
APRIL

TACOMA WATER

2015

**FINANCIAL
REPORT**



Public Utility Board

WOODROW JONES

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

DAVID NELSON

Member

MONIQUE TRUDNOWSKI

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

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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 - APRIL 30, 2015 AND APRIL 30, 2014

ASSETS	<u>2015</u>	<u>2014</u>
UTILITY PLANT		
Water Plant in Service	\$1,043,509,502	\$850,457,673
Less Depreciation and Amortization	(185,831,563)	(172,987,618)
Total	<u>857,677,939</u>	<u>677,470,055</u>
Construction Work in Progress	20,999,952	153,641,184
Net Utility Plant	<u>878,677,891</u>	<u>831,111,239</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2009 Construction Fund	-	378
2010 Construction Fund	4,384,752	382,005
2010 RWSS Construction Fund	59,070	913,812
2013 Construction Fund	28,609,895	34,089,464
Regional Water Supply System Operating Fund	(1,705,388)	2,282,819
Provision for Debt Payment	11,839,059	11,892,019
Customer Water Main Deposits	3,078,841	3,015,902
Water Supply Forum Fund	349,371	438,097
Special Bond Reserves	22,096,052	22,093,602
Water Customer Contribution Fund	(270,822)	324,195
Water Capital Reserves	25,223,978	21,825,633
Water System Development Charge	54,287,482	53,708,370
Total Restricted Assets	<u>147,952,290</u>	<u>150,966,296</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	42,782,600	40,133,121
Working Funds	-	1,000
Customers' and Contractors' Deposits	287,907	267,380
Receivables:		
Customers	3,708,764	4,136,897
Accrued Unbilled Revenues	4,616,056	4,494,710
Others	850,501	1,638,722
BABs Interest Subsidies	1,600,320	1,600,320
Provision for Uncollectible Accounts	(259,502)	(573,976)
Materials and Supplies	2,452,343	2,361,845
Prepayments	592,200	594,841
Total Current Assets	<u>56,631,189</u>	<u>54,654,860</u>
TOTAL ASSETS	1,083,754,333	1,037,225,358
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	2,688,721	3,504,072
Regulatory Assets - Hyada Surcharges	796,846	891,893
Unamortized Losses on Refunding Bonds	1,512,516	1,738,522
Total Deferred Outflows	<u>4,998,083</u>	<u>6,134,487</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,088,752,416</u>	<u>\$1,043,359,845</u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2014 Annual Report.

NET POSITION AND LIABILITIES	<u>2015</u>	<u>2014</u>
NET POSITION		
Net Investment in Capital Assets	\$434,961,986	\$409,233,113
Restricted for:		
Water Capital Reserves	18,677,569	14,800,219
Water System Development Charge	18,712,036	18,595,051
Debt Service Funds	3,333,543	3,332,468
Unrestricted	<u>41,553,278</u>	<u>42,852,334</u>
TOTAL NET POSITION	<u>517,238,412</u>	<u>488,813,185</u>
LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	25,070,000	29,365,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds Refunding	26,950,000	27,505,000
2010 Water Revenue Bonds	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	74,355,000	74,355,000
2010 RWSS Revenue Bonds, Series A	2,800,000	3,070,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	61,580,000	62,765,000
Total Outstanding Revenue Bonds	<u>386,760,000</u>	<u>393,065,000</u>
Plus: Unamortized Bond Premium	13,798,187	15,126,063
Net Outstanding Revenue Bonds	400,558,187	408,191,063
PWTF Pre-Construction Loans	1,121,130	1,281,304
PWTF Construction Loans	26,980,418	29,517,015
State Drinking Water Loan	54,448,644	24,390,940
Total Long-Term Debt	<u>483,108,379</u>	<u>463,380,322</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	714,378	485,635
Purchases and Contracts Payable	1,360,726	4,273,437
Interest Expense Accrued	8,505,516	8,559,550
Taxes Accrued	1,356,106	1,360,250
Customers' Deposits	294,804	325,056
Current Portion of Long-Term Debt	10,633,079	10,888,319
Other Current Liabilities	3,468,000	3,408,653
Current Accrued Compensated Absences	255,611	249,552
Total Current Liabilities	<u>26,588,220</u>	<u>29,550,452</u>
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,129,695	7,320,231
Customer Advances for Construction	4,540,782	3,938,662
Unearned Revenue - SDC	8,299,091	8,951,765
Other Long-Term Liabilities	3,971,893	3,583,813
Long-Term Accrued Compensated Absences	2,300,497	2,245,968
Total Long-Term Liabilities	<u>26,241,958</u>	<u>26,040,439</u>
TOTAL LIABILITIES	<u>535,938,557</u>	<u>518,971,213</u>
DEFERRED INFLOWS		
Rate Stabilization	<u>35,575,447</u>	<u>35,575,447</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	<u>\$1,088,752,416</u>	<u>\$1,043,359,845</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
APRIL 30, 2015 AND APRIL 30, 2014

