
AUGUST

TACOMA WATER

2013

**FINANCIAL
REPORT**



Public Utility Board

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Chair

WOODROW JONES

Vice-Chair

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Member

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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

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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 - AUGUST 31, 2013 AND AUGUST 31, 2012

ASSETS	2013	2012 (As Restated)
UTILITY PLANT		
Water Plant in Service	\$827,521,381	\$800,935,856
Less Depreciation and Amortization	(165,856,914)	(156,166,500)
Total	661,664,467	644,769,356
Construction Work in Progress	107,264,427	33,996,686
Net Utility Plant	768,928,894	678,766,042
NON-UTILITY PROPERTY	492,963	547,480
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2003 Construction Fund	-	576
2005 Construction Fund	-	1,147,759
2009 Construction Fund	-	16,465,719
2010 Construction Fund	16,739,162	47,707,429
Regional Water Supply System Const Fund	-	56,082
2010 RWSS Construction Fund	7,138,030	34,823,097
2013 Construction Fund	50,756,890	-
Regional Water Supply System Operating Fund	14,917,947	6,037,916
Provision for Debt Payment	9,832,893	9,426,971
Customer Water Main Deposits	2,934,190	2,896,733
Contract Admin. Fund	436,609	517,036
Special Bond Reserves	22,091,893	19,376,010
Water Customer Contribution Fund	91,244	(37,004)
Water Assurance Reserves	-	12,055,754
Water Capital Reserves	19,345,166	-
Water System Development Charge	54,008,221	53,629,965
Notes and Contracts Receivables - SDC	462,128	938,471
Total Restricted Assets	198,754,373	205,042,514
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	33,851,272	20,516,469
Working Funds	1,500	1,500
Customers' and Contractors' Deposits	266,424	274,593
Receivables:		
Customers	5,433,155	4,306,121
Accrued Unbilled Revenues	4,026,679	3,609,693
Others	1,176,528	3,375,982
BABs Interest Subsidies	960,192	960,192
Provision for Uncollectible Accounts	(445,114)	(446,715)
Materials and Supplies	2,287,619	2,318,928
Prepayments & Other	470,235	91,700
Total Current Assets	48,028,490	35,008,463
Total Assets	1,016,204,720	919,364,499
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	4,220,218	4,262,284
Regulatory Assets - Hyada Surcharges	958,498	1,057,691
Unamortized Losses on Refunding Debt Expense	1,889,193	1,879,697
Total Deferred Outflows	7,067,909	7,199,672
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$1,023,272,629	\$926,564,171

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	\$383,664,394	\$377,057,745
Restricted for:		
Regional Water Supply System Construction Fund	-	56,082
Water Assurance Reserves	19,345,166	4,072,329
Water System Development Charge	19,371,246	25,058,859
Debt Service Funds	3,652,142	4,253,655
Unrestricted	<u>44,875,943</u>	<u>29,130,193</u>
TOTAL NET POSITION	470,908,891	439,628,863
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	<u>63,835,000</u>	<u>-</u>
Total Outstanding Revenue Bonds	400,015,000	364,880,000
Plus: Unamortized Bond Premium	<u>16,127,351</u>	<u>4,853,331</u>
Net Outstanding Revenue Bonds	416,142,351	369,733,331
PWTF Pre-Construction Loans	1,281,304	1,441,477
PWTF Construction Loans	29,517,015	21,584,862
State Drinking Water Loan	<u>17,789,716</u>	<u>16,335,230</u>
Total Long-Term Debt	464,730,386	409,094,900
CURRENT LIABILITIES		
Salaries and Wages Payable	391,362	384,113
Purchases and Contracts Payable	5,554,408	2,819,081
Interest Expense Accrued	6,180,751	5,173,316
Taxes Accrued	1,540,290	1,418,003
Customers' Deposits	293,618	293,629
Current Portion of Long-Term Debt	10,237,522	9,926,873
Other Current Liabilities	1,804,300	131,769
Current Accrued Compensated Absences	235,807	244,587
Total Current Liabilities	<u>26,238,058</u>	<u>20,391,371</u>
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,515,530	7,715,713
Customer Advances for Construction	4,138,283	4,596,234
Deferred Revenue - SDC	9,082,154	9,753,935
Other Deferred Credits	2,961,622	2,606,428
Long Term Accrued Compensated Absences	<u>2,122,259</u>	<u>2,201,281</u>
Total Long-Term Liabilities	<u>25,819,848</u>	<u>26,873,591</u>
TOTAL LIABILITIES	516,788,292	456,359,862
DEFERRED INFLOWS		
Rate Stabilization	<u>35,575,446</u>	<u>30,575,446</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	<u><u>\$1,023,272,629</u></u>	<u><u>\$926,564,171</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AUGUST 31, 2013 AND AUGUST 31, 2012

