
APRIL

TACOMA WATER

2016

**FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

MONIQUE TRUDNOWSKI

Secretary

WOODROW JONES

Member

KAREN LARKIN

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 - APRIL 30, 2016 AND APRIL 30, 2015

ASSETS AND DEFERRED INFLOWS	<u>2016</u>	<u>2015</u>
UTILITY PLANT		
Water Plant in Service	\$1,058,817,082	\$1,043,509,502
Less Depreciation and Amortization	<u>(202,252,372)</u>	<u>(185,831,563)</u>
Total	856,564,710	857,677,939
Construction Work in Progress	<u>25,319,011</u>	<u>20,999,952</u>
Net Utility Plant	<u>881,883,721</u>	<u>878,677,891</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	8,832,906	4,384,752
2010 RWSS Construction Fund	591	59,070
2013 Construction Fund	20,818,234	28,609,895
Regional Water Supply System Operating Fund	(7,015)	(1,705,388)
Provision for Debt Payment	11,807,733	11,839,059
Customer Water Main Deposits	3,138,064	3,078,841
Water Supply Forum Fund.....	294,103	349,371
Special Bond Reserves	22,098,809	22,096,052
Water Customer Contribution Fund	(344,936)	(270,822)
Water Capital Reserves	27,754,713	25,223,978
Water System Development Charge	<u>56,868,439</u>	<u>54,287,482</u>
Total Restricted Assets	151,261,641	147,952,290
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	51,660,837	42,782,600
Customers' Deposits	336,924	287,907
Receivables:		
Customers	4,152,734	3,708,764
Accrued Unbilled Revenues	4,935,000	4,616,056
Others	1,488,777	850,501
BABs Interest Subsidies	1,491,498	1,600,320
Provision for Uncollectible Accounts	(339,190)	(259,502)
Materials and Supplies	2,490,390	2,452,343
Prepayments	<u>779,638</u>	<u>592,200</u>
Total Current Assets	<u>66,996,608</u>	<u>56,631,189</u>
TOTAL ASSETS	<u>1,100,634,933</u>	<u>1,083,754,333</u>
OTHER ASSETS		
Regulatory Assets - Public Fire Protection Fees	1,872,620	2,688,721
Regulatory Assets - Surcharges	1,646,118	796,846
Net Pension Asset	<u>881,279</u>	<u>-</u>
Total Other Assets	4,400,017	3,485,567
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	1,816,618	1,512,516
Deferred Outflows for Pensions	<u>2,092,307</u>	<u>-</u>
Total Deferred Outflows	3,908,925	1,512,516
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,108,943,875</u>	<u>\$1,088,752,416</u>

These statements should be read in conjunction with the Notes to Financial statements contained in the 2015 Annual Report.

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	2016	2015
NET POSITION		
Net Investment in Capital Assets	\$440,439,844	\$434,961,986
Restricted for:		
Water Capital Reserves	21,687,310	18,677,569
Water System Development Charge	21,292,993	18,712,036
Debt Service Funds	3,483,438	3,333,543
Pension Asset	881,279	-
Unrestricted	54,996,108	41,553,278
TOTAL NET POSITION	542,780,972	517,238,412
LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	5,000	25,070,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds Refunding	26,395,000	26,950,000
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	16,645,000	-
2015 Water Refunding Bonds, Series B	1,785,000	-
2010 RWSS Revenue Bonds, Series A	2,525,000	2,800,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	60,910,000	61,580,000
Total Outstanding Revenue Bonds	378,625,000	386,760,000
Plus: Unamortized Bond Premium	14,699,111	13,798,187
Net Outstanding Revenue Bonds	393,324,111	400,558,187
PWTF Pre-Construction Loans	960,956	1,121,130
PWTF Construction Loans	24,443,821	26,980,418
State Drinking Water Loans	59,154,872	54,448,644
Total Long-Term Debt	477,883,760	483,108,379
CURRENT LIABILITIES		
Salaries and Wages Payable	832,786	714,378
Purchases and Contracts Payable	897,925	1,360,726
Interest Expense Accrued	8,324,295	8,505,516
Taxes Accrued	1,404,816	1,356,106
Customers' and Contractors' Deposits	347,682	294,804
Current Portion of Long-Term Debt	10,676,432	10,633,079
Other Current Liabilities	3,537,360	3,468,000
Current Accrued Compensated Absences	260,047	255,611
Total Current Liabilities	26,281,343	26,588,220
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,943,806	7,129,695
Customer Advances for Construction	4,356,675	4,540,782
Unearned Revenue	7,710,570	8,299,091
Other Long-Term Liabilities	4,140,523	3,971,893
Long-Term Accrued Compensated Absences	2,340,426	2,300,497
Total Long-Term Liabilities	25,492,000	26,241,958
TOTAL LIABILITIES	529,657,103	535,938,557
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	930,353	-
Total Deferred Inflows	36,505,800	35,575,447
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	\$1,108,943,875	\$1,088,752,416

