
NOVEMBER

TACOMA WATER

2013

**FINANCIAL
REPORT**



Public Utility Board

DAVID NELSON

Chair

WOODROW JONES

Vice-Chair

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MARK PATTERSON

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Member

WILLIAM A. GAINES
Director of Utilities/CEO

LINDA MCCREA
Superintendent

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, WATER DIVISION
Doing Business As

TACOMA WATER

TABLE OF CONTENTS

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.

STATEMENTS OF NET POSITION	2 - 3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	4 - 5
SUMMARY OF REVENUES AND BILLINGS	6 - 7
SUMMARY OF WATER BILLED	8 - 9
SUPPLEMENTAL DATA	11 - 14

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF NET POSITION - NOVEMBER 30, 2013 AND NOVEMBER 30, 2012

ASSETS	2013	2012 (As Restated)
UTILITY PLANT		
Water Plant in Service	\$840,599,861	\$806,638,399
Less Depreciation and Amortization	(169,281,587)	(158,801,479)
Total	671,318,274	647,836,920
Construction Work in Progress	120,883,480	54,127,212
Net Utility Plant	792,201,754	701,964,132
NON-UTILITY PROPERTY	492,963	547,480
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2003 Construction Fund	-	576
2005 Construction Fund	-	-
2009 Construction Fund	-	7,660,669
2010 Construction Fund	3,603,806	42,497,944
Regional Water Supply System Const Fund	-	56,082
2010 RWSS Construction Fund	7,159,796	27,849,295
2013 Construction Fund	50,867,569	-
Regional Water Supply System Operating Fund	2,500,264	5,974,326
Provision for Debt Payment	15,776,997	17,630,794
Customer Water Main Deposits	2,947,773	2,910,733
Water Supply Forum Fund	436,552	509,476
Special Bond Reserves	22,092,533	19,377,011
Water Customer Contribution Fund	87,955	(214,493)
Water Assurance Reserves	-	12,097,327
Water Capital Reserves	19,388,681	-
Water System Development Charge	53,471,946	53,345,057
Notes and Contracts Receivables - SDC	462,128	929,942
Total Restricted Assets	178,796,000	190,624,739
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	40,035,732	28,399,798
Working Funds	1,500	1,500
Customers' and Contractors' Deposits	269,161	274,071
Receivables:		
Customers	4,270,607	3,474,530
Accrued Unbilled Revenues	4,026,679	3,609,693
Others	1,641,368	854,116
BABs Interest Subsidies	1,920,383	-
Provision for Uncollectible Accounts	(467,232)	(513,864)
Materials and Supplies	2,343,427	2,319,639
Prepayments & Other	377,030	8,911
Total Current Assets	54,418,655	38,428,394
Total Assets	1,025,909,372	931,564,745
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	4,031,253	4,187,736
Regulatory Assets - Hyada Surcharges	934,551	1,033,422
Unamortized Losses on Refunding Debt Expense	1,832,692	1,788,684
Total Deferred Outflows	6,798,496	7,009,842
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$1,032,707,868	\$938,574,587

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2012 Annual Report.

