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**OCTOBER**

**TACOMA WATER**

**2021**

**INTERIM  
FINANCIAL  
REPORT**





# Public Utility Board

MARK PATTERSON

Chair

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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)  
October 31, 2021 and October 31, 2020

	OCTOBER 31,	
	2021	2020
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,198,534,895	\$1,150,567,699
Less Depreciation and Amortization	(336,071,323)	(302,504,556)
Total	862,463,572	848,063,143
Construction Work in Progress	41,823,035	31,177,002
Net Utility Plant	904,286,607	879,240,145
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	-	2,144,719
Regional Water Supply System Operating Fund	234,264	820,858
Provision for Debt Payment	13,519,427	11,369,253
Customer Water Main Deposits	3,584,954	3,526,638
Water Supply Forum Fund	625,432	621,349
Special Bond Reserves	21,691,616	21,688,610
Water Customer Contribution Fund	2,035,717	2,269,997
Water Capital Reserves	36,205,253	36,356,706
Water System Development Charge	78,290,724	75,468,930
Total Restricted Assets	156,187,387	154,267,060
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	65,430,358	70,044,067
Grant Loan Fund	502,684	-
Customers' Deposits	121,427	257,791
Receivables:		
Customers	10,639,421	8,042,857
Accrued Unbilled Revenues	5,922,259	5,818,438
Others	975,897	666,244
BABs Interest Subsidies	1,509,101	3,316,182
Provision for Uncollectible Accounts	(3,259,413)	(1,154,666)
Materials and Supplies	3,155,244	2,994,514
Prepayments	2,052,388	1,767,351
Total Current Assets	87,049,366	91,752,778
TOTAL ASSETS	1,148,016,323	1,125,752,946
OTHER ASSETS		
Regulatory Assets - Surcharges	3,510,435	3,529,246
Net Pension Asset	1,636,678	-
Total Other Assets	5,147,113	3,529,246
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	645,657	832,901
Deferred Outflows for Pensions	4,855,703	12,149,265
Deferred Outflows for OPEB	597,712	471,178
Total Deferred Outflows	6,099,072	13,453,344
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,159,262,508	\$1,142,735,536

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

	OCTOBER 31,	
	2021	2020
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$499,177,648	\$460,170,727
Restricted for:		
Water Capital Reserves	32,532,877	32,205,325
Water System Development Charge	42,715,277	39,893,483
Debt Service Funds	6,246,549	3,972,586
Pension Asset	1,636,678	-
Unrestricted	68,250,246	78,693,046
<b>TOTAL NET POSITION</b>	<b>650,559,275</b>	<b>614,935,167</b>
<b>LIABILITIES</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	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	74,355,000	74,355,000
2015 Water Refunding Bonds, Series A	7,560,000	9,230,000
2010 RWSS Revenue Bonds, Series A	1,030,000	1,345,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	54,030,000	55,920,000
2020 Water Revenue Bonds Refunding	8,667,758	13,157,516
Total Outstanding Revenue Bonds	341,652,758	350,017,516
Plus: Unamortized Bond Premium	6,837,197	8,031,192
Net Outstanding Revenue Bonds	348,489,955	358,048,708
PWTF Pre-Construction Loans	106,725	160,088
PWTF Construction Loans	9,757,572	11,760,836
State Drinking Water Loans	48,848,868	52,919,062
Total Long-Term Debt	407,203,120	422,888,694
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable	553,189	501,810
Purchases and Contracts Payable	1,540,719	1,699,060
Interest Expense Accrued	7,272,878	7,396,667
Taxes Accrued	2,066,340	2,048,576
Customers' and Contractors' Deposits	186,024	310,354
Current Portion of Long-Term Debt	14,655,877	15,095,421
Other Current Liabilities	976,377	957,242
Current Accrued Compensated Absences	300,025	237,357
Total Current Liabilities	27,551,429	28,246,487
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements	6,080,198	6,244,496
Customer Advances for Construction	11,733,449	8,788,839
Unearned Revenue	6,497,554	7,227,363
Other Long-Term Liabilities	1,096,995	1,142,622
Pension Liability	-	10,264,957
OPEB Liability	3,675,963	3,565,886
Long-Term Accrued Compensated Absences	2,700,222	2,136,217
Total Long-Term Liabilities	31,784,381	39,370,380
<b>TOTAL LIABILITIES</b>	<b>466,538,930</b>	<b>490,505,561</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	6,237,055	1,348,807
Deferred Inflows for OPEB	351,801	370,554
Total Deferred Inflows	42,164,303	37,294,808
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$1,159,262,508</b>	<b>\$1,142,735,536</b>