	April 2015	April 2014
OPERATING REVENUES		
Sales of Water	\$5,521,615	\$5,487,243
Other Operating Revenues	1,068,625	960,967
Contract Resource Obligation Revenue	369,604	290,149
Total Operating Revenues	6,959,844	6,738,359
 OPERATING EXPENSES		
Production Expense		
Source of Supply	648,954	448,901
Water Treatment	413,616	320,450
Total Production Expense	1,062,570	769,351
Power Pumping Expense	29,226	70,631
Transmission and Storage Expense	268,519	249,238
Distribution Expense	1,060,251	937,494
Customer Accounting and Consumer Service ...	347,108	378,368
Taxes	331,191	303,461
Depreciation	1,424,183	1,392,650
Administrative and General	733,065	625,560
Total Operating Expenses	5,256,113	4,726,753
 OPERATING INCOME (LOSS)	1,703,731	2,011,606
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	144,875	142,629
Miscellaneous	24,377	39,611
Interest on Long-Term Debt	(1,354,137)	(1,371,960)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amort. Of Debt Premium	79,448	92,947
Interest and Amort. Charged to Construction	31,162	559,621
Total Non-Operating Revenues (Expenses)	(1,394,339)	(857,216)
 Net Income (Loss) Before Capital Contributions and Transfers	309,392	1,154,390
Capital Contributions		
Cash	439,135	648,949
Donated Fixed Assets	750	172,650
Federal BAB Subsidies	320,064	320,064
Grants	59,084	195,135
Transfers Out		
City Gross Earnings Tax	(497,428)	(503,658)
 CHANGE IN NET POSITION	\$630,997	\$1,987,530
 TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - APRIL 30		

YEAR TO DATE		2015	
April 30,	April 30,	OVER	PERCENT
2015	2014	(UNDER)	CHANGE
		2014	
\$20,051,471	\$20,161,102	(\$109,631)	-0.5%
3,111,724	3,066,547	45,177	1.5%
1,442,998	5,418,699	(3,975,701)	-73.4%
<u>24,606,193</u>	<u>28,646,348</u>	<u>(4,040,155)</u>	<u>-14.1%</u>
2,339,556	1,901,726	437,830	23.0%
1,413,122	1,333,166	79,956	6.0%
<u>3,752,678</u>	<u>3,234,892</u>	<u>517,786</u>	<u>16.0%</u>
151,588	202,118	(50,530)	-25.0%
1,105,532	930,228	175,304	18.8%
4,071,597	3,724,657	346,940	9.3%
1,374,851	1,329,366	45,485	3.4%
1,205,874	1,027,469	178,405	17.4%
5,695,659	5,567,890	127,769	2.3%
2,919,309	2,356,429	562,880	23.9%
<u>20,277,088</u>	<u>18,373,049</u>	<u>1,904,039</u>	<u>10.4%</u>
<u>4,329,105</u>	<u>10,273,299</u>	<u>(5,944,194)</u>	<u>-57.9%</u>
423,045	563,921	(140,876)	-25.0%
28,492	(19,689)	48,181	244.7%
(5,426,994)	(5,491,513)	64,519	-1.2%
(1,280,256)	(1,280,256)	-	0.0%
358,290	371,790	(13,500)	-3.6%
1,358,100	2,165,039	(806,939)	-37.3%
<u>(4,539,323)</u>	<u>(3,690,708)</u>	<u>(848,615)</u>	<u>23.0%</u>
(210,218)	6,582,591	(6,792,809)	-103.2%
1,210,728	1,928,274	(717,546)	-37.2%
750	172,650	(171,900)	-99.6%
1,280,256	1,280,256	-	0.0%
59,084	397,135	(338,051)	-85.1%
<u>(1,775,433)</u>	<u>(1,836,694)</u>	<u>61,261</u>	<u>-3.3%</u>
<u>565,167</u>	<u>8,524,212</u>	<u>(\$7,959,045)</u>	<u>-93.4%</u>
<u>516,673,245</u>	<u>480,288,973</u>		
<u>\$517,238,412</u>	<u>\$488,813,185</u>		

