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***NOVEMBER***

***TACOMA WATER***

**2019**

**INTERIM  
FINANCIAL  
REPORT**





# Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

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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)  
November 30, 2019 and November 30, 2018

	November 30,	
	2019	2018
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$1,127,993,924	\$1,111,846,157
Less Depreciation and Amortization	(281,273,850)	(260,446,700)
Total	846,720,074	851,399,457
Construction Work in Progress	22,782,649	19,545,995
Net Utility Plant	869,502,723	870,945,452
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	-	3,298
2010 Construction Fund	-	9,541,123
2013 Construction Fund	12,327,098	16,850,102
Regional Water Supply System Operating Fund	909,840	1,130,328
Provision for Debt Payment	18,860,713	15,946,458
Customer Water Main Deposits	3,420,239	3,349,186
Water Supply Forum Fund	470,944	320,521
Special Bond Reserves	22,114,719	22,108,294
Water Customer Contribution Fund	582,488	561,608
Water Capital Reserves	38,030,964	36,324,706
Water System Development Charge	72,667,657	68,578,596
Total Restricted Assets	169,384,662	174,714,220
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	67,649,066	62,254,316
Customers' Deposits	311,883	314,027
Receivables:		
Customers	5,342,441	5,189,706
Accrued Unbilled Revenues	5,930,220	5,457,221
Others	632,536	652,065
BABs Interest Subsidies	18,884	1,920,384
Provision for Uncollectible Accounts	(379,863)	(255,673)
Materials and Supplies	2,705,247	2,426,912
Prepayments	1,715,959	1,065,932
Total Current Assets	83,926,373	79,024,890
TOTAL ASSETS	1,123,306,721	1,125,177,525
OTHER ASSETS		
Regulatory Assets - Surcharges	2,060,981	1,046,603
Net Pension Asset	3,438,481	-
Total Other Assets	5,499,462	1,046,603
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	1,004,543	1,191,787
Deferred Outflows for Pensions	4,409,587	8,671,039
Deferred Outflows for OPEB	295,709	-
Total Deferred Outflows	5,709,839	9,862,826
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,134,516,022	\$1,136,086,954

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

	November 30,	
	2019	2018
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$444,980,728	\$445,693,195
Restricted for:		
Water Capital Reserves	33,400,577	31,215,314
Water System Development Charge	37,092,210	33,003,149
Debt Service Funds	9,466,268	6,404,784
Pension Asset	3,438,481	-
Unrestricted	68,718,467	60,542,790
<b>TOTAL NET POSITION</b>	<b>597,096,731</b>	<b>576,859,232</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 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	9,229,780	10,653,337
Net Outstanding Revenue Bonds	367,569,780	376,603,337
PWTF Pre-Construction Loans	320,261	480,435
PWTF Construction Loans	14,297,433	16,834,030
State Drinking Water Loans	57,150,308	61,381,554
Total Long-Term Debt	439,337,782	455,299,356
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable	-	442,961
Purchases and Contracts Payable	943,651	1,335,632
Interest Expense Accrued	9,394,445	9,541,674
Taxes Accrued	1,603,234	1,539,936
Customers' and Contractors' Deposits	351,776	345,636
Current Portion of Long-Term Debt	14,710,633	13,554,949
Other Current Liabilities	469,238	3,235,130
Current Accrued Compensated Absences	244,160	229,834
Total Current Liabilities	27,717,137	30,225,752
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements	6,412,903	6,585,519
Customer Advances for Construction	7,521,793	7,412,665
Unearned Revenue	7,689,023	7,483,831
Other Long-Term Liabilities	1,280,607	4,514,385
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	28,882,662	36,343,425
<b>TOTAL LIABILITIES</b>	<b>495,937,581</b>	<b>521,868,533</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 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$1,134,516,022</b>	<b>\$1,136,086,954</b>

City of Tacoma, Washington  
Department of Public Utilities  
Tacoma Water  
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)  
November 30, 2019 and November 30, 2018

