
OCTOBER

TACOMA WATER

2015

**FINANCIAL
REPORT**



Public Utility Board

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Vice-Chair

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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 - OCTOBER 31, 2015 AND OCTOBER 31, 2014

ASSETS	<u>2015</u>	<u>2014</u>
UTILITY PLANT		
Water Plant in Service	\$1,051,345,555	\$859,213,455
Less Depreciation and Amortization	(193,549,637)	(180,033,616)
Total	<u>857,795,918</u>	<u>679,179,839</u>
Construction Work in Progress	25,434,767	185,308,615
Net Utility Plant	<u>883,230,685</u>	<u>864,488,454</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	9,107,069	(25,621)
2010 RWSS Construction Fund	18,402	46,961
2013 Construction Fund	26,302,167	32,126,344
Regional Water Supply System Operating Fund	85,788	(3,948,688)
Provision for Debt Payment	12,467,724	13,264,082
Customer Water Main Deposits	3,105,535	3,039,875
Water Supply Forum Fund.....	253,487	414,729
Special Bond Reserves	22,097,427	22,094,810
Water Customer Contribution Fund	(151,040)	74,555
Water Capital Reserves	25,330,471	22,787,906
Water System Development Charge	55,756,760	53,088,526
Total Restricted Assets	<u>154,373,790</u>	<u>142,963,479</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	51,238,306	45,096,013
Working Funds	-	1,000
Customers' and Contractors' Deposits	323,277	269,051
Receivables:		
Customers	5,385,517	4,938,664
Accrued Unbilled Revenues	4,616,056	4,494,710
Others	970,352	7,569,600
BABs Interest Subsidies	1,600,320	1,600,320
Provision for Uncollectible Accounts	(343,585)	(241,005)
Materials and Supplies	2,392,851	2,438,564
Prepayments	556,950	352,510
Total Current Assets	<u>66,740,044</u>	<u>66,519,427</u>
TOTAL ASSETS	1,104,837,482	1,074,464,323
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	2,310,791	3,126,142
Regulatory Assets - Hyada Surcharges	742,019	844,356
Unamortized Losses on Refunding Bonds	1,957,279	1,625,519
Total Deferred Outflows	<u>5,010,089</u>	<u>5,596,017</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,109,847,571</u>	<u>\$1,080,060,340</u>

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

NET POSITION AND LIABILITIES

	2015	2014
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	\$440,561,496	\$427,475,788
Restricted for:		
Water Capital Reserves	18,784,062	15,762,492
Water System Development Charge	20,181,314	17,975,207
Debt Service Funds	4,305,023	4,878,399
Unrestricted	54,873,969	49,570,631
	<hr/>	<hr/>
TOTAL NET POSITION	538,705,864	515,662,517
 LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	5,000	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
2015 Water Refunding Bonds, Series A	16,645,000	-
2015 Water Refunding Bonds, Series B	6,365,000	-
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	384,705,000	393,065,000
Plus: Unamortized Bond Premium	15,464,073	14,455,376
Net Outstanding Revenue Bonds	400,169,073	407,520,376
PWTF Pre-Construction Loans	960,956	1,121,130
PWTF Construction Loans	24,443,821	26,980,418
State Drinking Water Loan	59,034,872	39,118,644
Total Long-Term Debt	484,608,722	474,740,568
 CURRENT LIABILITIES		
Salaries and Wages Payable	778,631	804,978
Purchases and Contracts Payable	1,743,032	4,137,833
Interest Expense Accrued	8,162,701	8,385,683
Taxes Accrued	1,564,505	1,557,115
Customers' Deposits	347,745	282,268
Current Portion of Long-Term Debt	10,906,079	11,312,843
Other Current Liabilities	867,000	850,000
Current Accrued Compensated Absences	255,611	249,552
Total Current Liabilities	24,625,304	27,580,272
 LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,129,695	7,320,231
Customer Advances for Construction	4,805,691	4,516,093
Unearned Revenue	8,252,121	8,857,699
Other Long-Term Liabilities	3,844,230	3,561,545
Long-Term Accrued Compensated Absences	2,300,497	2,245,968
Total Long-Term Liabilities	26,332,234	26,501,536
 TOTAL LIABILITIES	535,566,260	528,822,376
 DEFERRED INFLOWS		
Rate Stabilization	35,575,447	35,575,447
 TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	<hr/> <hr/>	<hr/> <hr/>
	\$1,109,847,571	\$1,080,060,340