These statements should be read in conjunction with the Management Discussion and Analysis in the March 2015 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
APRIL 30, 2015 AND APRIL 30, 2014

	<u>APRIL 2015</u>	<u>APRIL 2014</u>
SALES OF WATER		
Residential and Domestic	\$3,710,920	\$3,601,627
Commercial and Industrial	1,008,089	940,671
Special Rate	440,726	510,652
Municipal	33,075	32,839
Other Public Buildings and Grounds	104,726	146,090
Sales to Other Utilities	<u>224,079</u>	<u>255,364</u>
 Total	 <u><u>\$5,521,615</u></u>	 <u><u>\$5,487,243</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	103,822	103,076
Commercial and Industrial	6,142	6,101
Municipal	221	206
Sales to Other Utilities	<u>17</u>	<u>19</u>
 Total	 <u><u>110,202</u></u>	 <u><u>109,402</u></u>

YEAR TO DATE		2015 OVER	PERCENT CHANGE
APRIL 2015	APRIL 2014	(UNDER) 2014	
\$13,030,018	\$12,797,521	\$232,497	1.8%
3,839,184	3,872,232	(33,048)	-0.9%
1,822,830	1,929,232	(106,402)	-5.5%
129,253	128,646	607	0.5%
355,116	532,787	(177,671)	-33.3%
<u>875,070</u>	<u>900,684</u>	<u>(25,614)</u>	-2.8%
<u>\$20,051,471</u>	<u>\$20,161,102</u>	<u>(\$109,631)</u>	-0.5%
377,431	374,797	2,634	0.7%
24,587	24,740	(153)	-0.6%
852	822	30	3.6%
<u>71</u>	<u>73</u>	<u>(2)</u>	-2.7%
<u>402,941</u>	<u>400,432</u>	<u>2,509</u>	0.6%

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DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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BILLINGS (NUMBER OF MONTHS BILLED)