	NOVEMBER 2019	NOVEMBER 2018
OPERATING REVENUES		
Sales of Water	\$5,809,991	\$5,774,368
Other Operating Revenues	768,343	878,423
Contract Resource Obligation Revenue	388,987	380,982
Total Operating Revenues	<u>6,967,321</u>	<u>7,033,773</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	604,054	1,516,086
Water Treatment	659,751	636,086
Total Production Expense	<u>1,263,805</u>	<u>2,152,172</u>
Power Pumping Expense	78,779	71,327
Transmission and Storage Expense	150,872	378,803
Distribution Expense	1,185,881	1,286,830
Customer Accounting and Consumer Service	458,435	420,575
Taxes	296,632	307,094
Depreciation	2,104,590	2,057,025
Administrative and General	1,020,562	1,010,357
Total Operating Expenses	<u>6,559,556</u>	<u>7,684,183</u>
OPERATING INCOME (LOSS)	407,765	(650,410)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	395,971	346,699
Miscellaneous	384,119	7,409
Interest on Long-Term Debt	(1,293,451)	(1,321,611)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amortization Of Debt Premium	102,307	110,934
Interest Charged to Construction	-	(10,232)
Total Non-Operating Revenues (Expenses)	<u>(731,118)</u>	<u>(1,186,865)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(323,353)	(1,837,275)
Capital Contributions:		
Cash	374,036	563,990
Donated Fixed Assets	18,108	1,143,709
Federal BABs Subsidies	320,064	320,064
Transfers:		
City Gross Earnings Tax	(525,885)	(533,384)
Transfer from (to) Other Funds	-	-
CHANGE IN NET POSITION	<u>(\$137,030)</u>	<u>(\$342,896)</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - NOVEMBER 30		

*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
NOVEMBER 30, 2019	NOVEMBER 30, 2018		
\$80,249,075	\$79,261,245	\$987,830	1.2%
10,016,948	10,414,710	(397,762)	-3.8%
4,467,879	3,994,140	473,739	11.9%
94,733,902	93,670,095	1,063,807	1.1%
6,332,913	7,810,630	(1,477,717)	-18.9%
6,515,342	6,259,812	255,530	4.1%
12,848,255	14,070,442	(1,222,187)	-8.7%
736,917	543,690	193,227	35.5%
1,970,599	2,357,625	(387,026)	-16.4%
13,209,814	12,322,078	887,736	7.2%
4,739,267	4,754,464	(15,197)	-0.3%
4,691,299	4,692,667	(1,368)	0.0%
23,160,932	24,060,259	(899,327)	-3.7%
10,966,547	10,031,814	934,733	9.3%
72,323,630	72,833,039	(509,409)	-0.7%
22,410,272	20,837,056	1,573,216	7.6%
5,629,818	4,712,065	917,753	19.5%
1,480,315	276,391	1,203,924	435.6%
(14,459,482)	(14,697,080)	237,598	1.6%
(3,327,065)	(3,415,082)	88,017	2.6%
1,125,375	1,220,271	(94,896)	-7.8%
(32,338)	419,191	(451,529)	-107.7%
(9,583,377)	(11,484,244)	1,900,867	16.6%
12,826,895	9,352,812	3,474,083	37.1%
6,036,446	9,633,220	(3,596,774)	-37.3%
619,266	4,791,299	(4,172,033)	-87.1%
3,327,065	3,415,082	(88,017)	-2.6%
(7,451,298)	(7,080,974)	(370,324)	-5.2%
-	31,158	(31,158)	NA
15,358,374	20,142,597	(4,784,223)	-23.8%
581,738,357	556,716,635	25,021,722	
<u>\$597,096,731</u>	<u>\$576,859,232</u>	<u>\$20,237,499</u>	3.5%

City of Tacoma, Washington  
Department of Public Utilities  
Tacoma Water  
Summary of Revenues and Billings (Unaudited)  
November 30, 2019 and November 30, 2018

	<u>NOVEMBER 2019</u>	<u>NOVEMBER 2018</u>
SALES OF WATER		
Residential and Domestic	\$3,406,567	\$3,676,550
Commercial and Industrial	1,579,152	1,292,244
Special Rate	580,077	617,116
Wholesale	<u>244,195</u>	<u>188,458</u>
Total	<u><u>\$5,809,991</u></u>	<u><u>\$5,774,368</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	83,605	84,783
Commercial and Industrial	6,350	6,028
Wholesale	<u>16</u>	<u>14</u>
Total	<u><u>89,971</u></u>	<u><u>90,825</u></u>