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
APRIL 30, 2016 AND APRIL 30, 2015

	APRIL 2016	APRIL 2015
OPERATING REVENUES		
Sales of Water	\$5,684,012	\$5,521,615
Other Operating Revenues	813,459	1,068,625
Contract Resource Obligation Revenue	879,949	369,604
Total Operating Revenues	7,377,420	6,959,844
 OPERATING EXPENSES		
Production Expense		
Source of Supply	628,741	648,954
Water Treatment	384,387	413,616
Total Production Expense	1,013,128	1,062,570
Power Pumping Expense	40,950	29,226
Transmission and Storage Expense	282,169	268,519
Distribution Expense	977,693	1,060,251
Customer Accounting and Consumer Service ...	361,133	370,366
Taxes	668,758	331,191
Depreciation	1,983,520	1,424,183
Administrative and General	731,238	709,807
Total Operating Expenses	6,058,589	5,256,113
 OPERATING INCOME (LOSS)	1,318,831	1,703,731
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	160,632	144,875
Miscellaneous	(10,664)	24,377
Interest on Long-Term Debt	(1,337,902)	(1,354,137)
Interest on Long-Term Debt BABs Sub	(298,299)	(320,064)
Amortization Of Debt Premium	105,802	79,448
Interest Charged to Construction.....	42,208	31,162
Total Non-Operating Revenues (Expenses)	(1,338,223)	(1,394,339)
 Net Income (Loss) Before Capital Contributions and Transfers	(19,392)	309,392
Capital Contributions		
Cash	375,265	439,135
Donated Fixed Assets	386,241	750
Federal BAB Subsidies	298,299	320,064
Grants	-	59,084
Transfers Out		
City Gross Earnings Tax	(332,857)	(497,428)
 CHANGE IN NET POSITION	\$707,556	\$630,997
 NET POSITION - JANUARY 1		
 TOTAL NET POSITION - APRIL 30		

YEAR TO DATE		2016	
APRIL 30	APRIL 30	OVER	PERCENT
2016	2015	(UNDER)	CHANGE
		2015	
\$ 22,276,237	\$ 20,051,471	\$2,224,766	11.1%
3,447,128	3,111,724	335,404	10.8%
1,851,825	1,442,998	408,827	28.3%
<u>27,575,190</u>	<u>24,606,193</u>	<u>2,968,997</u>	12.1%
2,367,134	2,339,556	27,578	1.2%
1,928,235	1,413,122	515,113	36.5%
<u>4,295,369</u>	<u>3,752,678</u>	<u>542,691</u>	14.5%
231,000	151,588	79,412	52.4%
1,124,643	1,105,532	19,111	1.7%
4,188,325	4,071,597	116,728	2.9%
1,565,201	1,448,555	116,646	8.1%
1,358,051	1,205,874	152,177	12.6%
7,933,395	5,695,659	2,237,736	39.3%
3,200,959	2,845,605	355,354	12.5%
<u>23,896,943</u>	<u>20,277,088</u>	<u>3,619,855</u>	17.9%
3,678,247	4,329,105	(650,858)	-15.0%
1,167,481	423,045	744,436	176.0%
4,662	28,492	(23,830)	-83.6%
(5,350,867)	(5,426,994)	76,127	-1.4%
(1,193,196)	(1,280,256)	87,060	-6.8%
423,208	358,290	64,918	18.1%
147,392	1,358,100	(1,210,708)	-89.1%
<u>(4,801,320)</u>	<u>(4,539,323)</u>	<u>(261,997)</u>	5.8%
(1,123,073)	(210,218)	(912,855)	434.2%
1,657,170	1,210,728	446,442	36.9%
386,241	750	385,491	51398.8%
1,193,196	1,280,256	(87,060)	-6.8%
-	59,084	(59,084)	-100.0%
<u>(1,834,385)</u>	<u>(1,775,433)</u>	<u>(58,952)</u>	3.3%
279,149	565,167	(286,018)	-50.6%
<u>542,501,823</u>	<u>516,673,245</u>	<u>25,828,578</u>	
<u>\$542,780,972</u>	<u>\$517,238,412</u>	<u>\$25,542,560</u>	