NET POSITION AND LIABILITIES	<u>2013</u>	<u>2012</u> (As Restated)
NET POSITION		
Net Investment in Capital Assets	\$395,396,853	\$378,028,977
Restricted for:		
Regional Water Supply System Construction Fund	-	56,082
Water Assurance Reserves	-	4,113,902
Water Capital Reserves	11,884,261	-
Water System Development Charge	18,826,442	24,765,422
Debt Service Funds	5,016,448	8,069,493
Unrestricted	44,041,017	28,840,003
TOTAL NET POSITION	<u>475,165,021</u>	<u>443,873,879</u>
LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2003 Water Revenue Bonds Refunding	-	25,285,000
2005 Water Revenue Bonds Refunding	33,450,000	35,485,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds Refunding	28,055,000	28,585,000
2010 Water Revenue Bonds	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	75,335,000	-
2002 RWSS Revenue Bonds	-	75,925,000
2010 RWSS Revenue Bonds, Series A	44,245,000	44,245,000
2010 RWSS Revenue Bonds, Series B	3,335,000	3,595,000
2013 RWSS Refunding Bonds	63,835,000	-
Total Outstanding Revenue Bonds	400,015,000	364,880,000
Plus: Unamortized Bond Premium	15,711,729	4,689,868
Net Outstanding Revenue Bonds	415,726,729	369,569,868
PWTF Pre-Construction Loans	1,281,304	1,441,477
PWTF Construction Loans	29,517,015	22,053,612
Drinking Water State Revolving Fund Loans	16,440,468	15,659,868
Total Long-Term Debt	<u>462,965,516</u>	<u>408,724,825</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	736,997	698,223
Purchases and Contracts Payable	8,971,469	7,171,507
Interest Expense Accrued	10,760,549	9,561,304
Taxes Accrued	1,067,491	1,049,684
Customers' Deposits	307,934	291,325
Current Portion of Long-Term Debt	10,540,522	10,257,324
Other Current Liabilities	475,677	56,496
Current Accrued Compensated Absences	235,807	244,587
Total Current Liabilities	<u>33,096,446</u>	<u>29,330,450</u>
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,515,530	7,715,713
Customer Advances for Construction	4,102,080	4,402,092
Unearned Revenue	9,204,004	9,158,407
Other Long-Term Liabilities	2,961,566	2,592,494
Long Term Accrued Compensated Absences	2,122,259	2,201,281
Total Long-Term Liabilities	<u>25,905,439</u>	<u>26,069,987</u>
TOTAL LIABILITIES	<u>521,967,401</u>	<u>464,125,262</u>
DEFERRED INFLOWS		
Rate Stabilization	35,575,446	30,575,446
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	<u><u>\$1,032,707,868</u></u>	<u><u>\$938,574,587</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NOVEMBER 30, 2013 AND NOVEMBER 30, 2012

	November 2013	November 2012 (As Restated)
OPERATING REVENUES		
Sales of Water	\$4,276,543	\$4,104,554
Other Operating Revenues	786,074	(226,895)
Contract Resource Obligation Revenue	874,348	444,687
Total Operating Revenues	5,936,965	4,322,346
OPERATING EXPENSES		
Production Expense		
Source of Supply	514,112	434,045
Water Treatment	295,390	236,951
Total Production Expense	809,502	670,996
Power Pumping Expense	28,424	18,759
Transmission and Storage Expense	355,276	215,418
Distribution Expense	984,711	989,645
Customer Accounting and Consumer Service ..	306,093	328,242
Taxes	213,096	198,830
Depreciation	1,403,947	1,203,694
Administrative and General	501,561	600,233
Total Operating Expenses	4,602,610	4,225,817
OPERATING INCOME (LOSS)	1,334,355	96,529
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	211,868	136,291
Miscellaneous	8,373	10,733
Interest on Long-Term Debt	(1,408,699)	(1,324,022)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amort. Of Debt Premium	119,707	30,136
Interest and Amort. Charged to Construction	(1,019,021)	309,226
Total Non-Operating Revenues (Expenses)	(2,407,836)	(1,157,700)
Net Income (Loss) Before Capital Contributions and Transfers	(1,073,481)	(1,061,171)
Capital Contributions		
Cash	331,136	225,994
Donated Fixed Assets	1,218,927	536,136
Federal BAB Subsidies	320,064	320,064
Transfers Out		
City Gross Earnings Tax	(359,724)	276,670
Transfer to Other Funds	(41,230)	(41,230)
NET INCOME (LOSS)	\$436,922	\$256,463
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - NOVEMBER 30		

YEAR TO DATE		2013	PERCENT CHANGE
November 30, 2013	November 30, 2012 (As Restated)	OVER (UNDER) 2012	
\$58,688,898	\$54,150,112	\$4,538,786	8.4%
8,414,911	5,547,993	2,866,918	51.7%
20,905,773	8,051,758	12,854,015	159.6%
88,009,582	67,749,863	20,259,719	29.9%
4,982,012	4,475,222	506,790	11.3%
3,348,631	2,970,888	377,743	12.7%
8,330,643	7,446,110	884,533	11.9%
400,405	259,855	140,550	54.1%
2,633,527	2,348,483	285,044	12.1%
10,065,483	9,790,838	274,645	2.8%
3,553,894	3,471,707	82,187	2.4%
3,191,017	3,154,079	36,938	1.2%
14,736,151	13,987,186	748,965	5.4%
6,452,540	6,170,448	282,092	4.6%
49,363,660	46,628,706	2,734,954	5.9%
38,645,922	21,121,157	17,524,765	83.0%
649,418	1,302,840	(653,422)	-50.2%
(1,245,147)	270,363	(1,515,510)	-560.5%
(14,993,055)	(14,566,758)	(426,297)	2.9%
(3,353,629)	(3,520,703)	167,074	-4.7%
1,548,607	331,495	1,217,112	367.2%
-	4,656,748	(4,656,748)	-100.0%
(17,393,806)	(11,526,015)	(5,867,791)	50.9%
21,252,116	9,595,142	11,656,974	121.5%
3,737,204	8,613,178	(4,875,974)	-56.6%
2,206,935	558,269	1,648,666	295.3%
3,353,629	3,520,703	(167,074)	-4.7%
(5,243,000)	(4,237,401)	(1,005,599)	23.7%
	(108,822)	108,822	-100.0%
25,306,884	17,941,069	\$7,365,815	41.1%
449,858,137	425,932,810		
\$475,165,021	\$443,873,879		