YEAR TO DATE		2019 OVER (UNDER) 2018	PERCENT CHANGE
NOVEMBER 30, 2019	NOVEMBER 30, 2018		
\$52,944,360	\$52,100,193	\$844,167	1.6%
18,426,406	17,919,203	507,203	2.8%
6,312,882	6,317,274	(4,392)	-0.1%
<u>2,565,427</u>	<u>2,924,575</u>	<u>(359,148)</u>	-12.3%
<u><u>\$80,249,075</u></u>	<u><u>\$79,261,245</u></u>	<u><u>\$987,830</u></u>	1.2%
1,074,481	1,056,991	17,490	1.7%
74,160	72,880	1,280	1.8%
<u>173</u>	<u>164</u>	<u>9</u>	5.5%
<u><u>1,148,814</u></u>	<u><u>1,130,035</u></u>	<u><u>18,779</u></u>	1.7%

City of Tacoma, Washington  
Department of Public Utilities  
Tacoma Water  
Summary of Water Billed (Unaudited)  
November 30, 2019 and November 30, 2018

	MILLION GALLONS, TOTAL			
	NOVEMBER 2019	NOVEMBER 2018	YEAR TO DATE	
			NOVEMBER 30, 2019	NOVEMBER 30, 2018
WATER BILLED				
Residential and Domestic	403.92	514.48	7,725.74	7,939.62
Commercial and Industrial	227.06	205.53	3,139.57	3,155.99
Special Rate	488.65	521.18	5,290.88	5,356.54
Wholesale	<u>86.89</u>	<u>63.58</u>	<u>810.20</u>	<u>778.92</u>
	<u>1,206.52</u>	<u>1,304.77</u>	<u>16,966.39</u>	<u>17,231.07</u>

