
OCTOBER

TACOMA WATER

2014

**FINANCIAL
REPORT**



Public Utility Board

WOODROW JONES

Chair

BRYAN FLINT

Vice-Chair

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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 - OCTOBER 31, 2014 AND OCTOBER 31, 2013

ASSETS	<u>2014</u>	<u>2013</u>
UTILITY PLANT		
Water Plant in Service	\$859,213,455	\$832,750,263
Less Depreciation and Amortization	(180,033,616)	(167,998,277)
Total	<u>679,179,839</u>	<u>664,751,986</u>
Construction Work in Progress	185,308,615	118,763,616
Net Utility Plant	<u>864,488,454</u>	<u>783,515,602</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	(25,621)	8,555,130
2010 RWSS Construction Fund	46,961	7,152,325
2013 Construction Fund	32,126,344	50,829,580
Regional Water Supply System Operating Fund	(3,948,688)	6,901,358
Provision for Debt Payment	13,264,082	13,099,960
Customer Water Main Deposits	3,039,875	2,939,190
Water Supply Forum Fund.....	414,729	436,226
Special Bond Reserves	22,094,810	22,092,314
Water Customer Contribution Fund	74,555	200,496
Water Capital Reserves	22,787,906	19,372,871
Water System Development Charge	53,088,526	53,658,609
Notes & Contracts Receivables - SDC	-	462,128
Total Restricted Assets	<u>142,963,479</u>	<u>185,700,187</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	45,096,013	38,916,538
Working Funds	1,000	1,500
Customers' Deposits	269,051	267,487
Receivables:		
Customers	4,938,664	5,533,199
Accrued Unbilled Revenues	4,494,710	4,026,679
Others	7,569,600	1,321,236
BABs Interest Subsidies	1,600,320	1,600,320
Provision for Uncollectible Accounts	(241,005)	(500,594)
Materials and Supplies	2,438,564	2,389,616
Prepayments	352,510	409,389
Total Current Assets	<u>66,519,427</u>	<u>53,965,370</u>
TOTAL ASSETS	<u>1,074,464,323</u>	<u>1,023,674,122</u>
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	3,126,142	4,094,242
Regulatory Assets - Hyada Surcharges	844,356	942,601
Unamortized Losses on Refunding Bonds	1,625,519	1,851,525
Total Deferred Outflows	<u>5,596,017</u>	<u>6,888,368</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,080,060,340</u>	<u>\$1,030,562,490</u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2013 Annual Report.

NET POSITION AND LIABILITIES

2014

2013

NET POSITION

Net Investment in Capital Assets	\$427,475,788	\$391,499,474
Restricted for:		
Water Capital Reserves	15,762,492	11,868,451
Water System Development Charge	17,975,207	19,015,948
Debt Service Funds	4,878,399	4,025,082
Unrestricted	<u>49,570,631</u>	<u>48,319,143</u>
 TOTAL NET POSITION	 515,662,517	 474,728,098

LONG-TERM DEBT

Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	29,365,000	33,450,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds Refunding	27,505,000	28,055,000
2010 Water Revenue Bonds	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	74,355,000	75,335,000
2010 RWSS Revenue Bonds, Series A	44,245,000	44,245,000
2010 RWSS Revenue Bonds, Series B	3,070,000	3,335,000
2013 RWSS Refunding Bonds	<u>62,765,000</u>	<u>63,835,000</u>
Total Outstanding Revenue Bonds	393,065,000	400,015,000
Plus: Unamortized Bond Premium	<u>14,455,376</u>	<u>15,850,270</u>
Net Outstanding Revenue Bonds	407,520,376	415,865,270
PWTF Pre-Construction Loans	1,121,130	1,281,304
PWTF Construction Loans	26,980,418	29,517,015
State Drinking Water Loan	<u>39,118,644</u>	<u>17,789,716</u>
Total Long-Term Debt	<u>474,740,568</u>	<u>464,453,305</u>

CURRENT LIABILITIES

Salaries and Wages Payable	804,978	707,602
Purchases and Contracts Payable	4,137,833	7,925,202
Interest Expense Accrued	8,385,683	9,053,212
Taxes Accrued	1,557,116	1,398,143
Customers' and Contractors' Deposits	282,268	311,981
Current Portion of Long-Term Debt	11,312,843	9,191,273
Other Current Liabilities	850,000	918,551
Current Accrued Compensated Absences	<u>249,552</u>	<u>235,807</u>
Total Current Liabilities	<u>27,580,273</u>	<u>29,741,771</u>