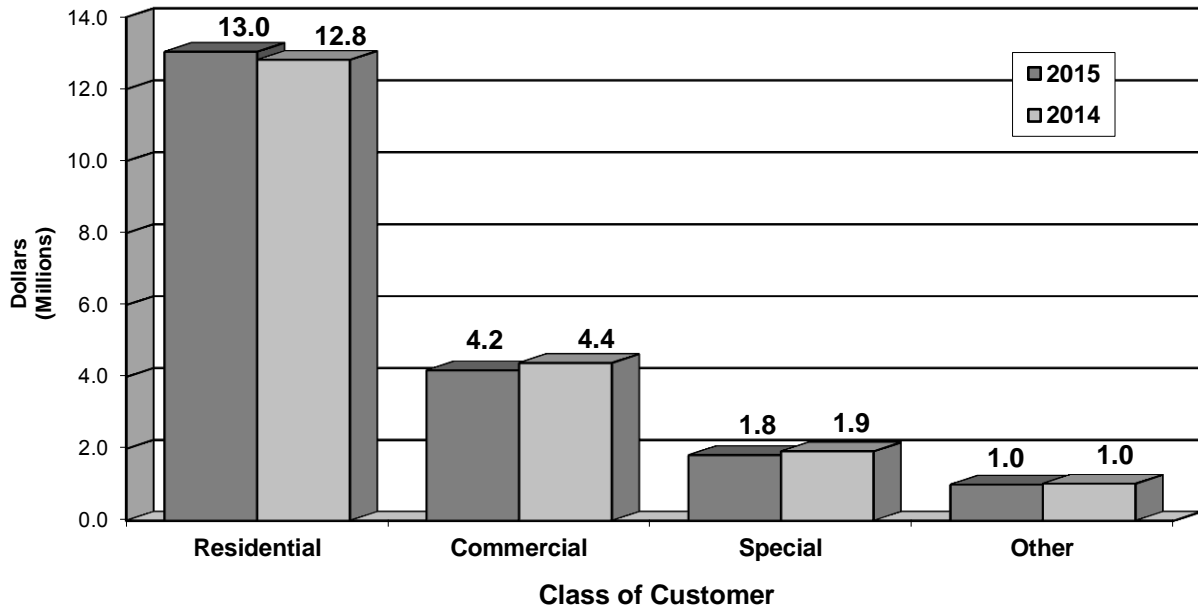
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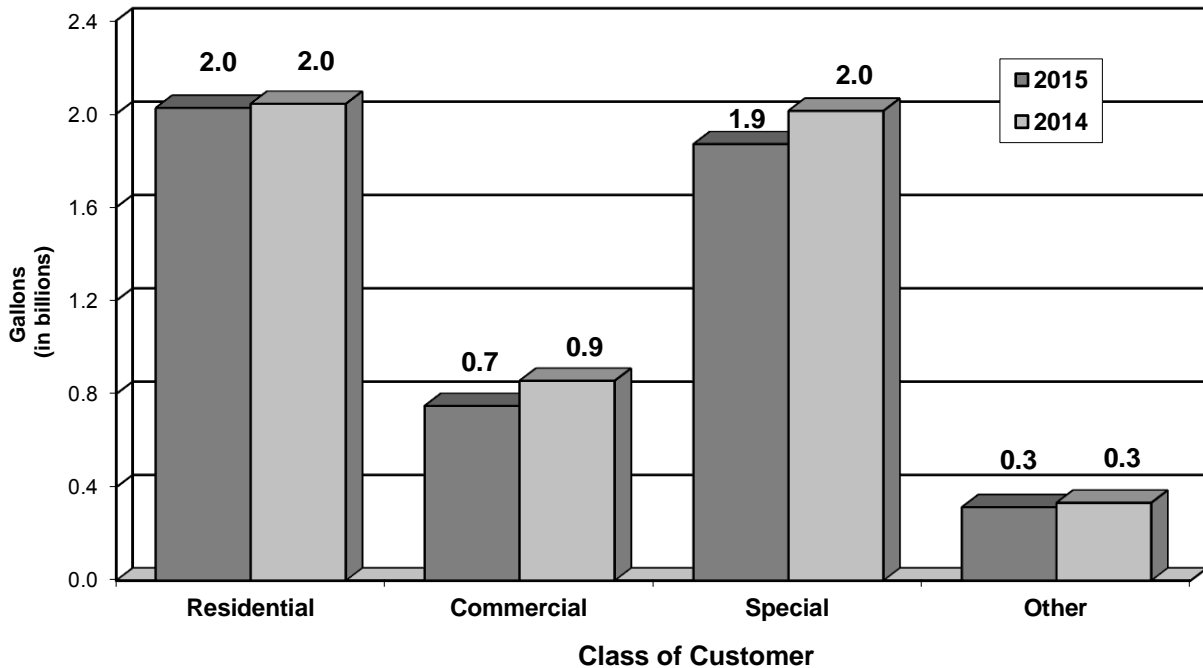
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Supplemental Data