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City of Tacoma, Washington  
Department of Public Utilities  
Tacoma Water  
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)  
October 31, 2021 and October 31, 2020

			YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
	OCTOBER 2021	OCTOBER 2020	OCTOBER 31, 2021	OCTOBER 31, 2020		
OPERATING REVENUES						
Sales of Water	\$9,941,621	\$9,865,912	\$84,182,464	\$79,370,906	\$4,811,558	6.1%
Other Operating Revenues	537,496	561,501	6,041,803	5,868,894	172,909	2.9%
Contract Resource Obligation Revenue	603,869	409,022	4,410,026	3,997,283	412,743	10.3%
Total Operating Revenues	11,082,986	10,836,435	94,634,293	89,237,083	5,397,210	6.0%
OPERATING EXPENSES						
Production Expense:						
Source of Supply	325,636	449,024	2,805,871	3,750,940	(945,069)	-25.2%
Water Treatment	939,240	908,511	8,113,391	7,636,076	477,315	6.3%
Total Production Expense	1,264,876	1,357,535	10,919,262	11,387,016	(467,754)	-4.1%
Power Pumping Expense	48,341	82,703	525,736	593,970	(68,234)	-11.5%
Transmission and Storage Expense	384,628	134,709	3,181,411	1,453,790	1,727,621	118.8%
Distribution Expense	1,587,512	1,553,647	13,508,771	13,493,791	14,980	0.1%
Customer Accounting and Consumer Service	475,818	452,778	4,524,879	4,467,937	56,942	1.3%
Taxes	513,478	478,191	4,898,537	4,549,920	348,617	7.7%
Depreciation	2,294,439	2,141,033	23,141,889	21,438,362	1,703,527	7.9%
Administrative and General	1,332,616	1,197,581	13,510,220	10,615,221	2,894,999	27.3%
Total Operating Expenses	7,901,708	7,398,177	74,210,705	68,000,007	6,210,698	9.1%
OPERATING INCOME (LOSS)	3,181,278	3,438,258	20,423,588	21,237,076	(813,488)	-3.8%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	142,440	243,100	(1,615,677)	1,800,409	(3,416,086)	-189.7%
Miscellaneous	4,195	(12,406)	2,451,989	489,387	1,962,602	401.0%
Interest on Long-Term Debt	(1,248,548)	(1,290,142)	(12,609,246)	(13,159,333)	550,087	4.2%
Interest on Long-Term Debt BABs Sub	(255,154)	(247,703)	(2,484,483)	(2,477,032)	(7,451)	-0.3%
Amortization Of Debt Premium	82,181	92,464	821,808	924,638	(102,830)	-11.1%
Total Non-Operating Revenues (Expenses)	(1,274,886)	(1,214,687)	(13,435,609)	(12,421,931)	(1,013,678)	-8.2%
Net Income (Loss) Before Capital						
Contributions and Transfers	1,906,392	2,223,571	6,987,979	8,815,145	(1,827,166)	-20.7%
Capital Contributions:						
Cash	383,855	670,933	5,307,782	5,828,749	(520,967)	-8.9%
Donated Fixed Assets	5,950,991	-	6,248,948	1,169,848	5,079,100	434.2%
Federal BABs Subsidies	309,272	301,820	3,025,654	3,015,002	10,652	0.4%
Transfers:						
City Gross Earnings Tax	(805,067)	(788,160)	(7,076,646)	(6,710,139)	(366,507)	-5.5%
Transfer from (to) Other Funds	-	-	120	-	120	NA
CHANGE IN NET POSITION	\$7,745,443	\$2,408,164	14,493,837	12,118,605	2,375,232	19.6%
NET POSITION - JANUARY 1			636,065,438	602,816,562	33,248,876	
TOTAL NET POSITION - OCTOBER 31			\$650,559,275	\$614,935,167	\$35,624,108	5.8%