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

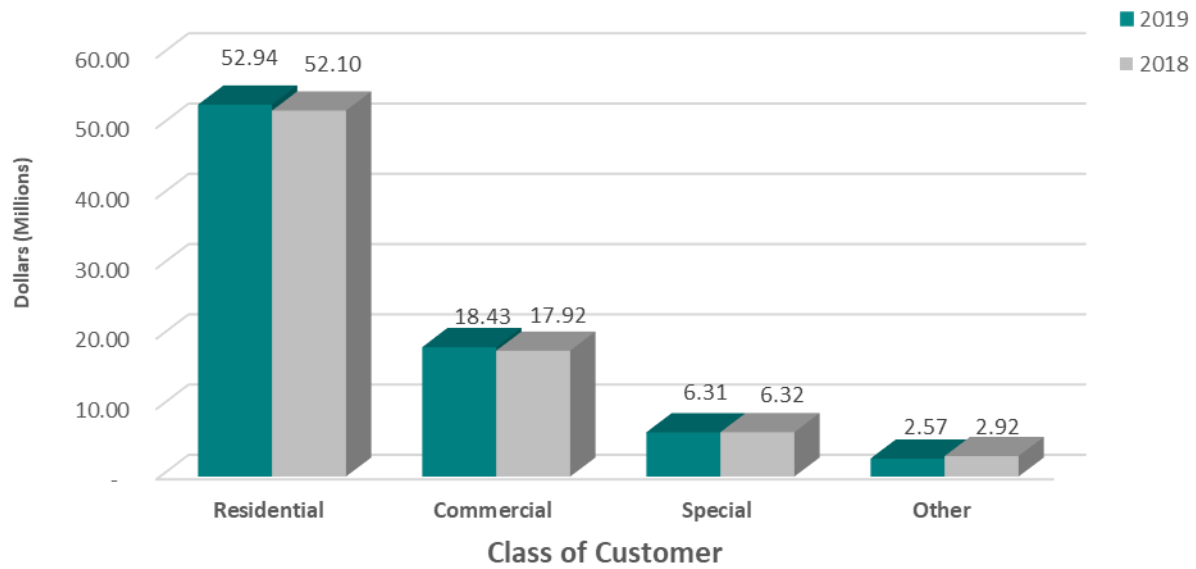
MILLION GALLONS, AVERAGE DAILY

NOVEMBER 2019	NOVEMBER 2018
13.46	17.15
7.57	6.85
16.29	17.37
2.90	2.12
40.22	43.49

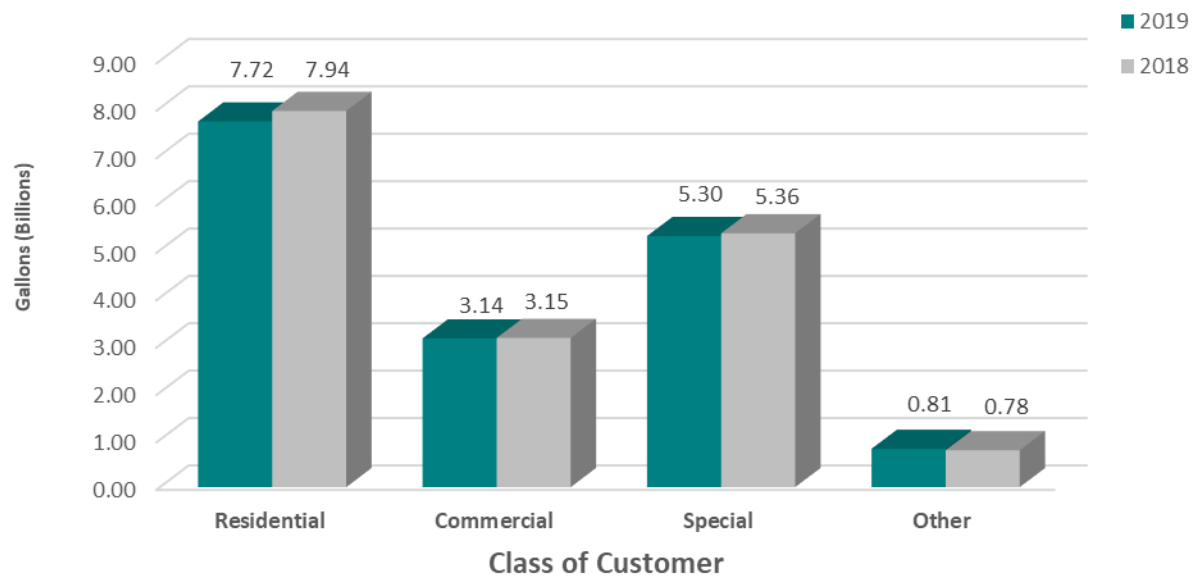
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## Supplemental Data