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

	<u>NOVEMBER</u> 2015	<u>NOVEMBER</u> 2014
OPERATING REVENUES		
Sales of Water	\$4,924,529	\$4,394,698
Other Operating Revenues	737,147	682,818
Contract Resource Obligation Revenue	296,974	(321,559)
Total Operating Revenues	<u>5,958,650</u>	<u>4,755,957</u>
OPERATING EXPENSES		
Production Expense		
Source of Supply	672,913	475,454
Water Treatment	364,369	254,239
Total Production Expense	<u>1,037,282</u>	<u>729,693</u>
Power Pumping Expense	69,952	40,463
Transmission and Storage Expense	191,049	205,888
Distribution Expense	955,164	950,656
Customer Accounting and Consumer Service ...	302,274	320,240
Taxes	229,436	193,335
Depreciation	1,428,206	1,455,442
Administrative and General	724,904	550,445
Total Operating Expenses	<u>4,938,267</u>	<u>4,446,162</u>
OPERATING INCOME (LOSS)	1,020,383	309,795
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	158,496	141,962
Miscellaneous	7,573	(5,812)
Interest on Long-Term Debt	(1,478,417)	(1,386,789)
Interest on Long-Term Debt BABs Sub	(189,478)	(320,064)
Amortization Of Debt Premium	100,546	92,947
Interest Charged to Construction.....	47,776	685,790
Total Non-Operating Revenues (Expenses)	<u>(1,353,504)</u>	<u>(791,966)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(333,121)	(482,171)
Capital Contributions		
Cash	339,585	641,750
Donated Fixed Assets	-	-
Federal BAB Subsidies	189,478	320,064
Grants	-	-
Transfers Out		
City Gross Earnings Tax	(483,903)	(432,018)
Transfer to Other Funds	-	(27,252)
CHANGE IN NET POSITION	<u>(\$287,961)</u>	<u>\$20,373</u>
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - NOVEMBER 30		

YEAR TO DATE		2015	
NOVEMBER 30	NOVEMBER 30	OVER	PERCENT
2015	2014	(UNDER)	CHANGE
		2014	
\$ 70,340,461	\$ 64,113,693	\$6,226,768	9.7%
8,782,846	8,381,355	401,491	4.8%
11,540,020	18,537,056	(6,997,036)	-37.7%
90,663,327	91,032,104	(368,777)	-0.4%
7,397,827	5,543,808	1,854,019	33.4%
4,414,341	3,509,981	904,360	25.8%
11,812,168	9,053,789	2,758,379	30.5%
652,154	531,787	120,367	22.6%
2,621,752	2,603,021	18,731	0.7%
10,993,521	10,429,076	564,445	5.4%
3,900,719	3,927,854	(27,135)	-0.7%
3,862,113	3,316,818	545,295	16.4%
15,676,717	15,389,477	287,240	1.9%
7,995,973	6,593,702	1,402,271	21.3%
57,515,117	51,845,524	5,669,593	10.9%
33,148,210	39,186,580	(6,038,370)	-15.4%
1,496,191	1,467,399	28,792	2.0%
(98,659)	549,252	(647,911)	-118.0%
(15,133,470)	(15,310,572)	177,102	-1.2%
(3,249,929)	(3,382,432)	132,503	-3.9%
1,578,413	1,022,421	555,992	54.4%
1,635,718	6,658,532	(5,022,814)	-75.4%
(13,771,736)	(8,995,400)	(4,776,336)	53.1%
19,376,474	30,191,180	(10,814,706)	-35.8%
4,143,753	4,074,379	69,374	1.7%
1,161,319	3,178,258	(2,016,939)	-63.5%
3,249,929	3,382,435	(132,506)	-3.9%
61,478	397,135	(335,657)	-84.5%
(6,197,604)	(5,768,076)	(429,528)	7.4%
(50,690)	(61,394)	10,704	-17.4%
21,744,659	35,393,917	(13,649,258)	-38.6%
516,673,245	480,288,973	36,384,272	
<u>\$538,417,904</u>	<u>\$515,682,890</u>	<u>\$22,735,014</u>	