LONG-TERM LIABILITIES

Muckleshoot Agreements	7,320,231	7,515,530
Customer Advances for Construction	4,516,093	4,240,787
Unearned Revenue	8,857,699	9,224,054
Other Long-Term Liabilities	3,561,545	2,961,240
Long-Term Accrued Compensated Absences	<u>2,245,968</u>	<u>2,122,259</u>
Total Long-Term Liabilities	<u>26,501,536</u>	<u>26,063,870</u>

TOTAL LIABILITIES	<u>528,822,377</u>	<u>520,258,946</u>
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DEFERRED INFLOWS

Rate Stabilization	<u>35,575,446</u>	<u>35,575,446</u>
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TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	<u><u>\$1,080,060,340</u></u>	<u><u>\$1,030,562,490</u></u>
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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
OCTOBER 31, 2014 AND OCTOBER 31, 2013

	October 2014	October 2013
OPERATING REVENUES		
Sales of Water	\$7,198,898	\$6,652,209
Other Operating Revenues	792,657	589,727
Contract Resource Obligation Revenue	6,688,737	428,264
Total Operating Revenues	14,680,292	7,670,200
OPERATING EXPENSES		
Production Expense		
Source of Supply	491,929	481,916
Water Treatment	290,179	343,342
Total Production Expense	782,108	825,258
Power Pumping Expense	61,036	38,863
Transmission and Storage Expense	247,959	240,619
Distribution Expense	913,326	944,895
Customer Accounting and Consumer Service ...	367,559	340,567
Taxes	344,247	297,931
Depreciation	1,393,363	1,332,645
Administrative and General	804,360	495,519
Total Operating Expenses	4,913,958	4,516,297
OPERATING INCOME (LOSS)	9,766,334	3,153,903
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	76,115	113,227
Miscellaneous	194,462	51,739
Interest on Long-Term Debt	(1,386,624)	(1,347,886)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amortization Of Debt Premium	92,947	119,707
Interest Charged to Construction.....	666,675	24,907
Total Non-Operating Revenues (Expenses)	(676,489)	(1,358,370)
Net Income (Loss) Before Capital Contributions and Transfers	9,089,845	1,795,533
Capital Contributions		
Cash	471,153	389,280
Donated Fixed Assets	2,437,064	79,191
Federal BAB Subsidies	320,064	320,064
Transfers Out		
City Gross Earnings Tax	(635,717)	(582,390)
Transfer to Other Funds	(34,142)	-
CHANGE IN NET POSITION	\$11,648,267	\$2,001,678
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - OCTOBER 31		

YEAR TO DATE		2014	
October 31	October 31	OVER	PERCENT
2014	2013	(UNDER)	CHANGE
		2013	
\$ 59,718,995	\$ 54,412,355	\$5,306,640	9.8%
7,698,536	7,628,837	69,699	0.9%
18,858,616	20,031,425	(1,172,809)	-5.9%
<u>86,276,147</u>	<u>82,072,617</u>	<u>4,203,530</u>	5.1%
5,068,354	4,467,900	600,454	13.4%
3,255,743	3,053,241	202,502	6.6%
<u>8,324,097</u>	<u>7,521,141</u>	<u>802,956</u>	10.7%
491,324	371,981	119,343	32.1%
2,397,133	2,278,251	118,882	5.2%
9,478,420	9,080,773	397,647	4.4%
3,411,567	3,247,801	163,766	5.0%
3,123,483	2,977,920	145,563	4.9%
13,934,035	13,332,204	601,831	4.5%
6,239,302	5,950,979	288,323	4.8%
<u>47,399,361</u>	<u>44,761,050</u>	<u>2,638,311</u>	5.9%
38,876,786	37,311,567	1,565,219	4.2%
1,325,437	437,550	887,887	202.9%
555,064	(1,253,520)	1,808,584	144.3%
(13,923,783)	(13,584,356)	(339,427)	2.5%
(3,062,369)	(3,033,566)	(28,803)	0.9%
929,474	1,428,900	(499,426)	-35.0%
5,972,742	1,019,021	4,953,721	486.1%
<u>(8,203,435)</u>	<u>(14,985,971)</u>	<u>6,782,536</u>	-45.3%
30,673,351	22,325,596	8,347,755	37.4%
3,829,764	3,406,068	423,696	12.4%
3,178,258	988,008	2,190,250	221.7%
3,062,371	3,033,566	28,805	0.9%
(5,336,058)	(4,883,276)	(452,782)	9.3%
<u>(34,142)</u>	<u>-</u>	<u>(34,142)</u>	NA
35,373,544	24,869,962	10,503,582	42.2%
<u>480,288,973</u>	<u>449,858,136</u>	<u>30,430,837</u>	6.8%
<u>\$515,662,517</u>	<u>\$474,728,098</u>	<u>\$40,934,419</u>	8.6%