These statements should be read in conjunction with the Management Discussion and Analysis in the March 2016 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
APRIL 30, 2016 AND APRIL 30, 2015

	<u>APRIL 2016</u>	<u>APRIL 2015</u>
SALES OF WATER		
Residential and Domestic	\$3,828,132	\$3,710,920
Commercial and Industrial	985,860	1,008,089
Special Rate	500,022	440,726
Municipal	37,526	33,075
Other Public Buildings and Grounds	90,610	104,726
Sales to Other Utilities	<u>241,862</u>	<u>224,079</u>
Total	<u><u>\$5,684,012</u></u>	<u><u>\$5,521,615</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	99,934	103,791
Commercial and Industrial	6,376	6,338
Sales to Other Utilities	<u>17</u>	<u>17</u>
Total	<u><u>106,327</u></u>	<u><u>110,146</u></u>

YEAR TO DATE		2016 OVER (UNDER) 2015	PERCENT CHANGE
APRIL 2016	APRIL 2015		
\$14,369,784	\$13,030,018	\$1,339,766	10.3%
4,350,457	3,839,184	511,273	13.3%
1,869,057	1,822,830	46,227	2.5%
138,421	129,253	9,168	7.1%
379,109	355,116	23,993	6.8%
1,169,409	875,070	294,339	33.6%
<u>\$22,276,237</u>	<u>\$20,051,471</u>	<u>\$2,224,766</u>	11.1%
380,619	377,345	3,274	0.9%
26,228	25,361	867	3.4%
68	71	(3)	-4.2%
<u>406,915</u>	<u>402,777</u>	<u>4,138</u>	1.0%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
APRIL 30, 2016 AND APRIL 30, 2015

WATER BILLED	MILLION GALLONS, TOTAL			
	APRIL	APRIL	YEAR TO DATE	
	2016	2015	APRIL 2016	APRIL 2015
Residential and Domestic	523.55	555.69	2,095.94	2,025.51
Commercial and Industrial	183.58	190.52	823.03	763.23
Special Rate	463.10	462.92	1,731.07	1,870.59
Sales to Other Utilities	83.62	76.68	415.62	298.99
	1,253.85	1,285.81	5,065.66	4,958.32