*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)  
October 31, 2021 and October 31, 2020

	OCTOBER 2021	OCTOBER 2020	YEAR TO DATE		2021 OVER (UNDER) 2020	PERCENT CHANGE
			OCTOBER 31, 2021	OCTOBER 31, 2020		
SALES OF WATER						
Residential and Domestic	\$7,072,393	\$7,072,272	\$57,918,009	\$55,286,607	\$2,631,402	4.8%
Commercial and Industrial	1,992,019	1,946,150	17,848,280	16,223,909	1,624,371	10.0%
Special Rate	655,153	641,579	6,208,337	5,901,913	306,424	5.2%
Wholesale	<u>222,056</u>	<u>205,911</u>	<u>2,207,838</u>	<u>1,958,477</u>	<u>249,361</u>	12.7%
Total	<u>\$9,941,621</u>	<u>\$9,865,912</u>	<u>\$84,182,464</u>	<u>\$79,370,906</u>	<u>\$4,811,558</u>	6.1%
BILLINGS (NUMBER OF MONTHS BILLED)						
Residential and Domestic	111,335	109,855	1,011,611	997,945	13,666	1.4%
Commercial and Industrial	7,088	7,077	69,774	67,192	2,582	3.8%
Wholesale	<u>20</u>	<u>23</u>	<u>218</u>	<u>216</u>	<u>2</u>	0.9%
Total	<u>118,443</u>	<u>116,955</u>	<u>1,081,603</u>	<u>1,065,353</u>	<u>16,250</u>	1.5%

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

	MILLION GALLONS, TOTAL				MILLION GALLONS, AVERAGE DAILY	
	OCTOBER 2021	OCTOBER 2020	YEAR TO DATE		OCTOBER 2021	OCTOBER 2020
			OCTOBER 31, 2021	OCTOBER 31, 2020		
WATER BILLED						
Residential and Domestic	1,034.56	1,044.20	8,146.20	7,519.67	33.37	33.68
Commercial and Industrial	342.44	317.58	3,017.32	2,519.89	11.05	10.24
Special Rate	496.50	512.72	4,940.34	4,835.62	16.02	16.54
Wholesale	39.38	65.10	719.17	611.77	1.27	2.10
	<u>1,912.88</u>	<u>1,939.60</u>	<u>16,823.03</u>	<u>15,486.95</u>	<u>61.71</u>	<u>62.56</u>

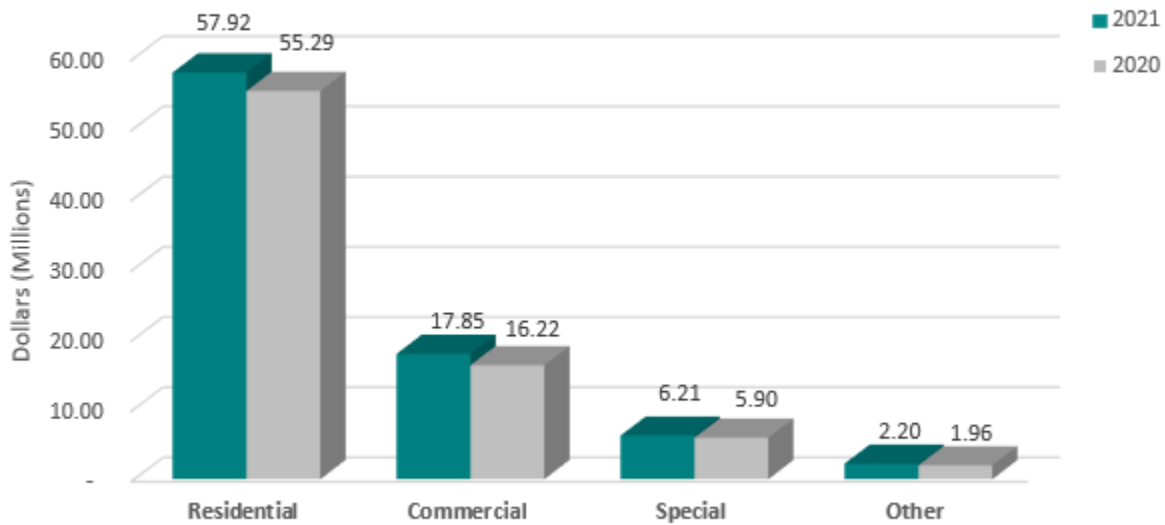
NOTE: For conversion purposes, there are approximately 748 gallons in every 100 cubic feet of water.