These statements should be read in conjunction with the Management Discussion and Analysis in the September 2014 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
OCTOBER 31, 2014 AND OCTOBER 31, 2013

	<u>OCTOBER 2014</u>	<u>OCTOBER 2013</u>
SALES OF WATER		
Residential and Domestic	\$4,865,845	\$4,272,710
Commercial and Industrial	1,238,428	1,306,851
Special Rate - Simpson Tacoma Kraft Company	504,187	523,020
Municipal	51,578	49,748
Other Public Buildings and Grounds	201,710	198,916
Sales to Other Utilities	<u>337,150</u>	<u>300,964</u>
Total	<u><u>\$7,198,898</u></u>	<u><u>\$6,652,209</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)		
Residential and Domestic	103,642	105,469
Commercial and Industrial	6,305	6,880
Municipal	229	217
Other Public Buildings and Grounds	452	459
Sales to Other Utilities	<u>19</u>	<u>16</u>
Total	<u><u>110,647</u></u>	<u><u>113,041</u></u>

YEAR TO DATE		2014 OVER (UNDER) 2013	PERCENT CHANGE
OCTOBER 2014	OCTOBER 2013		
\$38,191,887	\$34,935,482	\$3,256,405	9.3%
10,995,153	9,808,984	1,186,169	12.1%
4,884,142	4,393,233	490,909	11.2%
375,238	380,226	(4,988)	-1.3%
2,001,501	1,814,498	187,003	10.3%
<u>3,271,074</u>	<u>3,079,932</u>	<u>191,142</u>	6.2%
<u>\$59,718,995</u>	<u>\$54,412,355</u>	<u>\$5,306,640</u>	9.8%
925,605	918,782	6,823	0.7%
58,316	58,004	312	0.5%
2,222	2,098	124	5.9%
4,201	4,106	95	2.3%
<u>191</u>	<u>186</u>	<u>5</u>	2.7%
<u>990,535</u>	<u>983,176</u>	<u>7,359</u>	0.7%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
OCTOBER 31, 2014 AND OCTOBER 31, 2013

WATER BILLED	MILLION GALLONS, TOTAL			
	OCTOBER	OCTOBER	YEAR TO DATE	
	2014	2013	OCTOBER 2014	OCTOBER 2013
Residential and Domestic	924.30	805.52	6,926.75	6,758.22
Commercial and Industrial	258.59	299.46	2,307.39	2,191.36
Special Rate - Simpson	508.05	517.26	5,056.48	4,951.88
Municipal	10.49	10.16	58.53	72.36
Other Public Bldgs and Grounds	41.64	36.09	429.24	406.71
Sales to Other Utilities	148.41	43.66	1,428.80	991.30
	1,891.48	1,712.15	16,207.19	15,371.83