These statements should be read in conjunction with the Management Discussion and Analysis in the September 2013 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
NOVEMBER 30, 2013 AND NOVEMBER 30, 2012

	<u>NOVEMBER 2013</u>	<u>NOVEMBER 2012</u>
SALES OF WATER		
Residential and Domestic	\$2,620,022	\$2,595,020
Commercial and Industrial	764,294	762,351
Special Rate - Simpson Tacoma Kraft Company	475,070	410,235
Municipal	35,447	33,735
Other Public Buildings and Grounds	241,850	178,211
Sales to Other Utilities	<u>139,860</u>	<u>125,002</u>
Total	<u><u>\$4,276,543</u></u>	<u><u>\$4,104,554</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	78,133	79,025
Commercial and Industrial	4,862	4,522
Municipal	267	232
Other Public Buildings and Grounds	372	356
Sales to Other Utilities	<u>20</u>	<u>18</u>
Total	<u><u>83,654</u></u>	<u><u>84,153</u></u>

YEAR TO DATE		2013 OVER (UNDER)	PERCENT CHANGE
NOVEMBER 2013	NOVEMBER 2012	2012	
\$37,555,504	\$35,662,692	\$1,892,812	5.3%
10,573,278	9,807,411	765,867	7.8%
4,868,303	4,623,595	244,708	5.3%
415,673	356,655	59,018	16.5%
2,056,348	1,872,349	183,999	9.8%
<u>3,219,792</u>	<u>1,827,410</u>	<u>1,392,382</u>	76.2%
<u>\$58,688,898</u>	<u>\$54,150,112</u>	<u>\$4,538,786</u>	8.4%
1,360,971	1,377,811	(16,840)	-1.2%
85,919	86,011	(92)	-0.1%
3,234	3,147	87	2.8%
6,084	6,160	(76)	-1.2%
<u>278</u>	<u>269</u>	<u>9</u>	3.3%
<u>1,456,486</u>	<u>1,473,398</u>	<u>(16,912)</u>	-1.1%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
NOVEMBER 30, 2013 AND NOVEMBER 30, 2012

WATER BILLED	MILLION GALLONS, TOTAL			
	NOVEMBER	NOVEMBER	YEAR TO DATE	
	2013	2012	NOVEMBER 2013	NOVEMBER 2012
Residential and Domestic	436.01	505.83	7,193.74	7,227.39
Commercial and Industrial	155.78	177.85	2,346.96	2,325.89
Special Rate - Simpson	392.16	483.58	5,343.68	5,383.33
Municipal	6.78	6.54	79.13	66.23
Other Public Bldgs and Grounds	18.16	21.93	424.83	437.25
Sales to Other Utilities	96.00	69.91	1,087.24	612.71
	1,104.89	1,265.64	16,475.58	16,052.80