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## Supplemental Data

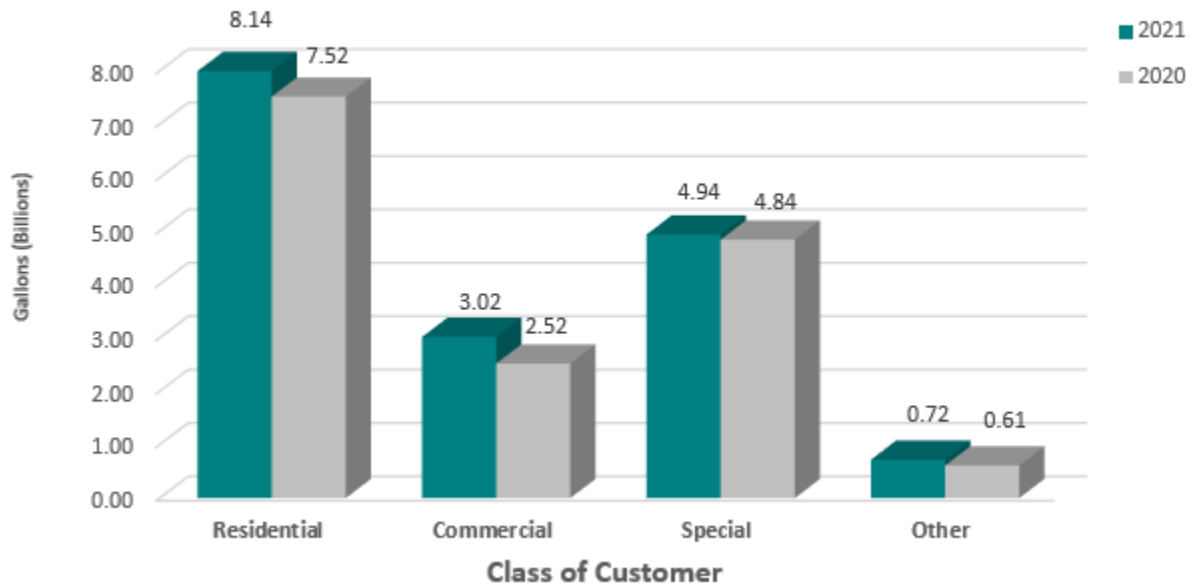
## WATER SALES

### Year to Date - October 2021 & 2020

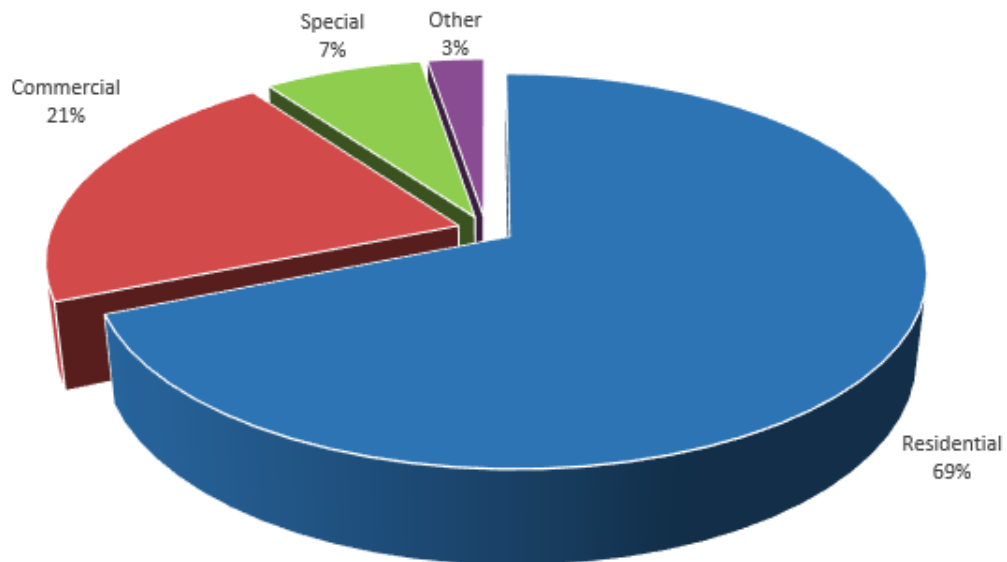


## WATER CONSUMPTION

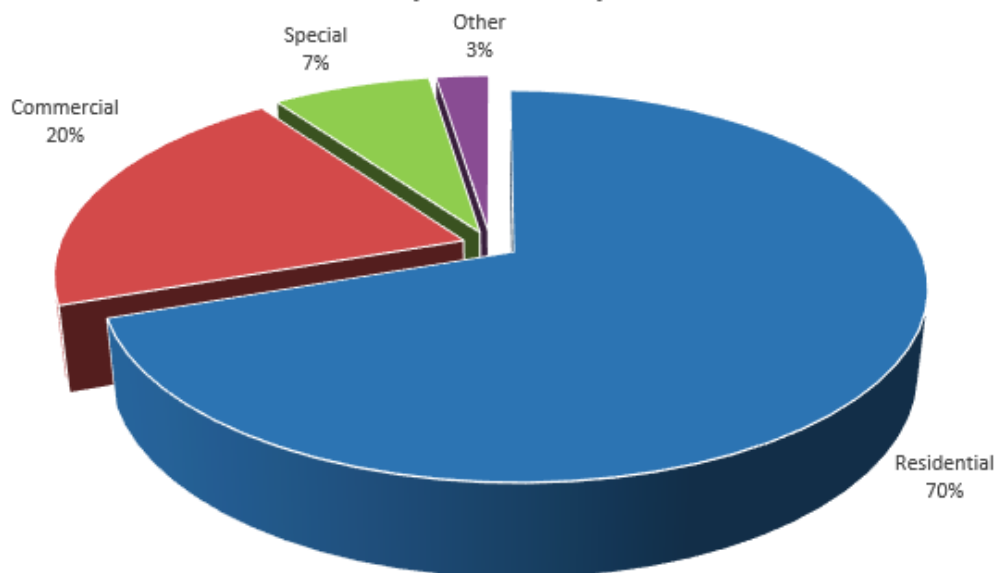