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

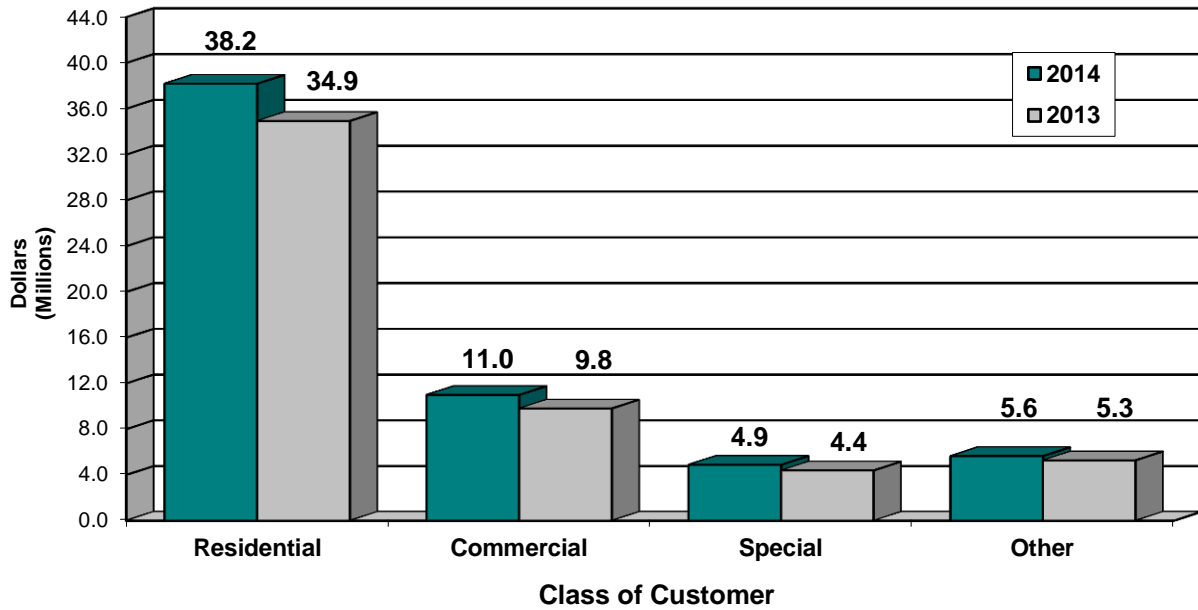
MILLION GALLONS, AVERAGE DAILY

OCTOBER 2014	OCTOBER 2013
<hr/>	<hr/>
29.82	25.98
8.34	9.66
16.39	16.69
0.34	0.33
1.34	1.16
4.79	1.41
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61.02	55.23
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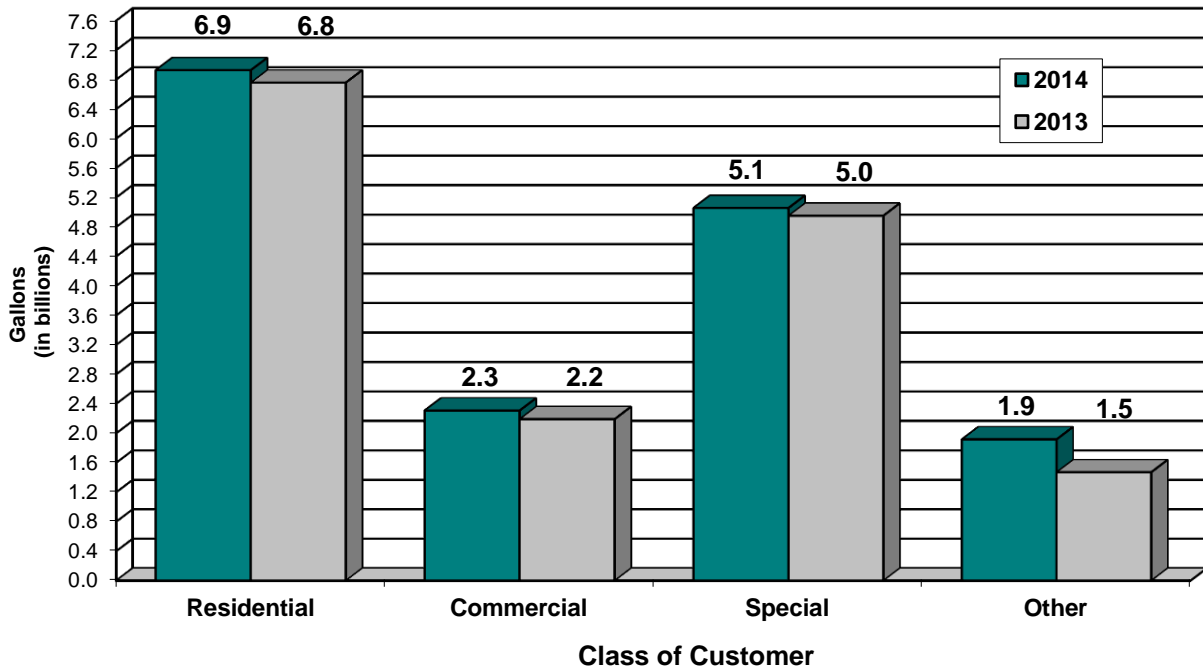
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Supplemental Data