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

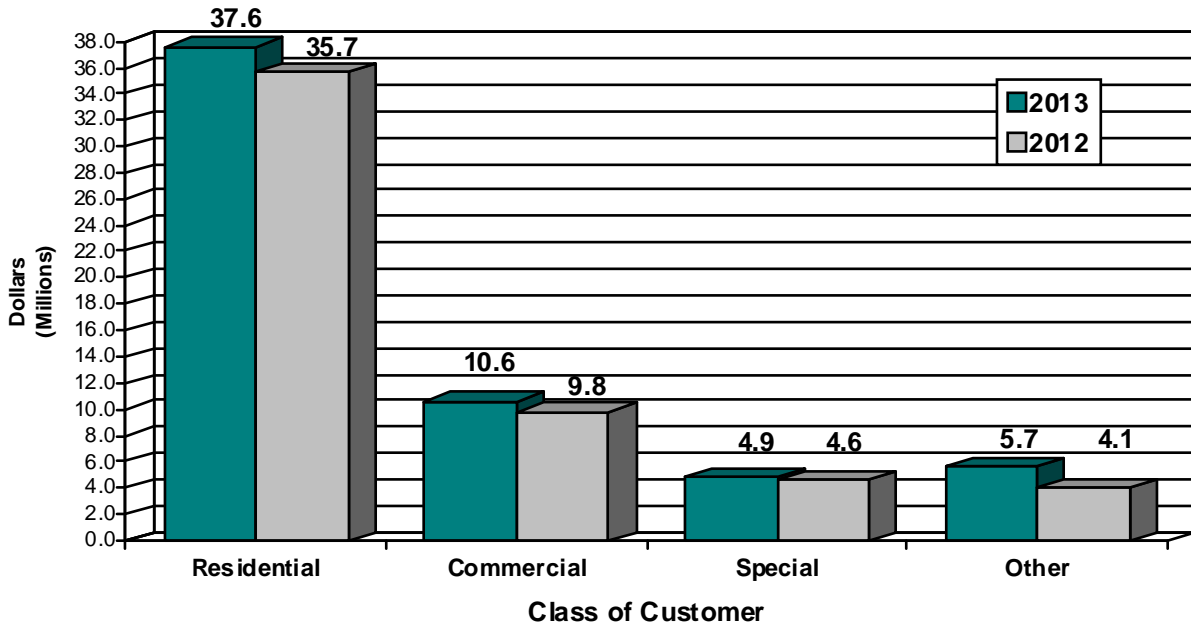
MILLION GALLONS, AVERAGE DAILY

<u>NOVEMBER</u> <u>2013</u>	<u>NOVEMBER</u> <u>2012</u>
14.06	16.32
5.03	5.74
12.65	15.60
0.22	0.21
0.59	0.71
<u>3.10</u>	<u>2.26</u>
<u><u>35.65</u></u>	<u><u>40.84</u></u>

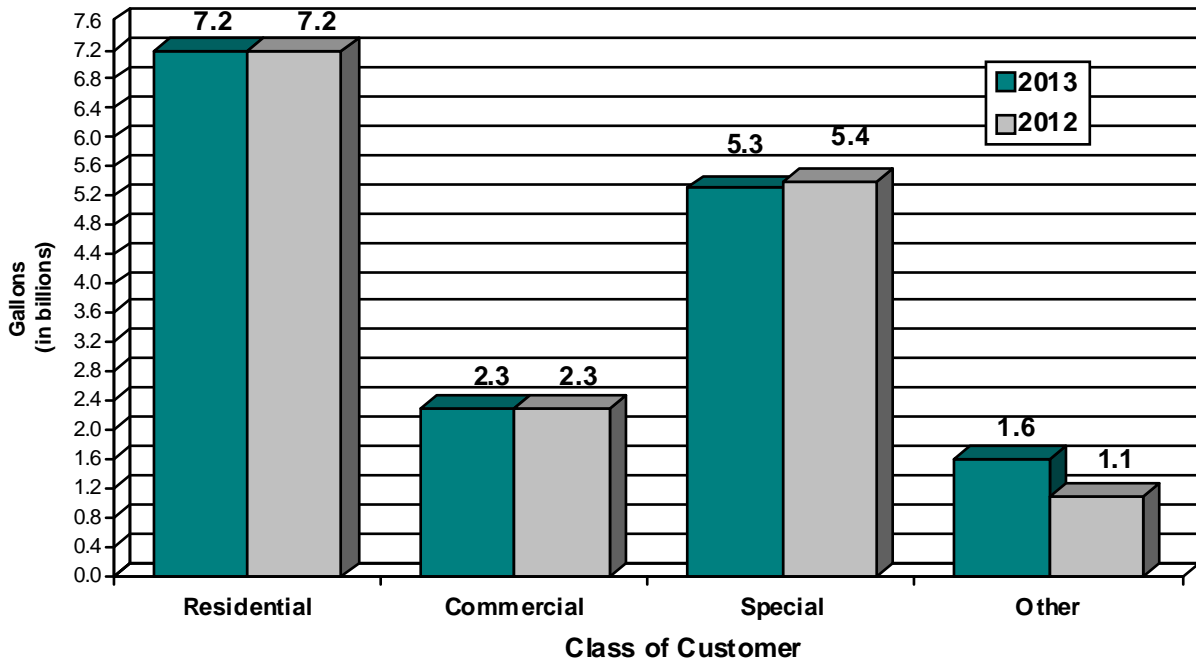
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Supplemental Data

