
AUGUST

TACOMA WATER

2015

**FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

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Vice-Chair

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Director of Utilities/CEO

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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

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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, 2015 AND AUGUST 31, 2014

ASSETS	<u>2015</u>	<u>2014</u>
UTILITY PLANT		
Water Plant in Service	\$1,048,912,785	\$854,654,984
Less Depreciation and Amortization	<u>(191,035,806)</u>	<u>(177,591,886)</u>
Total	857,876,979	677,063,098
Construction Work in Progress	<u>24,214,246</u>	<u>176,387,365</u>
Net Utility Plant	882,091,225	853,450,463
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	9,254,473	(1,739)
2010 RWSS Construction Fund	13,619	427,163
2013 Construction Fund	28,275,599	37,145,757
Regional Water Supply System Operating Fund	525,760	6,335
Provision for Debt Payment	10,132,512	10,415,952
Customer Water Main Deposits	3,102,241	3,025,901
Water Supply Forum Fund	293,035	428,738
Special Bond Reserves	22,096,927	22,094,467
Water Customer Contribution Fund	(87,025)	127,878
Water Capital Reserves	25,422,193	22,761,547
Water System Development Charge	<u>55,418,153</u>	<u>53,309,208</u>
Total Restricted Assets	154,447,487	149,741,207
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	46,518,056	40,165,250
Working Funds	-	1,000
Customers' and Contractors' Deposits	308,057	268,613
Receivables:		
Customers	6,810,794	6,027,694
Accrued Unbilled Revenues	4,616,056	4,494,710
Others	560,716	1,169,352
BABs Interest Subsidies	960,192	960,192
Provision for Uncollectible Accounts	(340,677)	(523,053)
Materials and Supplies	2,475,731	2,441,193
Prepayments	<u>650,437</u>	<u>426,641</u>
Total Current Assets	62,559,362	55,431,592
TOTAL ASSETS	1,099,591,037	1,059,116,225
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	2,436,768	3,252,118
Regulatory Assets - Hyada Surcharges	757,666	860,219
Unamortized Losses on Refunding Bonds	<u>2,004,166</u>	<u>1,663,187</u>
Total Deferred Outflows	<u>5,198,600</u>	<u>5,775,524</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,104,789,637</u>	<u>\$1,064,891,749</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	\$439,895,724	\$420,507,284
Restricted for:		
Water Capital Reserves	18,875,784	15,736,133
Water System Development Charge	19,842,707	18,195,889
Debt Service Funds	4,953,659	5,170,677
Unrestricted	<u>50,843,182</u>	<u>42,374,955</u>
TOTAL NET POSITION	<u>534,411,056</u>	<u>501,984,938</u>
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	<u>61,580,000</u>	<u>62,765,000</u>
Total Outstanding Revenue Bonds	384,705,000	393,065,000
Plus: Unamortized Bond Premium	<u>15,712,053</u>	<u>14,678,938</u>
Net Outstanding Revenue Bonds	400,417,053	407,743,938
PWTF Pre-Construction Loans	960,956	1,121,130
PWTF Construction Loans	24,443,821	26,980,418
State Drinking Water Loan	<u>60,748,644</u>	<u>40,589,417</u>
Total Long-Term Debt	<u>486,570,474</u>	<u>476,434,903</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	487,941	406,188
Purchases and Contracts Payable	1,402,858	3,823,301
Interest Expense Accrued	5,178,853	5,245,275
Taxes Accrued	1,907,064	1,658,859
Customers' Deposits	319,285	335,284
Current Portion of Long-Term Debt	10,633,079	11,009,843
Other Current Liabilities	1,734,000	1,950,000
Current Accrued Compensated Absences	<u>255,611</u>	<u>249,552</u>
Total Current Liabilities	<u>21,918,691</u>	<u>24,678,302</u>
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,129,695	7,320,231
Customer Advances for Construction	4,654,293	4,288,152
Unearned Revenue - SDC	8,327,221	8,793,227
Other Long-Term Liabilities	3,902,263	3,570,581
Long-Term Accrued Compensated Absences	<u>2,300,497</u>	<u>2,245,968</u>
Total Long-Term Liabilities	<u>26,313,969</u>	<u>26,218,159</u>
TOTAL LIABILITIES	<u>534,803,134</u>	<u>527,331,364</u>
DEFERRED INFLOWS		
Rate Stabilization	<u>35,575,447</u>	<u>35,575,447</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$1,104,789,637</u></u>	<u><u>\$1,064,891,749</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AUGUST 31, 2015 AND AUGUST 31, 2014