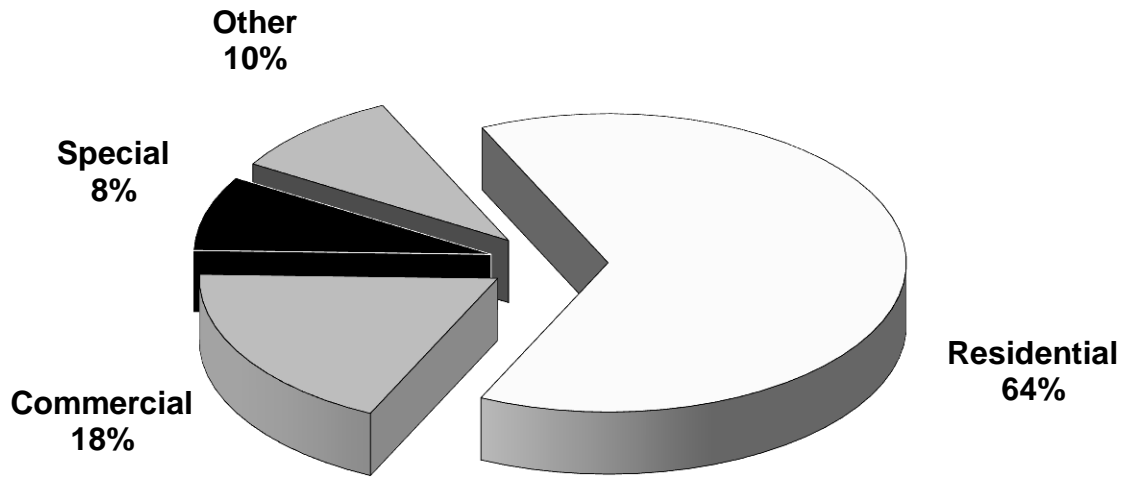
WATER SALES
Year to Date - October 2014 & 2013



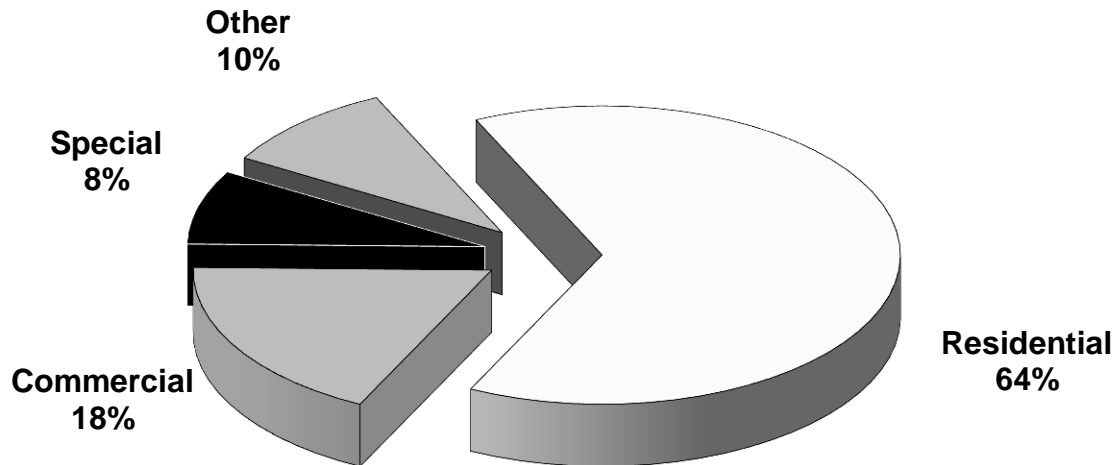
WATER CONSUMPTION
Year to Date - October 2014 & 2013