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
OCTOBER 31, 2015 AND OCTOBER 31, 2014

	OCTOBER 2015	OCTOBER 2014
SALES OF WATER		
Residential and Domestic	\$4,679,398	\$4,865,845
Commercial and Industrial	1,412,850	1,238,428
Special Rate	503,051	504,187
Municipal	48,863	51,578
Other Public Buildings and Grounds	125,497	201,710
Sales to Other Utilities	547,649	337,150
Total	\$7,317,308	\$7,198,898

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	105,051	103,599
Commercial and Industrial	6,810	6,727
Municipal	237	229
Sales to Other Utilities	19	18
Total	112,117	110,573

YEAR TO DATE		2015 OVER (UNDER) 2014	PERCENT CHANGE
OCTOBER 2015	OCTOBER 2014		
\$41,413,076	\$38,191,887	\$3,221,189	8.4%
12,740,807	10,995,153	1,745,654	15.9%
4,991,272	4,884,142	107,130	2.2%
404,102	375,238	28,864	7.7%
1,570,066	2,001,501	(431,435)	-21.6%
4,296,610	3,271,074	1,025,536	31.4%
<u>\$65,415,933</u>	<u>\$59,718,995</u>	<u>\$5,696,938</u>	9.5%
936,218	925,175	11,043	1.2%
62,522	62,204	318	0.5%
2,220	2,220	0	0.0%
184	181	3	1.7%
<u>1,001,144</u>	<u>989,780</u>	<u>11,364</u>	1.1%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
OCTOBER 31, 2015 AND OCTOBER 31, 2014

WATER BILLED	MILLION GALLONS, TOTAL			
	OCTOBER 2015	OCTOBER 2014	YEAR TO DATE	
			OCTOBER 2015	OCTOBER 2014
Residential and Domestic	790.53	924.40	7,447.46	6,933.50
Commercial and Industrial	307.55	301.18	2,789.00	2,726.53
Special Rate	481.81	508.05	4,863.09	5,056.48
Municipal	9.26	10.49	63.59	58.53
Sales to Other Utilities	163.47	102.04	1,444.08	1,033.09
	1,752.62	1,846.16	16,607.22	15,808.13