	<u>AUGUST</u> <u>2015</u>	<u>AUGUST</u> <u>2014</u>
OPERATING REVENUES		
Sales of Water	\$10,137,543	\$8,090,143
Other Operating Revenues	799,286	799,444
Contract Resource Obligation Revenue	295,927	476,894
Total Operating Revenues	<u>11,232,756</u>	<u>9,366,481</u>
OPERATING EXPENSES		
Production Expense		
Source of Supply	722,429	629,979
Water Treatment	471,717	353,528
Total Production Expense	<u>1,194,146</u>	<u>983,507</u>
Power Pumping Expense	81,105	69,531
Transmission and Storage Expense	170,081	261,336
Distribution Expense	1,046,273	997,556
Customer Accounting and Consumer Service ...	325,530	356,919
Taxes	439,523	357,421
Depreciation	1,424,252	1,393,088
Administrative and General	775,498	647,284
Total Operating Expenses	<u>5,456,408</u>	<u>5,066,642</u>
OPERATING INCOME (LOSS)	5,776,348	4,299,839
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	134,557	138,823
Miscellaneous	149,574	74,444
Interest on Long-Term Debt	(1,333,985)	(1,378,732)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amortization Of Debt Premium	100,546	92,947
Interest Charged to Construction.....	39,335	645,205
Total Non-Operating Revenues (Expenses)	<u>(1,230,037)</u>	<u>(747,377)</u>
Net Income (Loss) Before Capital Contributions and Transfers	4,546,311	3,552,462
Capital Contributions		
Cash	383,613	372,050
Donated Fixed Assets	586,166	-
Federal BAB Subsidies	320,064	320,064
Grants	-	-
Transfers Out		
City Gross Earnings Tax	<u>(904,116)</u>	<u>(703,158)</u>
CHANGE IN NET POSITION	<u>\$4,932,038</u>	<u>\$3,541,418</u>
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - AUGUST 31		

YEAR TO DATE		2015	
AUGUST 31	AUGUST 31	OVER	PERCENT
2015	2014	(UNDER)	CHANGE
		2014	
\$ 50,383,895	\$ 45,712,637	\$4,671,258	10.2%
6,308,629	6,161,001	147,628	2.4%
10,159,950	11,826,495	(1,666,545)	-14.1%
<u>66,852,474</u>	<u>63,700,133</u>	<u>3,152,341</u>	4.9%
4,691,275	4,047,156	644,119	15.9%
<u>3,260,670</u>	<u>2,642,589</u>	<u>618,081</u>	23.4%
7,951,945	6,689,745	1,262,200	18.9%
400,010	385,365	14,645	3.8%
2,014,253	1,905,565	108,688	5.7%
8,232,825	7,485,973	746,852	10.0%
2,699,211	2,719,976	(20,765)	-0.8%
2,750,818	2,354,319	396,499	16.8%
11,394,025	11,143,421	250,604	2.2%
<u>5,899,418</u>	<u>4,824,104</u>	<u>1,075,314</u>	22.3%
<u>41,342,505</u>	<u>37,508,468</u>	<u>3,834,037</u>	10.2%
25,509,969	26,191,665	(681,696)	-2.6%
996,657	1,104,584	(107,927)	-9.8%
(84,360)	357,007	(441,367)	-123.6%
(10,931,384)	(11,158,283)	226,899	-2.0%
(2,420,321)	(2,422,242)	1,921	-0.1%
1,276,773	743,579	533,194	71.7%
1,496,432	4,655,160	(3,158,728)	-67.9%
<u>(9,666,203)</u>	<u>(6,720,195)</u>	<u>(2,946,008)</u>	43.8%
15,843,766	19,471,470	(3,627,704)	-18.6%
2,927,193	2,766,405	160,788	5.8%
929,824	741,194	188,630	25.4%
2,420,323	2,422,244	(1,921)	-0.1%
61,478	397,135	(335,657)	-84.5%
<u>(4,444,773)</u>	<u>(4,102,483)</u>	<u>(342,290)</u>	8.3%
17,737,811	21,695,965	(3,958,154)	-18.2%
<u>516,673,245</u>	<u>480,288,973</u>	<u>36,384,272</u>	7.6%
<u>\$534,411,056</u>	<u>\$501,984,938</u>	<u>\$32,426,118</u>	6.5%