	August 2013	August 2012 (As Restated)
OPERATING REVENUES		
Sales of Water	\$7,596,038	\$6,937,470
Other Operating Revenues	851,410	665,392
Contract Resource Obligation Revenue	336,510	2,107,807
Total Operating Revenues	8,783,958	9,710,669
 OPERATING EXPENSES		
Production Expense		
Source of Supply	535,171	509,065
Water Treatment	336,383	398,627
Total Production Expense	871,554	907,692
Power Pumping Expense	36,912	30,505
Transmission and Storage Expense	192,417	235,611
Distribution Expense	902,550	1,126,289
Customer Accounting and Consumer Service ...	335,648	358,610
Taxes	347,753	329,423
Depreciation	1,335,215	1,270,509
Administrative and General	545,174	568,378
Total Operating Expenses	4,567,223	4,827,017
 OPERATING INCOME (LOSS)	4,216,735	4,883,652
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	110,213	273,042
Miscellaneous	(2,873)	24,725
Interest on Long-Term Debt	(1,370,398)	(1,323,837)
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	62,091	416,914
Total Non-Operating Revenues (Expenses)	(1,401,324)	(899,084)
 Net Income (Loss) Before Capital Contributions and Transfers	2,815,411	3,984,568
Capital Contributions		
Cash	491,685	249,948
Donated Fixed Assets	843,736	
Federal BAB Subsidies	320,064	320,064
Transfers Out		
City Gross Earnings Tax	(666,629)	(621,814)
Transfer to Other Funds	-	-
NET INCOME (LOSS)	\$3,804,267	\$3,932,766
 TOTAL NET POSITION - JANUARY 1		
 TOTAL NET POSITION - AUGUST 31		

YEAR TO DATE		2013	
August 31, 2013	August 31, 2012 (As Restated)	OVER (UNDER) 2012	PERCENT CHANGE
\$41,449,496	\$38,029,357	\$3,420,139	9.0%
5,951,313	4,500,621	1,450,692	32.2%
19,284,310	6,447,028	12,837,282	199.1%
<u>66,685,119</u>	<u>48,977,006</u>	<u>17,708,113</u>	36.2%
3,545,594	3,172,898	372,696	11.7%
<u>2,403,365</u>	<u>2,210,259</u>	<u>193,106</u>	8.7%
5,948,959	5,383,157	565,802	10.5%
306,961	199,511	107,450	53.9%
1,827,968	1,680,616	147,352	8.8%
7,223,079	7,195,640	27,439	0.4%
2,601,998	2,492,461	109,537	4.4%
2,294,103	2,269,068	25,035	1.1%
10,666,885	10,229,548	437,337	4.3%
4,926,088	4,472,030	454,058	10.2%
<u>35,796,041</u>	<u>33,922,031</u>	<u>1,874,010</u>	5.5%
<u>30,889,078</u>	<u>15,054,975</u>	<u>15,834,103</u>	105.2%
205,974	826,083	(620,109)	-75.1%
(1,243,890)	355,759	(1,599,649)	-449.6%
(10,867,873)	(10,594,780)	(273,093)	2.6%
(2,393,438)	(2,560,511)	167,073	-6.5%
1,189,486	241,087	948,399	393.4%
948,934	3,646,724	(2,697,790)	-74.0%
<u>(12,160,807)</u>	<u>(8,085,638)</u>	<u>(4,075,169)</u>	50.4%
18,728,271	6,969,337	11,758,934	168.7%
2,762,885	7,607,364	(4,844,479)	-63.7%
908,817	22,133	886,684	4006.2%
2,393,438	2,560,511	(167,073)	-6.5%
(3,742,657)	(3,463,243)	(279,414)	8.1%
-	(49)	49	-100.0%
<u>21,050,754</u>	<u>13,696,053</u>	<u>\$7,354,701</u>	53.7%
<u>449,858,137</u>	<u>425,932,810</u>	-	
<u>\$470,908,891</u>	<u>\$439,628,863</u>		