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

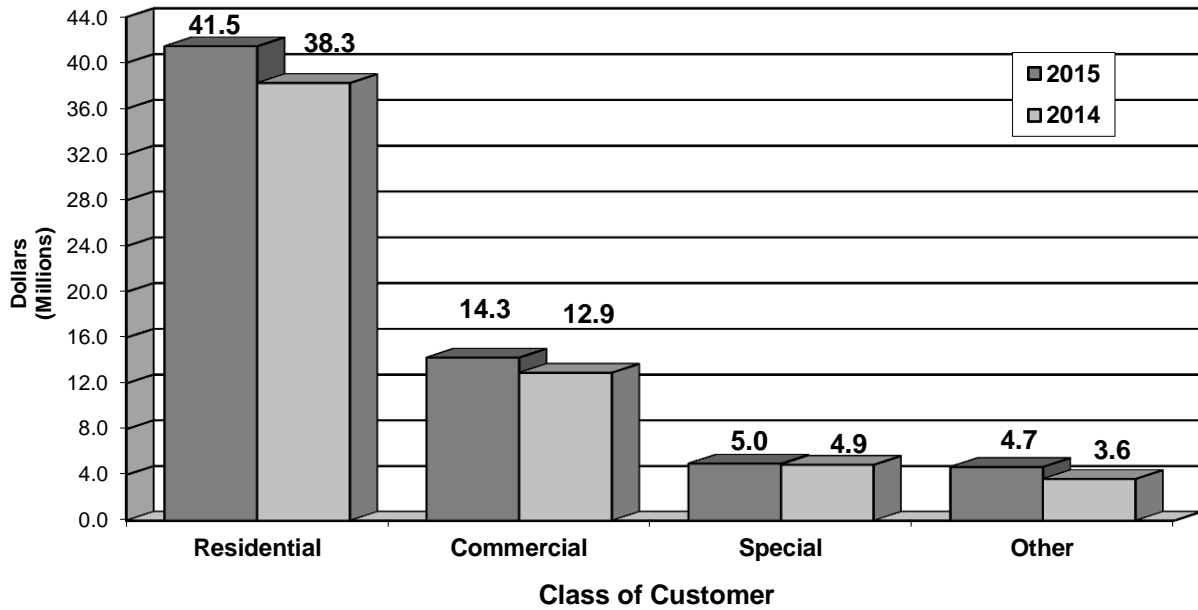
MILLION GALLONS, AVERAGE DAILY

<u>OCTOBER</u> <u>2015</u>	<u>OCTOBER</u> <u>2014</u>
25.50	29.82
9.92	9.72
15.54	16.39
0.30	0.34
<u>5.27</u>	<u>3.29</u>
<u><u>56.53</u></u>	<u><u>59.56</u></u>

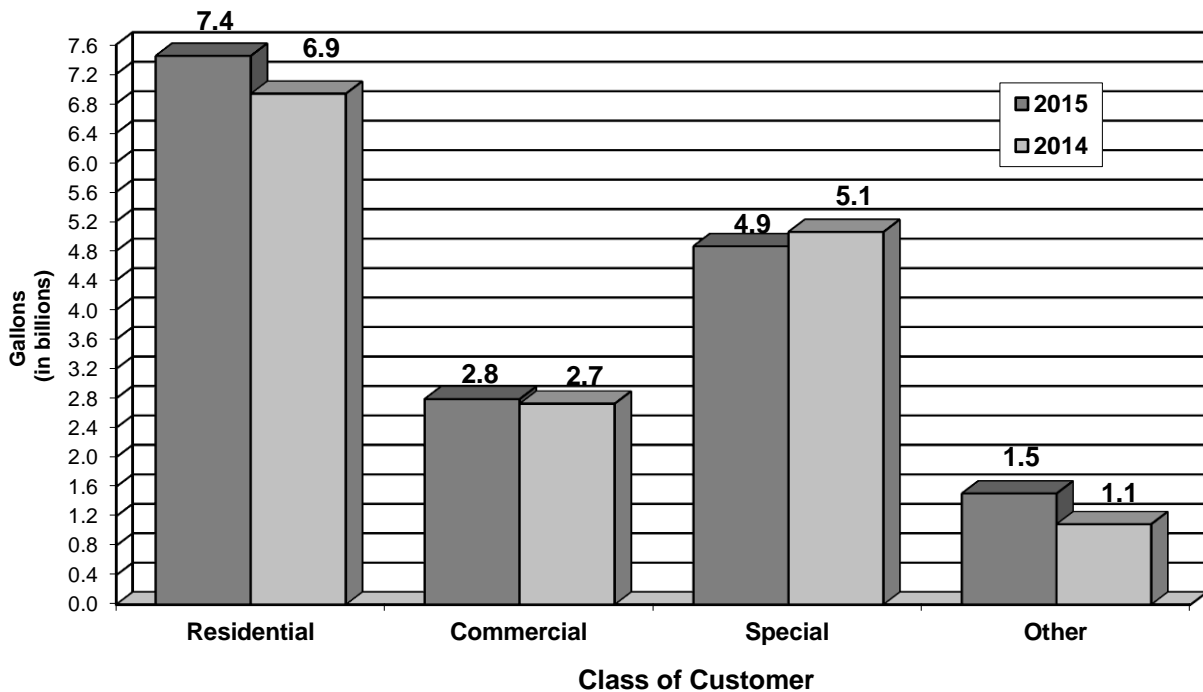
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Supplemental Data