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

	AUGUST 2015	AUGUST 2014
SALES OF WATER		
Residential and Domestic	\$6,105,474	\$5,295,760
Commercial and Industrial	2,029,666	1,349,704
Special Rate	598,502	493,920
Municipal	67,360	48,531
Other Public Buildings and Grounds	403,748	334,071
Sales to Other Utilities	932,793	568,157
Total	\$10,137,543	\$8,090,143
 BILLINGS (NUMBER OF MONTHS BILLED)		
Residential and Domestic	97,092	97,825
Commercial and Industrial	6,169	6,028
Municipal	250	245
Sales to Other Utilities	24	18
Total	103,535	104,116

YEAR TO DATE		2015 OVER (UNDER) 2014	PERCENT CHANGE
AUGUST 2015	AUGUST 2014		
\$31,992,985	\$29,139,735	\$2,853,250	9.8%
9,794,812	8,478,027	1,316,785	15.5%
3,981,036	3,824,391	156,645	4.1%
311,412	282,169	29,243	10.4%
1,198,303	1,505,020	(306,717)	-20.4%
3,105,347	2,483,295	622,052	25.0%
<u>\$50,383,895</u>	<u>\$45,712,637</u>	<u>\$4,671,258</u>	10.2%
745,758	740,086	5,672	0.8%
49,382	49,469	(87)	-0.2%
1,782	1,783	(1)	-0.1%
145	145	0	0.0%
<u>797,067</u>	<u>791,483</u>	<u>5,584</u>	0.7%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

WATER BILLED	MILLION GALLONS, TOTAL			
	AUGUST	AUGUST	YEAR TO DATE	
	2015	2014	AUGUST 2015	AUGUST 2014
Residential and Domestic	1,281.34	1,105.00	5,728.72	5,142.41
Commercial and Industrial	472.10	400.46	2,109.73	2,057.61
Special Rate	540.22	518.75	3,888.01	4,008.63
Municipal	15.18	8.81	45.58	41.06
Sales to Other Utilities	326.47	164.86	1,057.31	799.12
	2,635.31	2,197.88	12,829.35	12,048.83