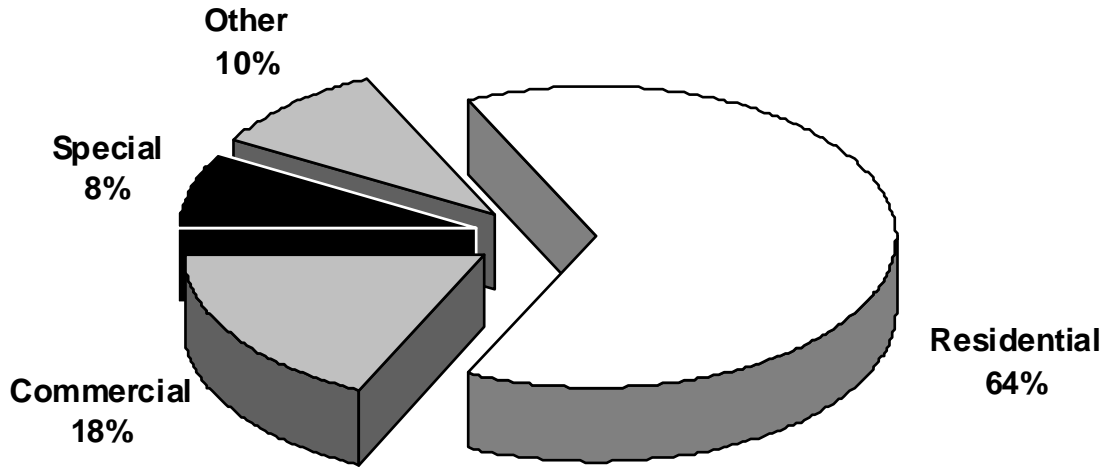
WATER SALES
Year to Date - November 2013 & 2012



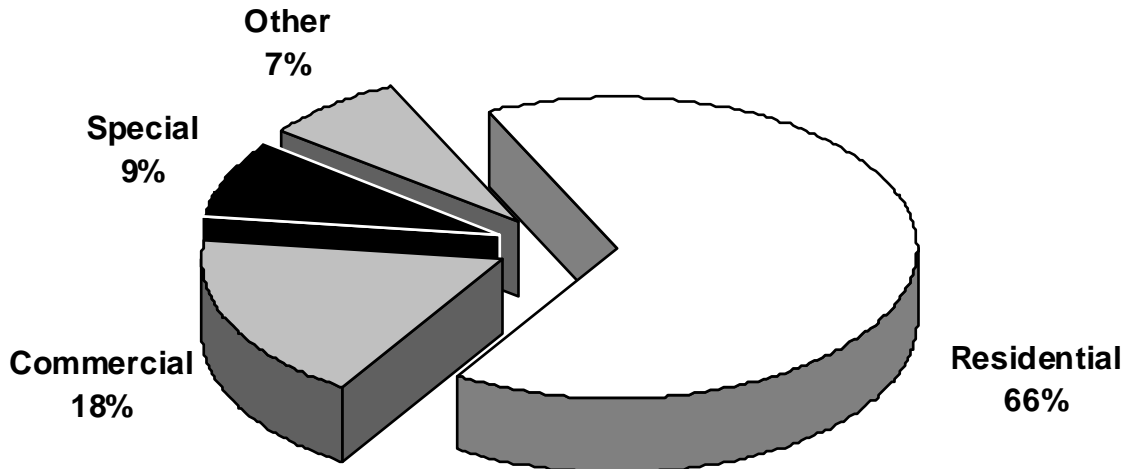
WATER CONSUMPTION
Year to Date - November 2013 & 2012