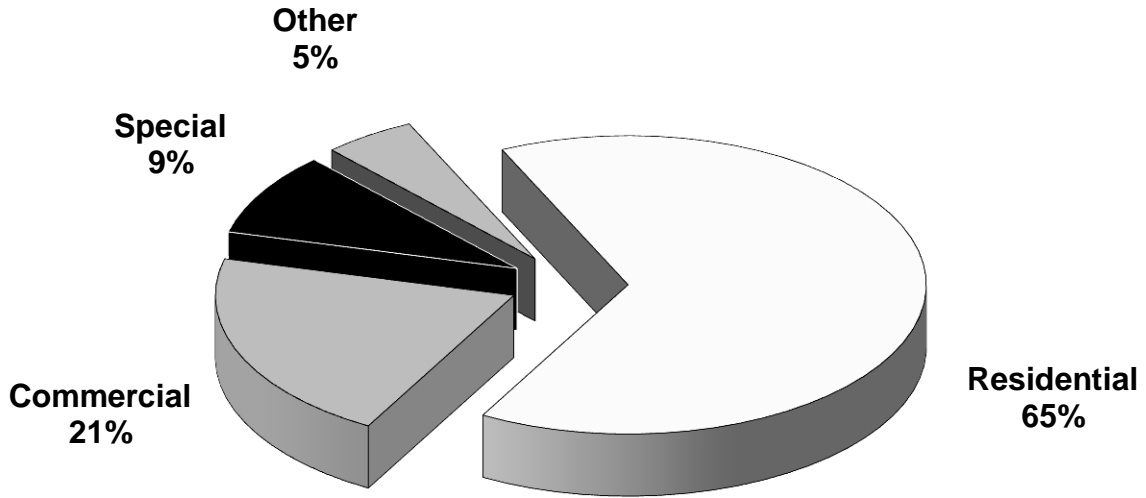
WATER SALES
Year to Date - April 2015 & 2014



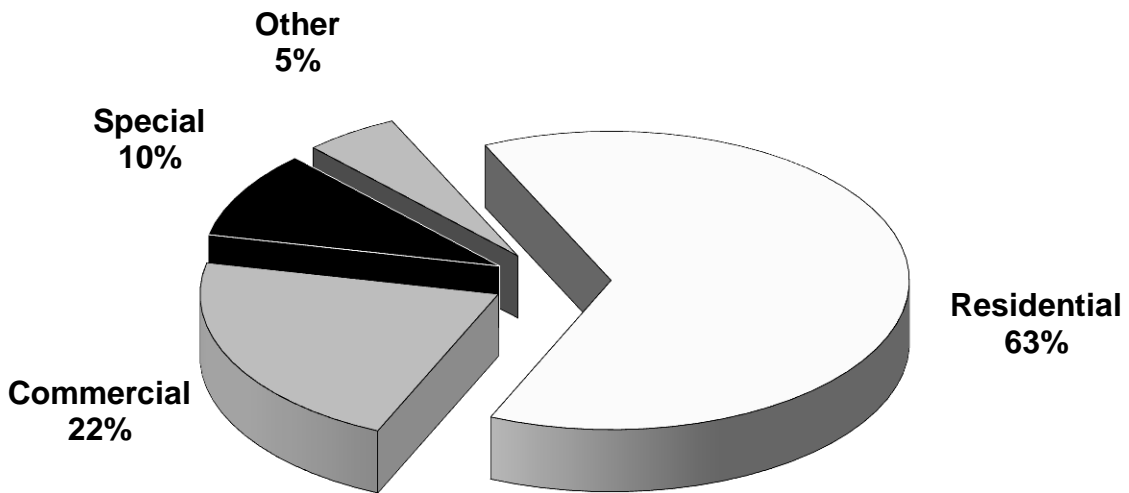
WATER CONSUMPTION
Year to Date - April 2015 & 2014