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

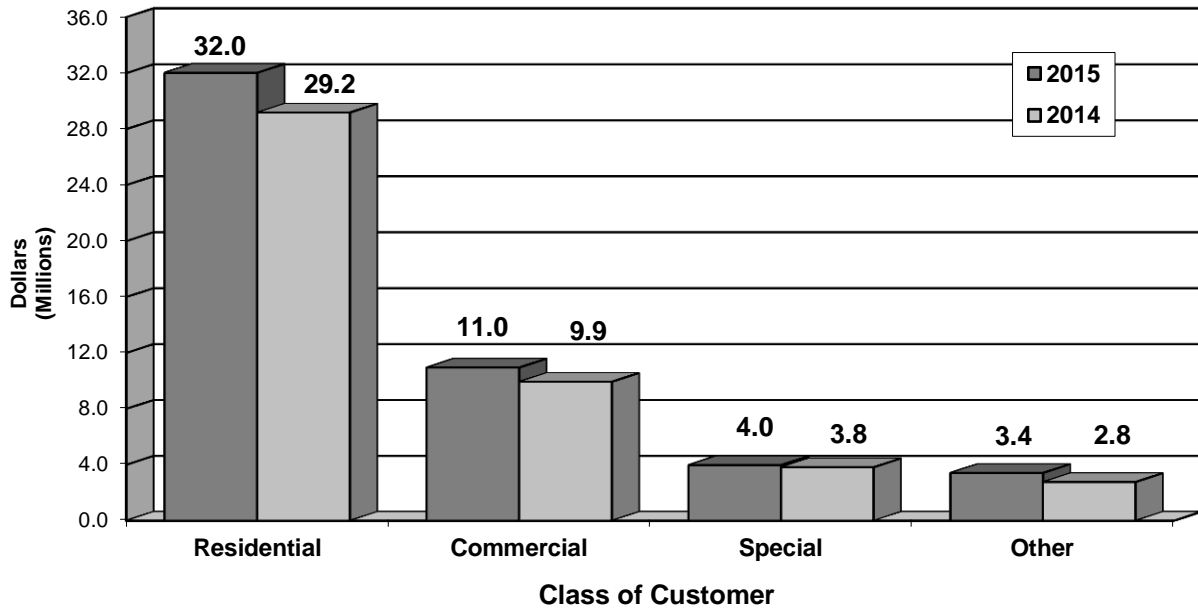
MILLION GALLONS, AVERAGE DAILY

<u>AUGUST</u> <u>2015</u>	<u>AUGUST</u> <u>2014</u>
41.33	35.65
15.23	12.92
17.43	16.73
0.49	0.28
<u>10.53</u>	<u>5.32</u>
<u><u>85.01</u></u>	<u><u>70.90</u></u>

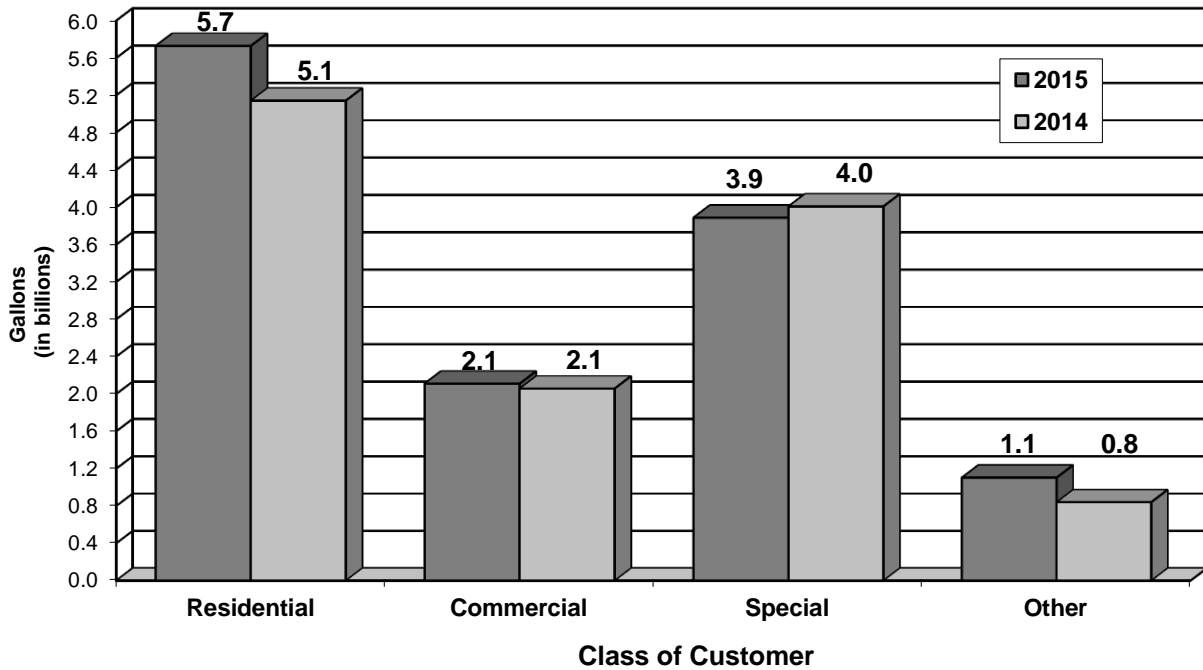
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Supplemental Data