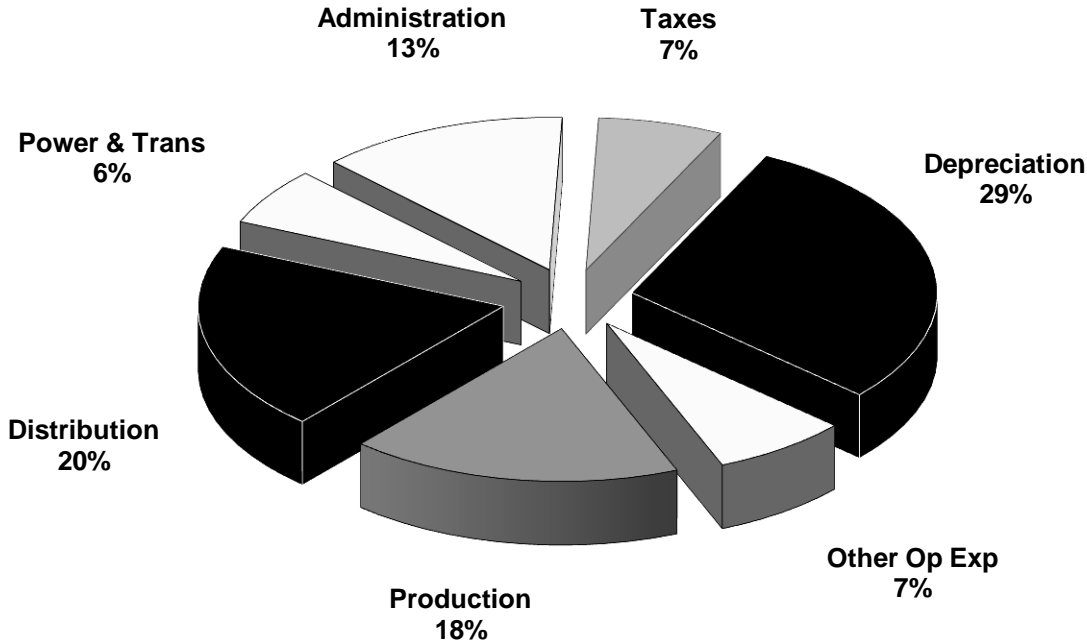
WATER SALES
Year to Date - October 2014
(\$59,718,995)



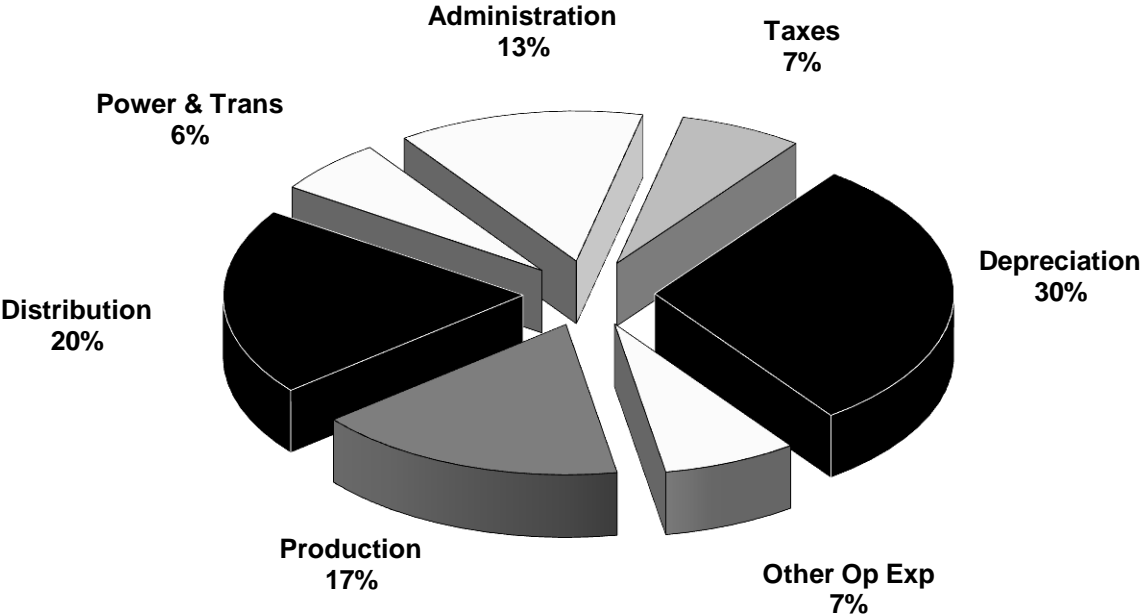
WATER SALES
Year to Date - October 2013
(\$54,412,355)



TOTAL OPERATING EXPENSES
Year to Date - October 2014
(\$47,399,361)



TOTAL OPERATING EXPENSES
Year to Date - October 2013
(\$44,761,050)





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.