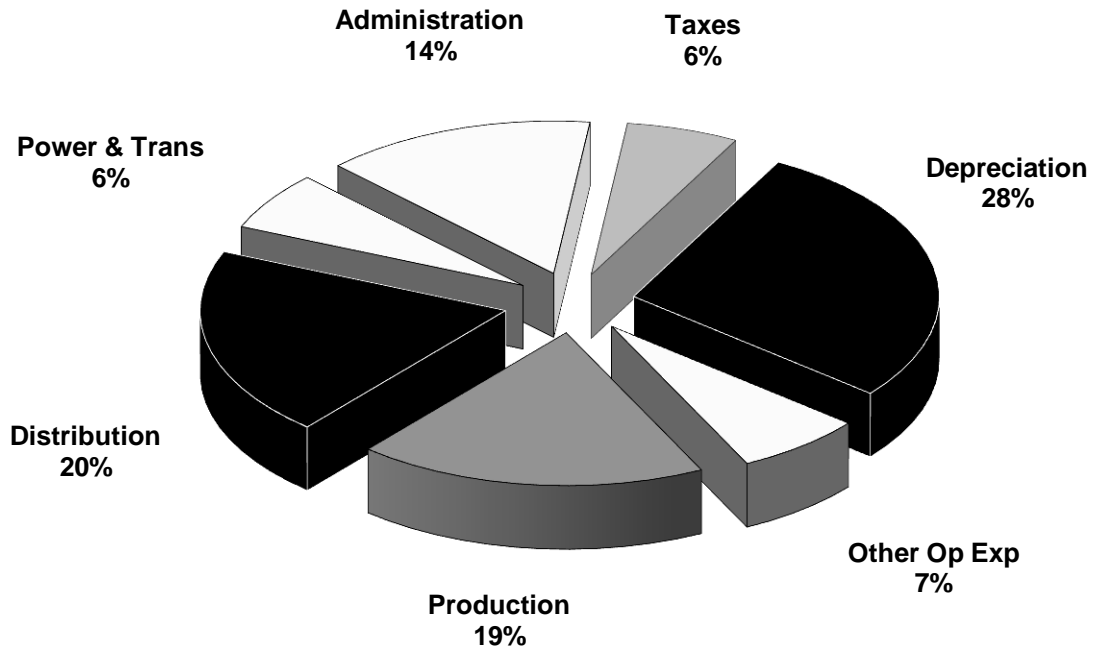
WATER SALES
Year to Date - April 2015
(\$20,051,471)



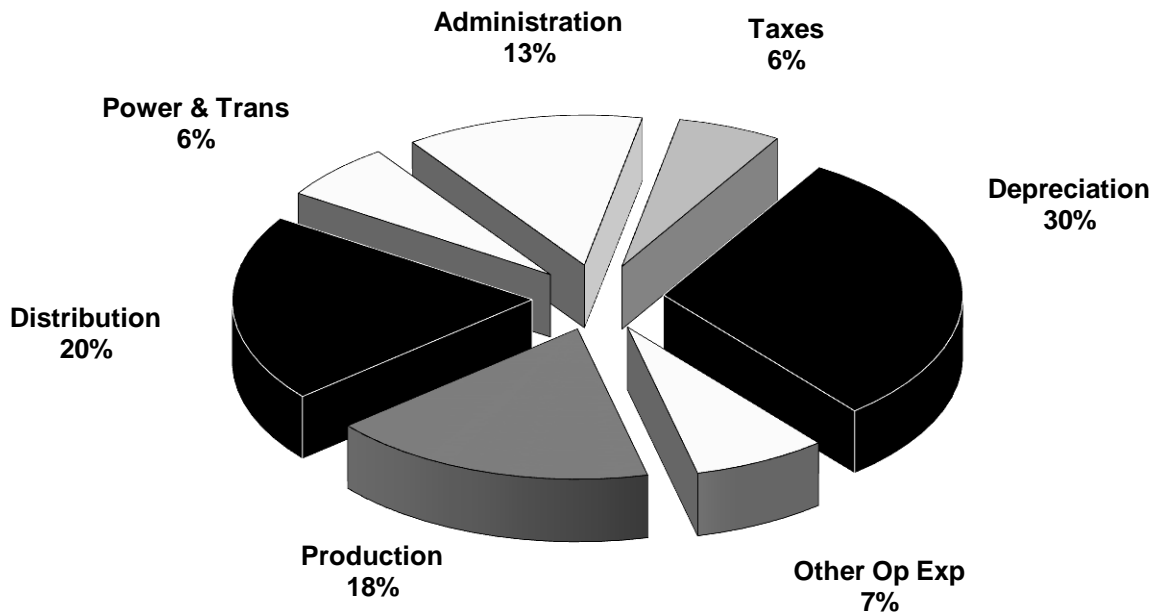
WATER SALES
Year to Date - April 2014
(\$20,161,102)



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



TOTAL OPERATING EXPENSES
Year to Date - April 2014
(\$18,373,049)





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.