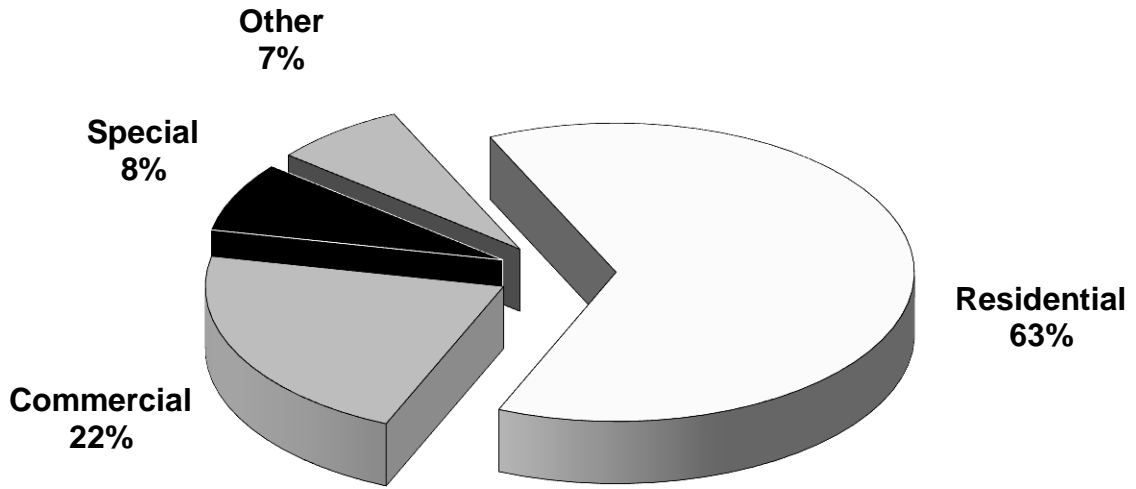
WATER SALES
Year to Date - October 2015 & 2014



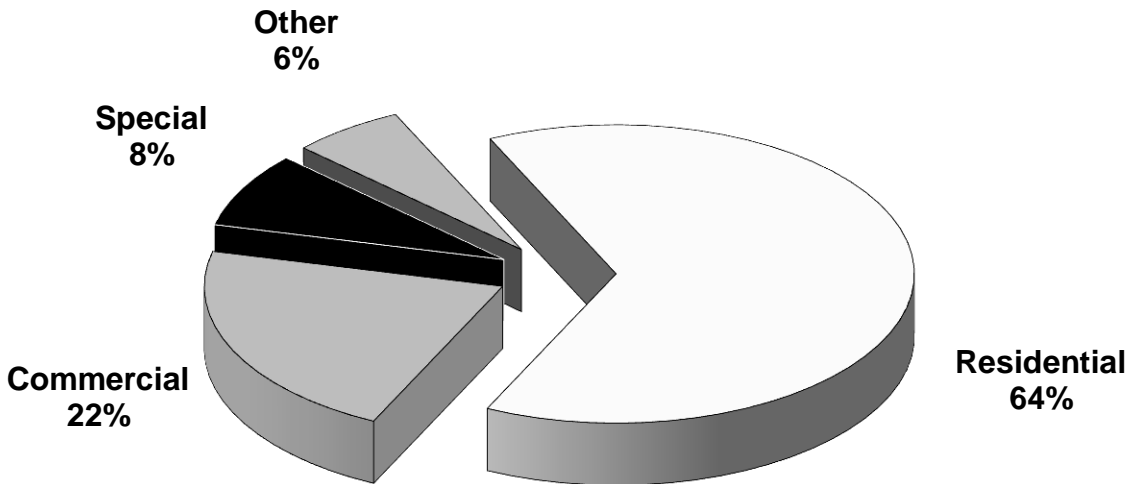
WATER CONSUMPTION
Year to Date - October 2015 & 2014