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
AUGUST 31, 2013 AND AUGUST 31, 2012

	<u>AUGUST</u> <u>2013</u>	<u>AUGUST</u> <u>2012</u>
SALES OF WATER		
Residential and Domestic	\$5,110,442	\$4,649,030
Commercial and Industrial	1,178,268	1,242,614
Special Rate - Simpson Tacoma Kraft Company	448,396	469,222
Municipal	48,561	44,075
Other Public Buildings and Grounds	304,644	272,652
Sales to Other Utilities	<u>505,727</u>	<u>259,877</u>
Total	<u><u>\$7,596,038</u></u>	<u><u>\$6,937,470</u></u>
 BILLINGS (NUMBER OF MONTHS BILLED)		
Residential and Domestic	101,367	103,500
Commercial and Industrial	5,705	6,682
Municipal	247	220
Other Public Buildings and Grounds	423	446
Sales to Other Utilities	<u>18</u>	<u>18</u>
Total	<u><u>107,760</u></u>	<u><u>110,866</u></u>

YEAR TO DATE		2012 OVER	PERCENT CHANGE
AUGUST 2013	AUGUST 2012	(UNDER) 2011	
\$26,858,391	\$25,111,470	\$1,746,921	7.0%
7,382,258	6,891,245	491,013	7.1%
3,373,434	3,329,110	44,324	1.3%
294,943	244,814	50,129	20.5%
1,367,028	1,222,531	144,497	11.8%
<u>2,173,442</u>	<u>1,230,187</u>	<u>943,255</u>	76.7%
<u>\$41,449,496</u>	<u>\$38,029,357</u>	<u>\$3,420,139</u>	9.0%
1,096,651	1,116,494	(19,843)	-1.8%
68,735	69,921	(1,186)	-1.7%
2,546	2,479	67	2.7%
4,838	4,926	(88)	-1.8%
<u>219</u>	<u>215</u>	<u>4</u>	1.9%
<u>1,172,989</u>	<u>1,194,035</u>	<u>(21,046)</u>	-1.8%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
AUGUST 31, 2013 AND AUGUST 31, 2012

	MILLION GALLONS, TOTAL			
	AUGUST 2013	AUGUST 2012	YEAR TO DATE AUGUST 2013 AUGUST 2012	
WATER BILLED				
Residential and				
Domestic	1,127.60	1,051.22	5,125.36	4,903.20
Commercial and				
Industrial	304.14	319.59	1,627.65	1,596.02
Special Rate - Simpson	525.32	524.76	3,905.16	3,925.86
Municipal	9.77	10.21	55.59	42.70
Other Public Bldgs and Grounds	81.43	79.16	301.94	282.15
Sales to Other Utilities	116.54	77.67	693.95	400.39
	2,164.80	2,062.61	11,709.65	11,150.32