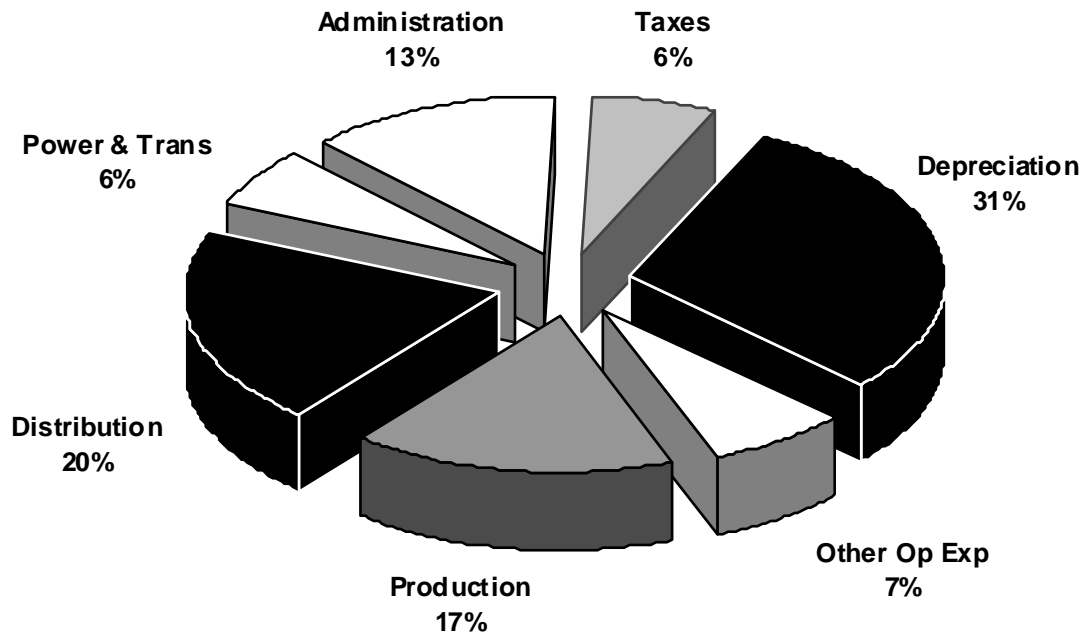
WATER SALES
Year to Date - November 2013
(\$58,688,898)



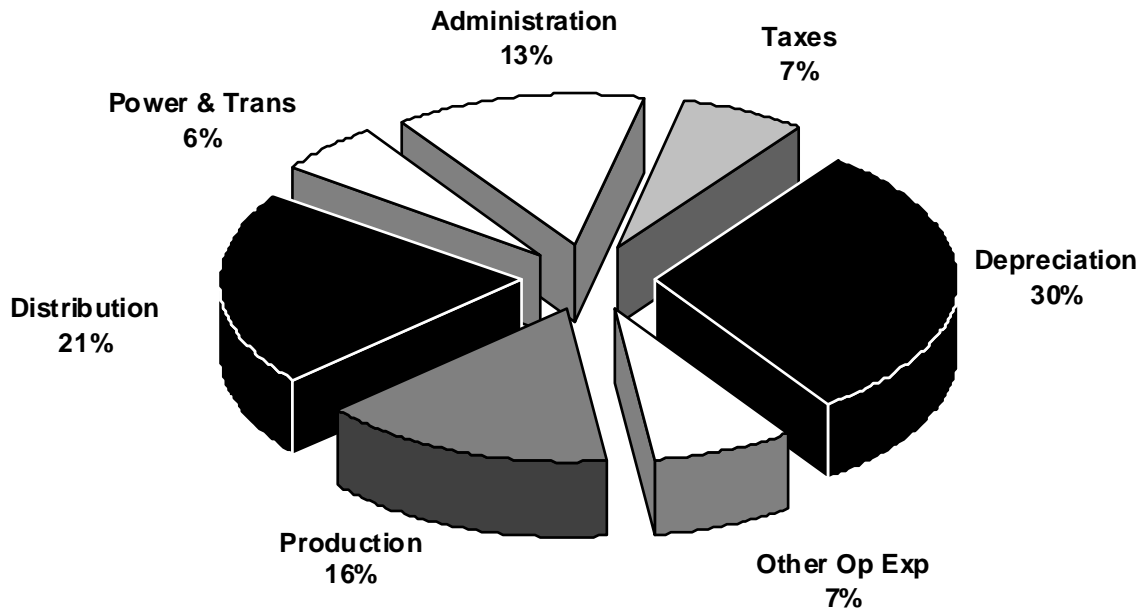
WATER SALES
Year to Date - November 2012
(\$54,150,112)



TOTAL OPERATING EXPENSES
Year to Date - November 2013
(\$49,363,660)



TOTAL OPERATING EXPENSES
Year to Date - November 2012
(\$46,628,706)





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.