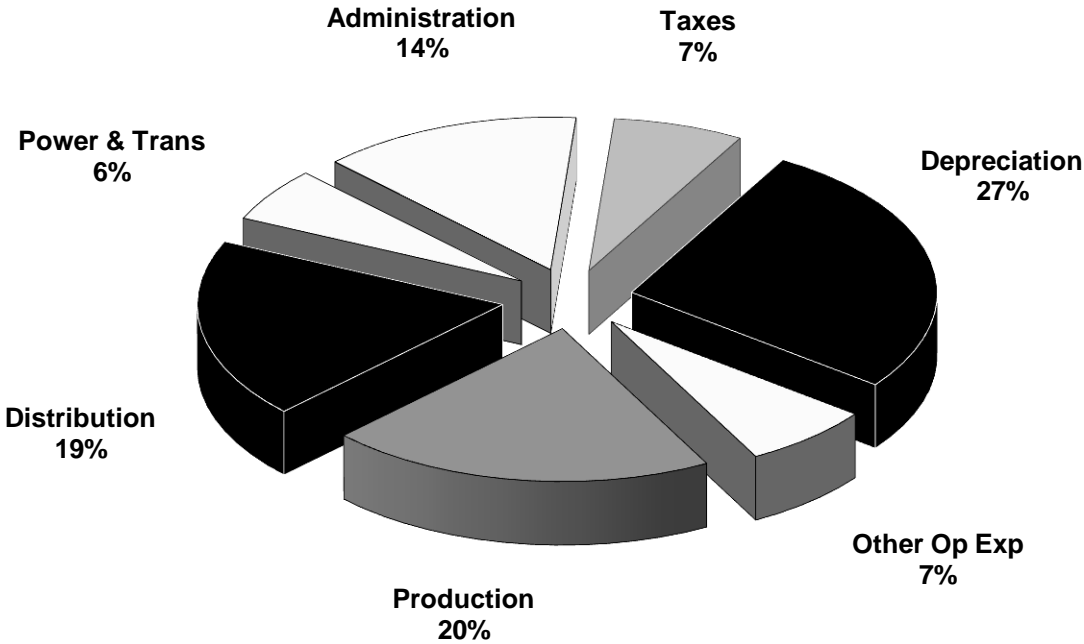
WATER SALES
Year to Date - October 2015
(\$65,415,933)



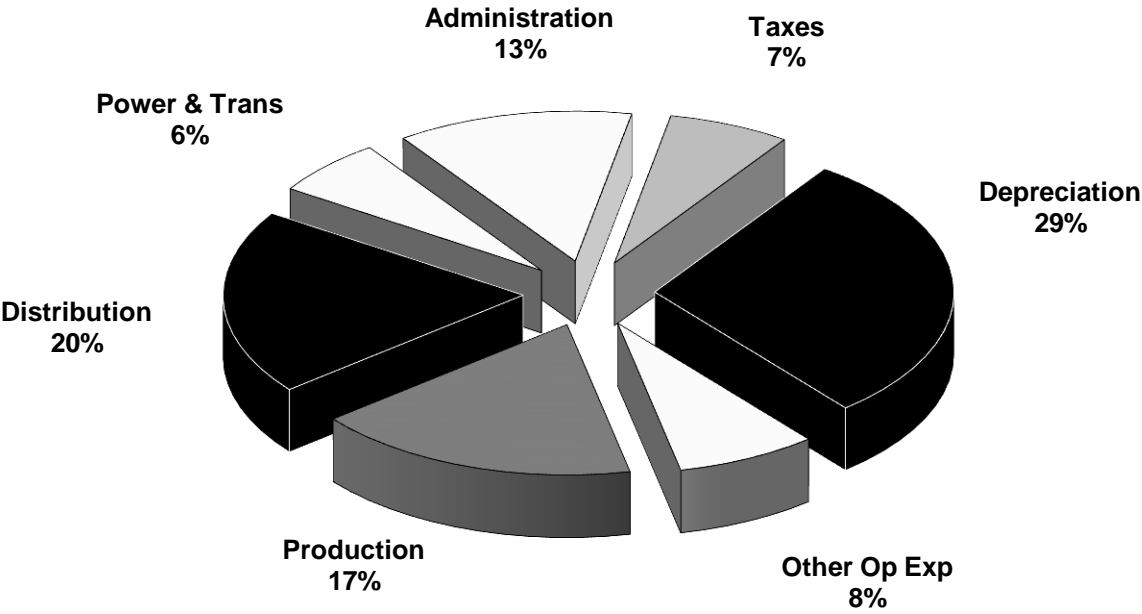
WATER SALES
Year to Date - October 2014
(\$59,718,995)



TOTAL OPERATING EXPENSES
Year to Date - October 2015
(\$52,576,850)



TOTAL OPERATING EXPENSES
Year to Date - October 2014
(\$47,399,362)





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.