### Year to Date - October 2021 & 2020



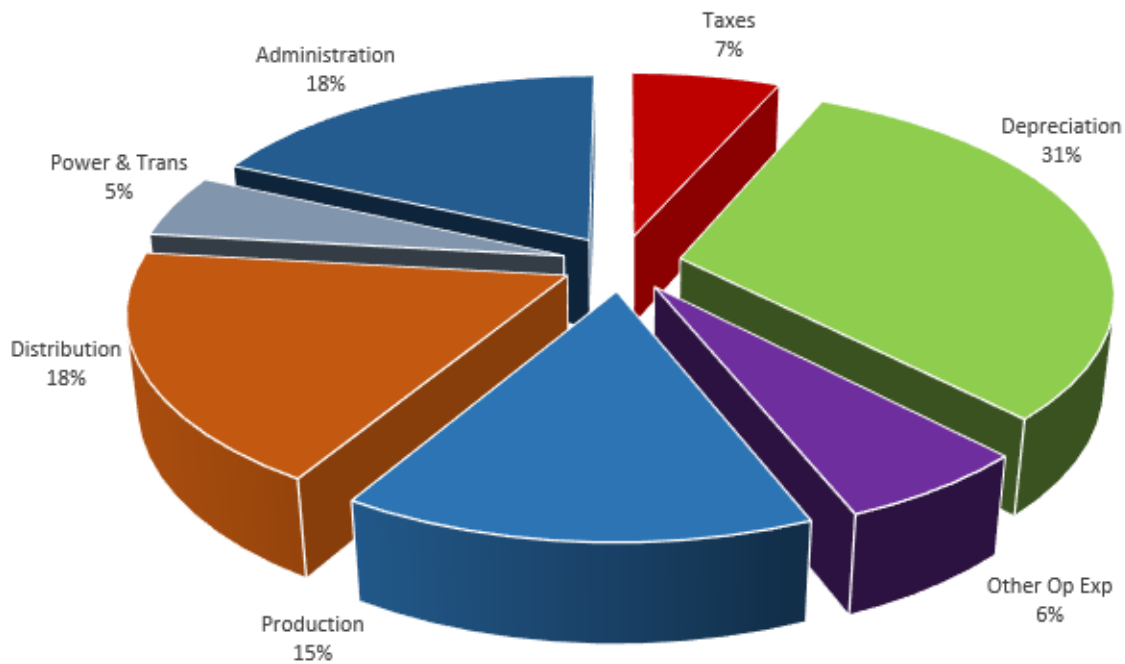
**WATER SALES**  
**Year to Date - October 2021**  
**(\$84,182,464)**



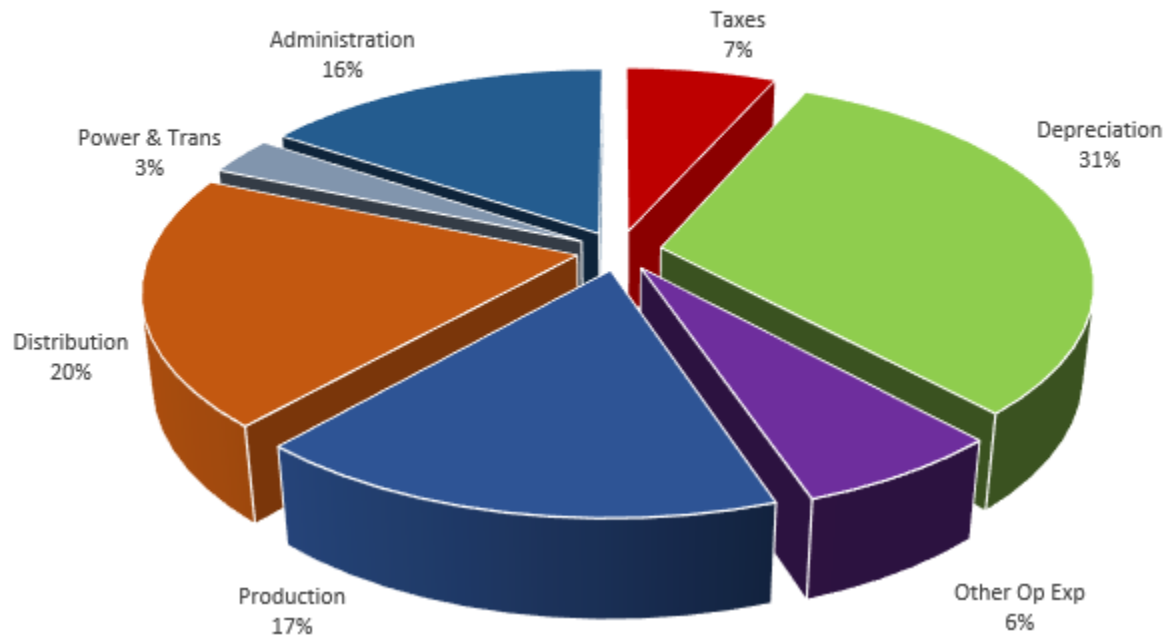
**WATER SALES**  
**Year to Date - October 2020**  
**(\$79,370,906)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - October 2021**  
**(\$74,210,705)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - October 2020**  
**(\$68,000,007)**





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