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

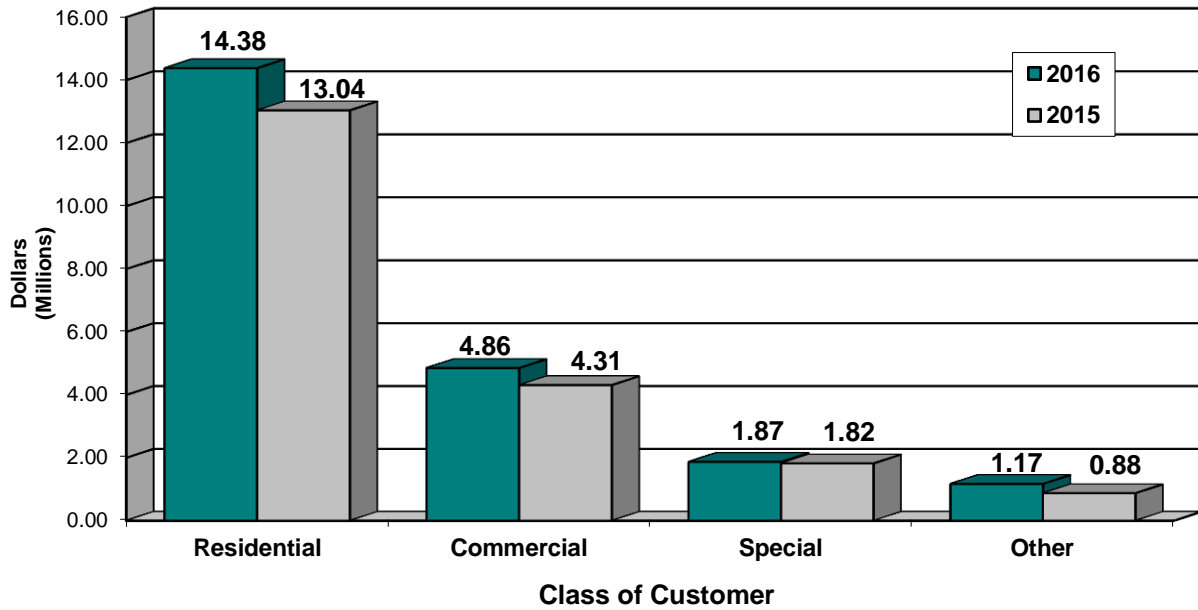
MILLION GALLONS, AVERAGE DAILY

<u>APRIL</u> <u>2016</u>	<u>APRIL</u> <u>2015</u>
17.45	18.52
6.12	6.35
15.44	15.43
<u>2.79</u>	<u>2.56</u>
<u><u>41.80</u></u>	<u><u>42.86</u></u>

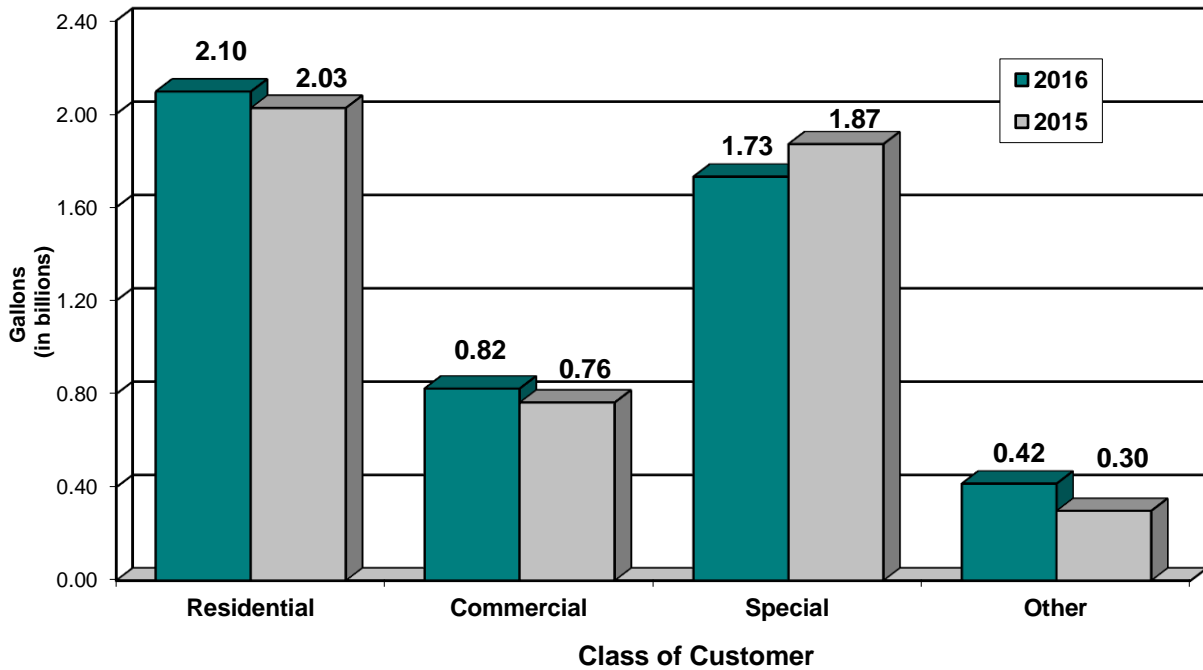
This page has been left blank intentionally.