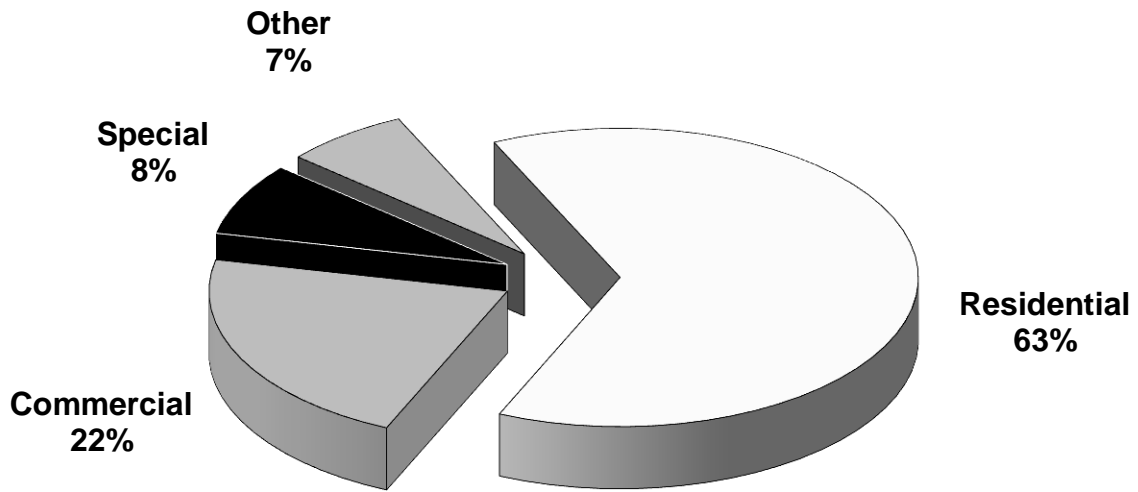
WATER SALES
Year to Date - August 2015 & 2014



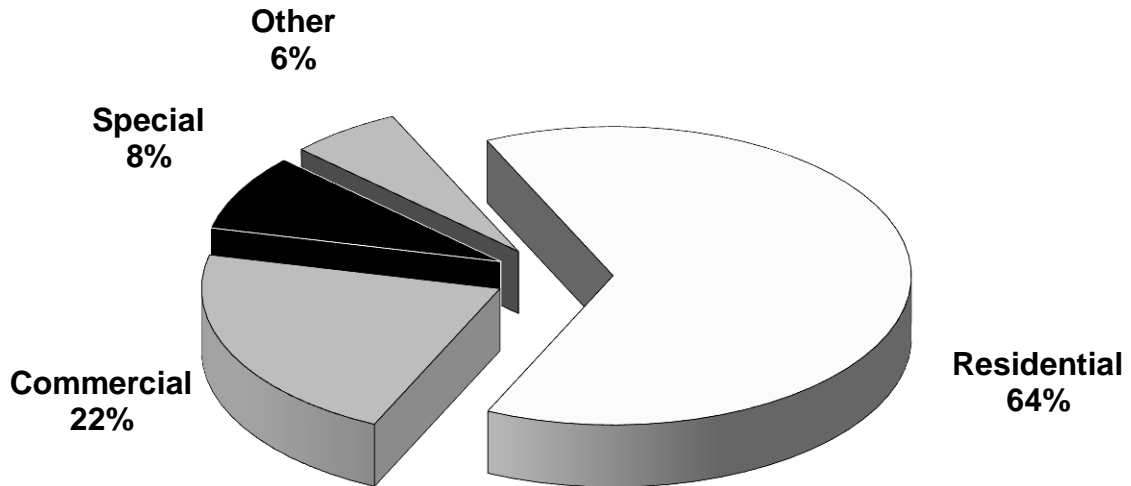
WATER CONSUMPTION
Year to Date - August 2015 & 2014



