTAL OPERATING EXPENSES
Year to Date - August 2018
(\$52,387,174)



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