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

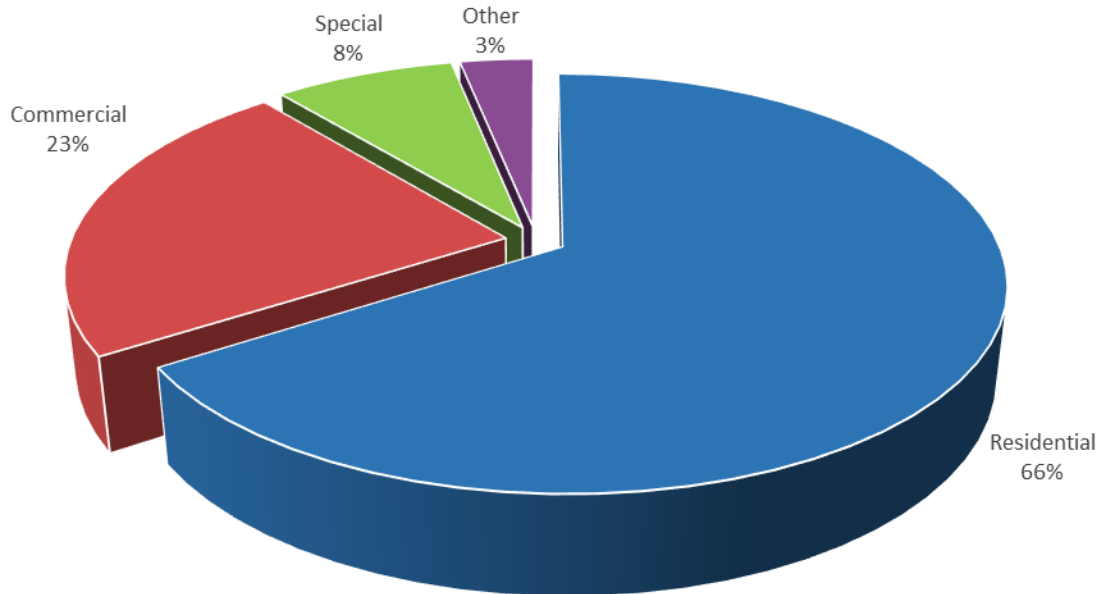


## WATER CONSUMPTION Year to Date - November 2019 & 2018

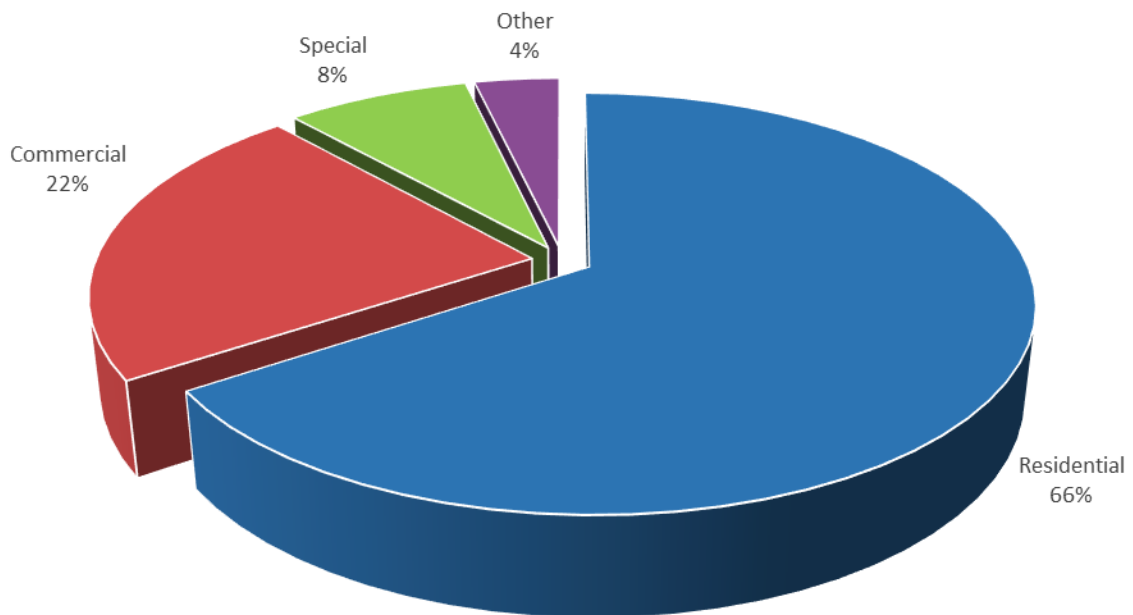




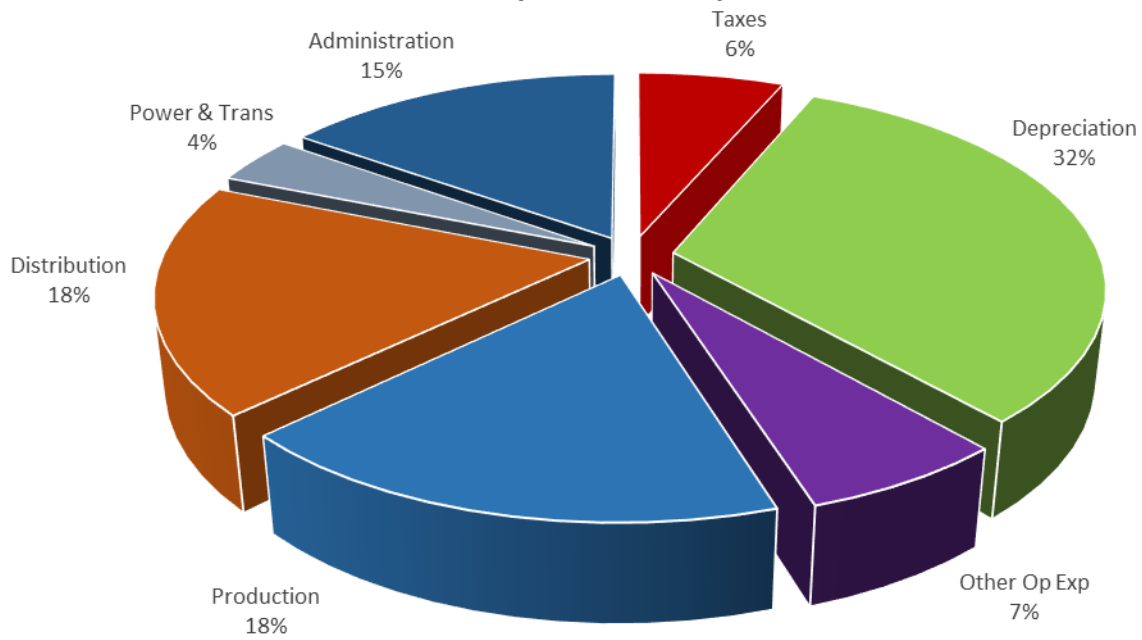
**WATER SALES**  
**Year to Date - November 2019**  
**(\$80,249,075)**



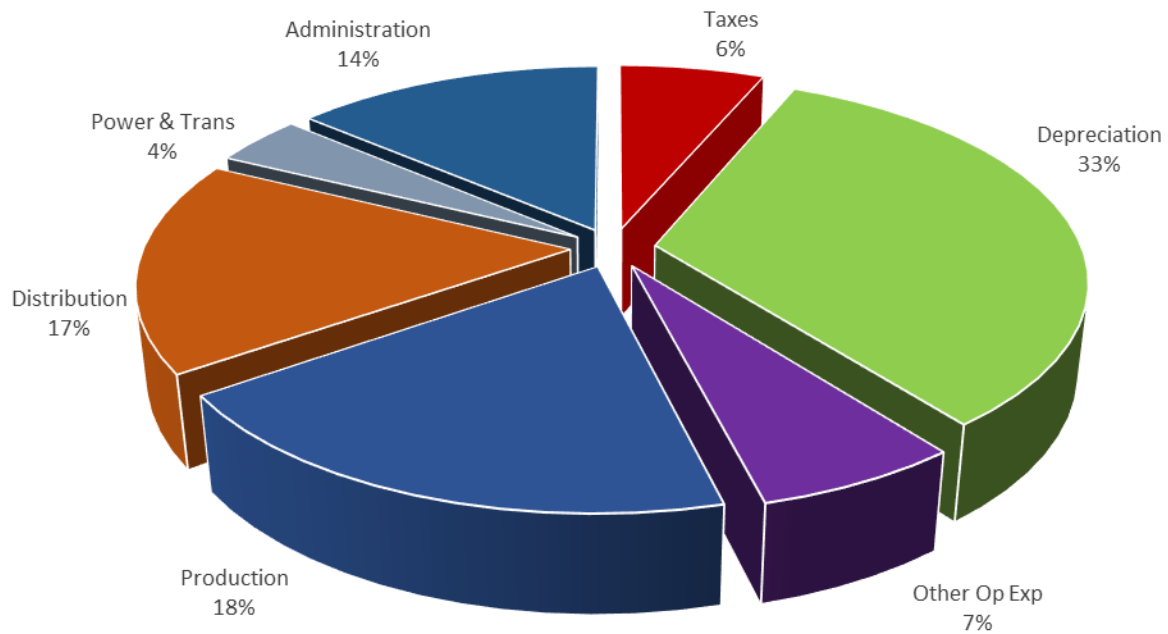
**WATER SALES**  
**Year to Date - November 2018**  
**(\$79,261,245)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - November 2019**  
**(\$72,323,630)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - November 2018**  
**(\$72,833,039)**



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