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

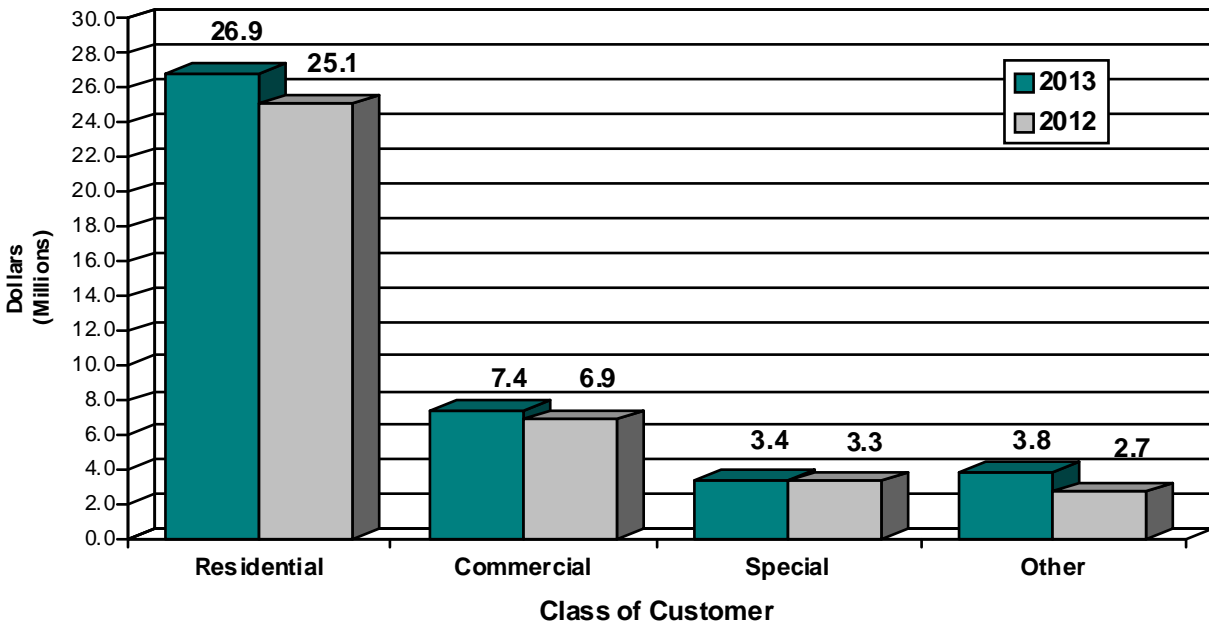
MILLION GALLONS, AVERAGE DAILY

<u>AUGUST 2013</u>	<u>AUGUST 2012</u>
36.37	33.91
9.81	10.31
16.95	16.93
0.32	0.33
2.63	2.55
<u>3.76</u>	<u>2.51</u>
<u><u>69.84</u></u>	<u><u>66.54</u></u>

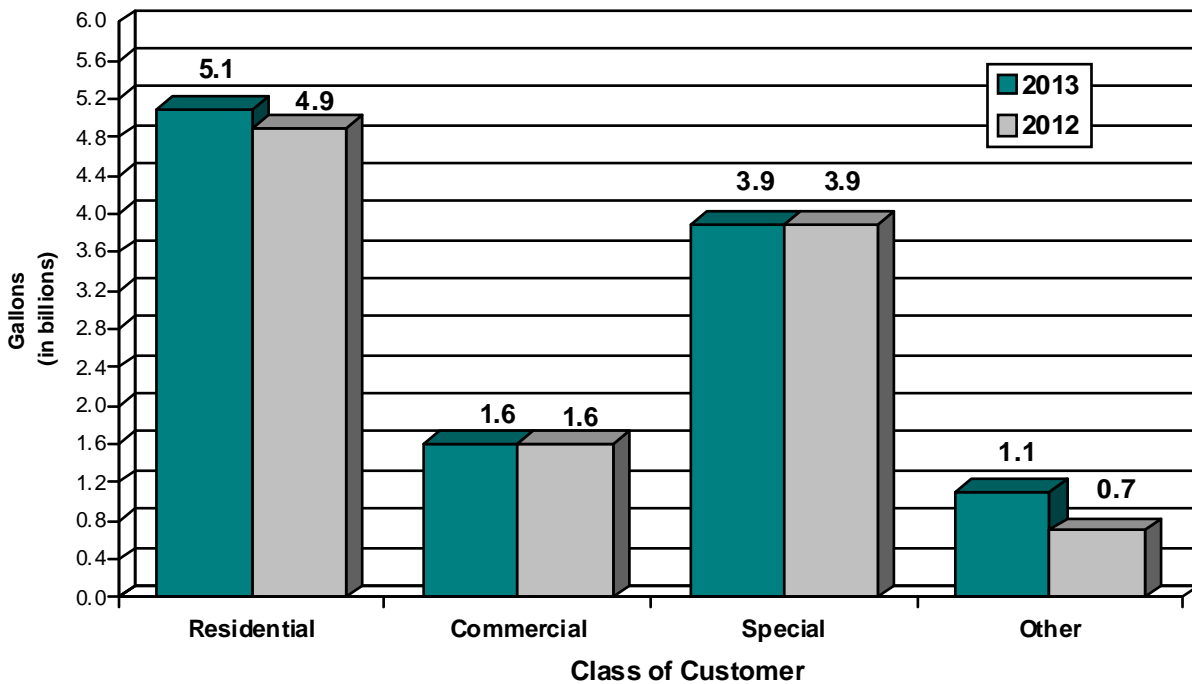
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Supplemental Data