Supplemental Data

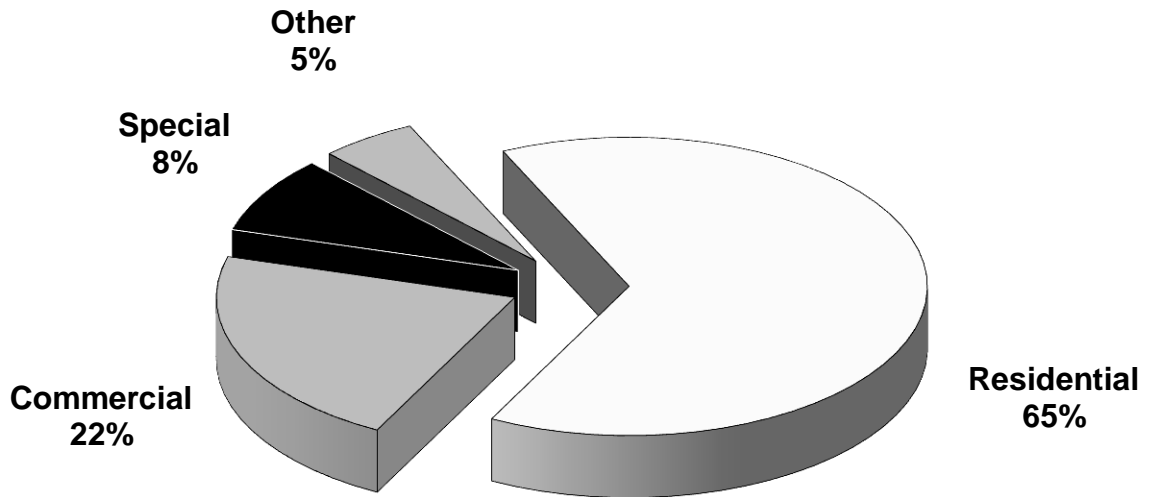
WATER SALES
Year to Date - April 2016 & 2015



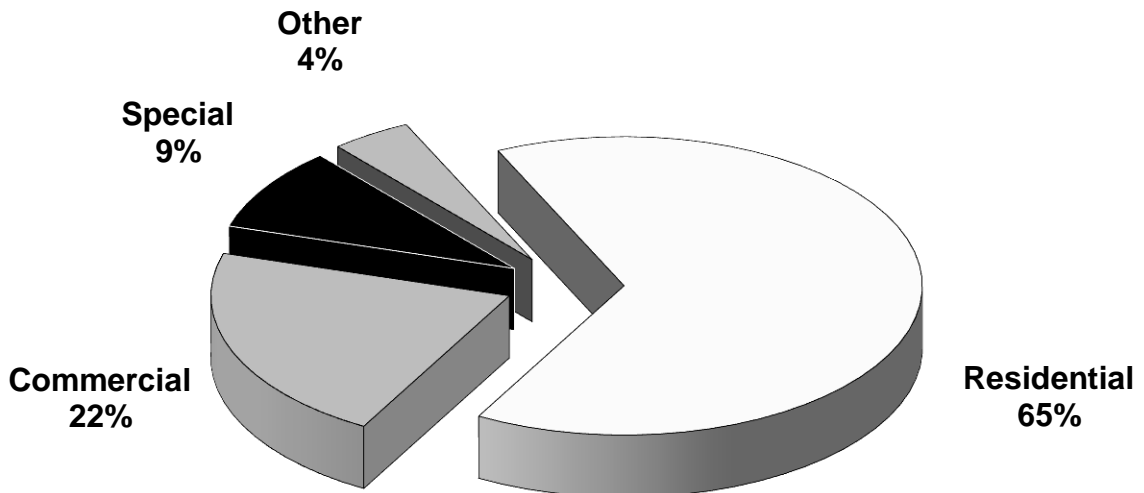
WATER CONSUMPTION
Year to Date - April 2016 & 2015