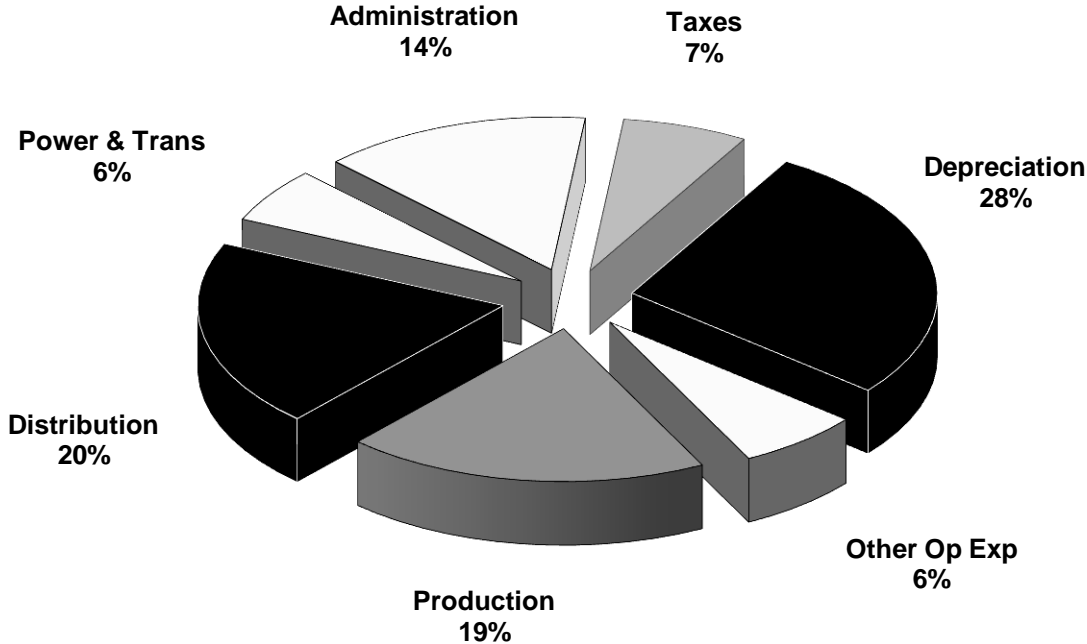
WATER SALES
Year to Date - August 2015
(\$50,383,895)



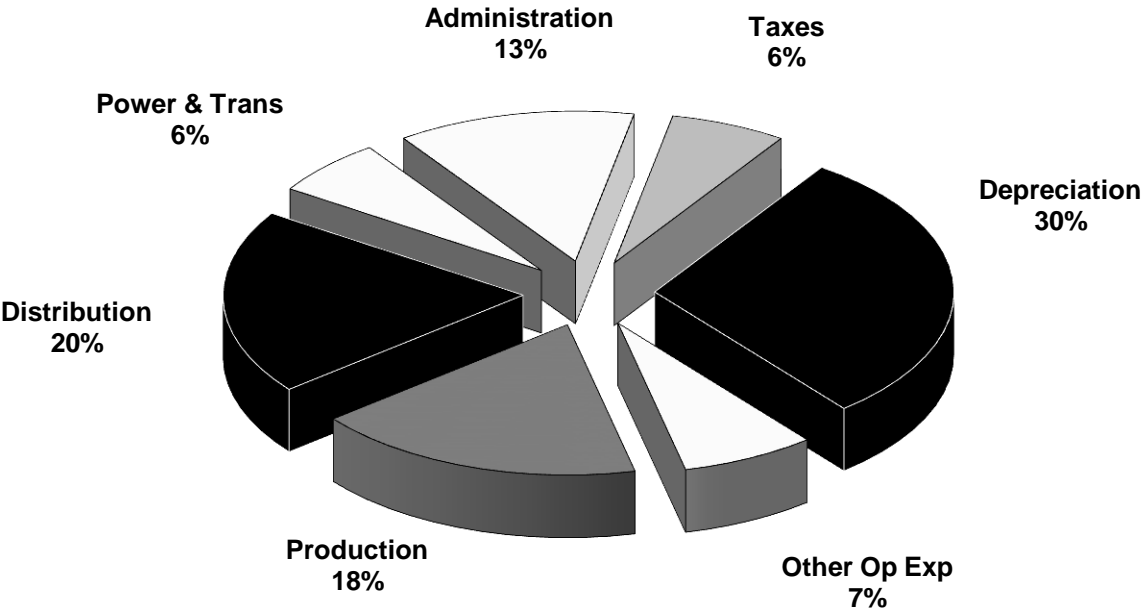
WATER SALES
Year to Date - August 2014
(\$45,712,637)



TOTAL OPERATING EXPENSES
Year to Date - August 2015
(\$41,342,505)



TOTAL OPERATING EXPENSES
Year to Date - August 2014
(\$37,508,468)





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