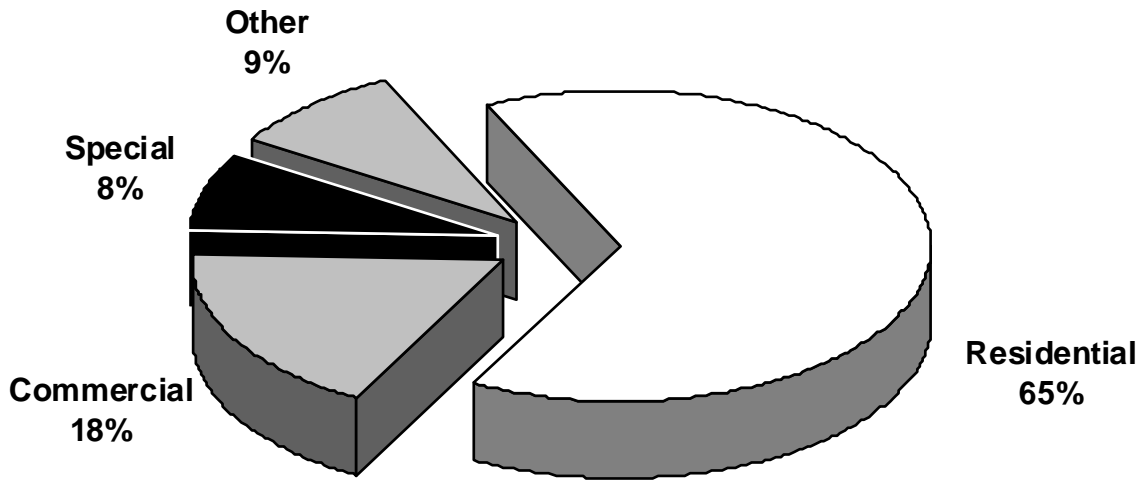
WATER SALES
Year to Date - August 2013 & 2012



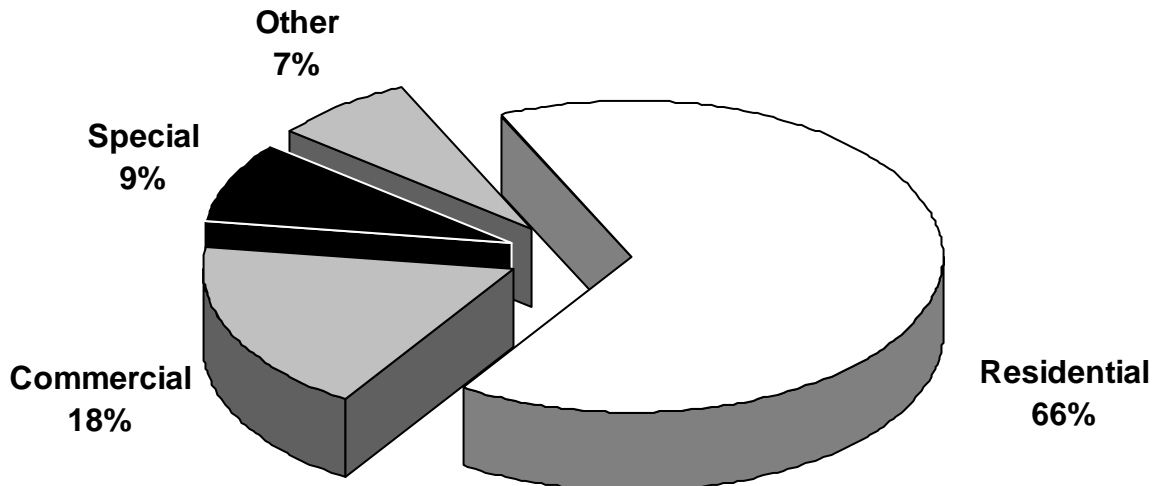
WATER CONSUMPTION
Year to Date - August 2013 & 2012



WATER SALES
Year to Date - August 2013
(\$41,449,496)