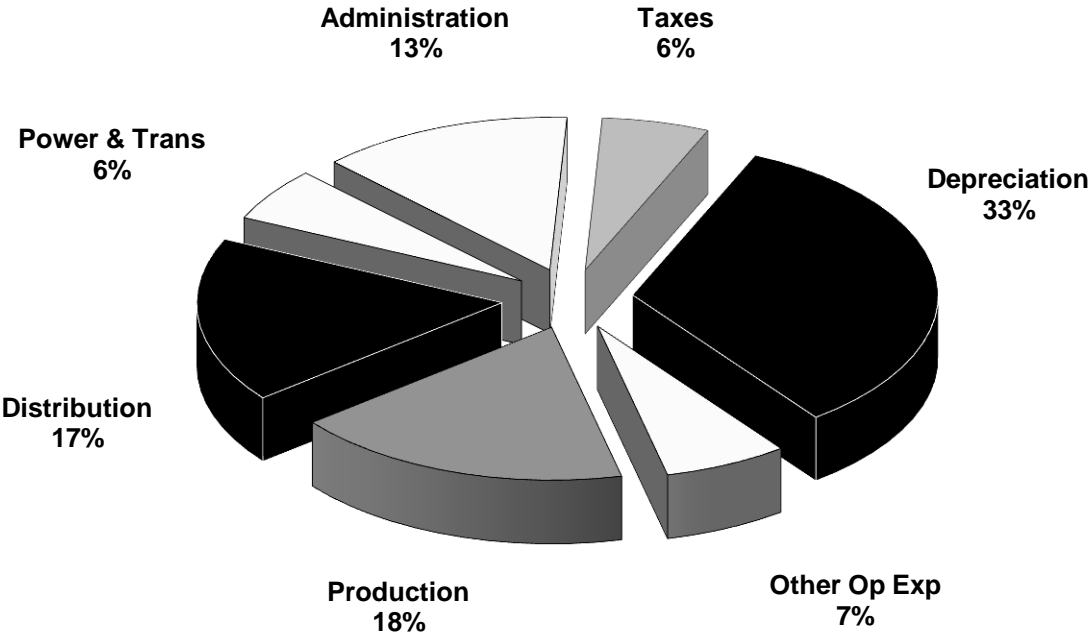
WATER SALES
Year to Date - April 2016
(\$22,276,237)



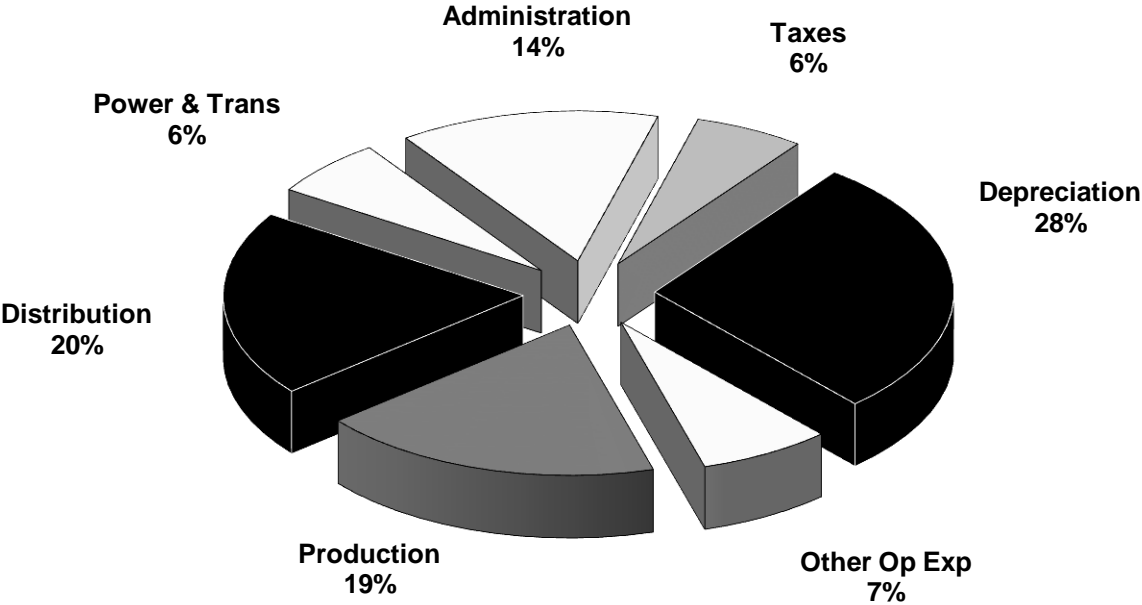
WATER SALES
Year to Date - April 2015
(\$20,051,471)



TOTAL OPERATING EXPENSES
Year to Date - April 2016
(\$23,896,943)



TOTAL OPERATING EXPENSES
Year to Date - April 2015
(\$20,277,088)





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.