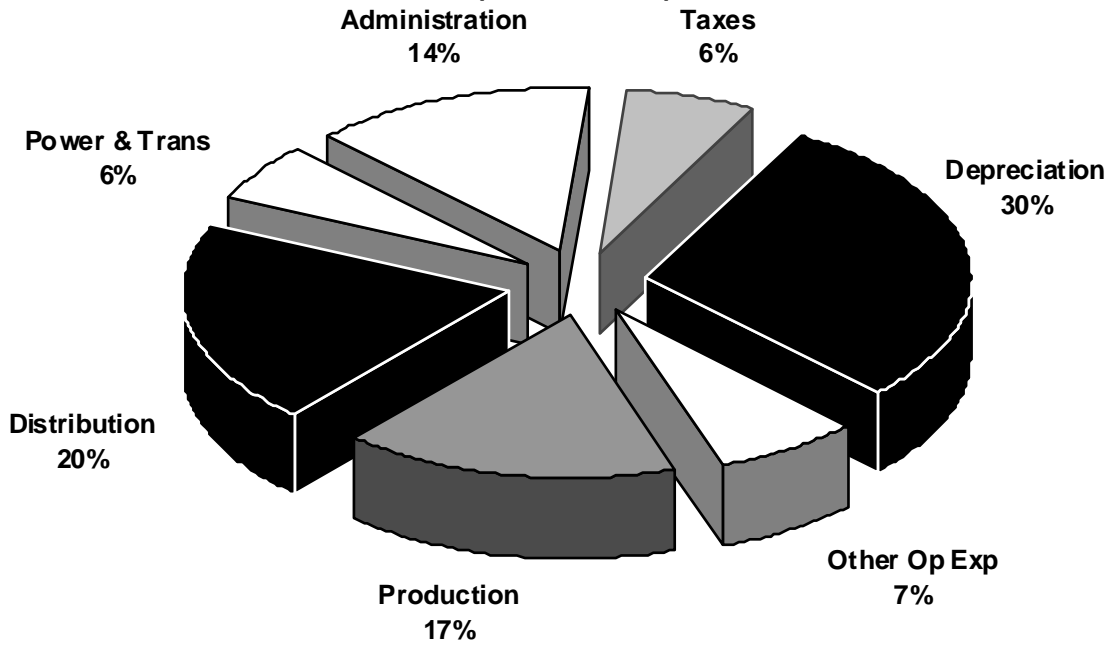
WATER SALES
Year to Date - August 2012
(\$38,029,357)



TOTAL OPERATING EXPENSES

Year to Date - August 2013

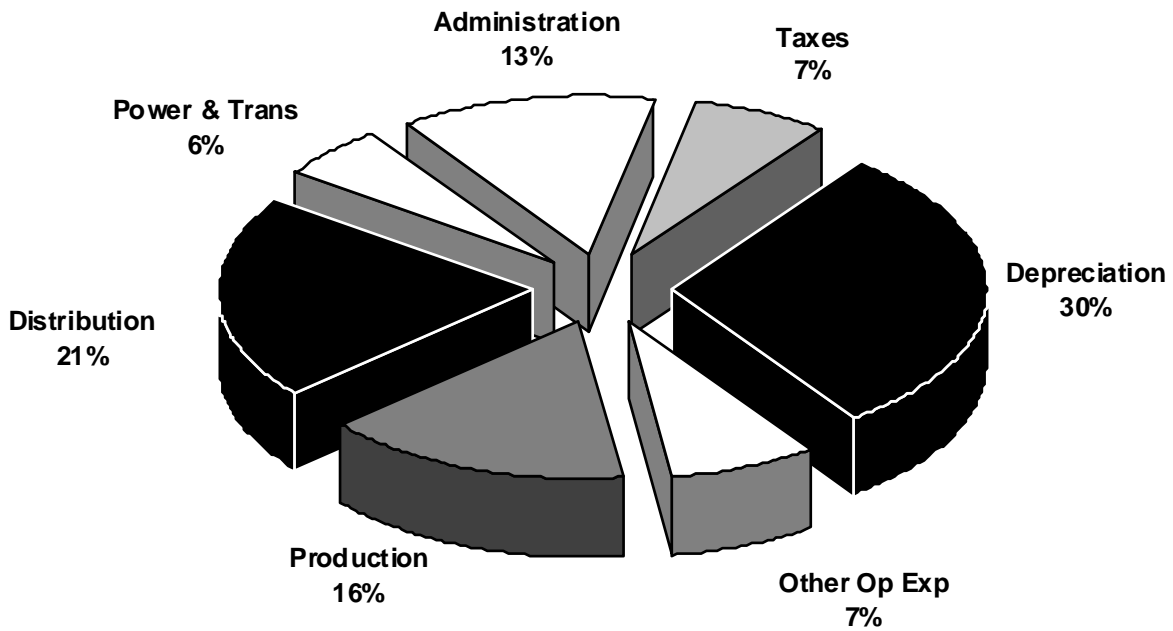
(\$35,796,041)



TOTAL OPERATING EXPENSES

Year to Date - August 2012

(\$33,922,031)





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