
JULY

TACOMA WATER

2015

**FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

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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

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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 - JULY 31, 2015 AND JULY 31, 2014

ASSETS	<u>2015</u>	<u>2014</u>
UTILITY PLANT		
Water Plant in Service	\$1,046,953,744	\$854,409,356
Less Depreciation and Amortization	(189,692,651)	(176,555,942)
Total	<u>857,261,093</u>	<u>677,853,414</u>
Construction Work in Progress	22,478,953	172,049,198
Net Utility Plant	<u>879,740,046</u>	<u>849,902,612</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	9,248,259	188
2010 RWSS Construction Fund	11,695	424,784
2013 Construction Fund	30,496,787	39,259,315
Regional Water Supply System Operating Fund	1,034,992	1,957,050
Provision for Debt Payment	8,093,925	8,282,588
Customer Water Main Deposits	3,102,241	3,025,902
Water Supply Forum Fund	326,484	439,058
Special Bond Reserves	22,096,726	22,094,250
Water Customer Contribution Fund	(217,997)	152,918
Water Capital Reserves	25,294,626	22,690,357
Water System Development Charge	55,076,006	53,313,600
Total Restricted Assets	<u>154,563,744</u>	<u>151,640,010</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	43,352,632	39,630,519
Working Funds	-	1,000
Customers' and Contractors' Deposits	302,771	271,882
Receivables:		
Customers	5,102,402	4,763,936
Accrued Unbilled Revenues	4,616,056	4,494,710
Others	706,840	969,942
BABs Interest Subsidies	640,128	640,128
Provision for Uncollectible Accounts	(302,022)	(537,682)
Materials and Supplies	2,417,560	2,417,581
Prepayments	674,524	449,336
Total Current Assets	<u>57,510,891</u>	<u>53,101,352</u>
TOTAL ASSETS	1,092,307,644	1,055,136,937
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	2,499,756	3,315,107
Regulatory Assets - Hyada Surcharges	765,445	868,079
Unamortized Losses on Refunding Bonds	2,027,610	1,682,021
Total Deferred Outflows	<u>5,292,811</u>	<u>5,865,207</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,097,600,455</u>	<u>\$1,061,002,144</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	\$439,656,848	\$418,979,375
Restricted for:		
Water Capital Reserves	18,748,217	15,664,943
Water System Development Charge	19,500,560	18,200,281
Debt Service Funds	4,568,966	4,736,101
Unrestricted	<u>47,004,647</u>	<u>40,862,820</u>
TOTAL NET POSITION	<u>529,479,238</u>	<u>498,443,520</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>15,836,043</u>	<u>14,790,719</u>
Net Outstanding Revenue Bonds	400,541,043	407,855,719
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>486,694,464</u>	<u>476,546,684</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	369,983	1,060,186
Purchases and Contracts Payable	740,907	4,211,888
Interest Expense Accrued	3,524,959	3,546,487
Taxes Accrued	1,607,965	1,476,466
Customers' Deposits	344,709	339,897
Current Portion of Long-Term Debt	10,633,079	11,009,843
Other Current Liabilities	2,167,500	2,375,000
Current Accrued Compensated Absences	<u>255,611</u>	<u>249,552</u>
Total Current Liabilities	<u>19,644,713</u>	<u>24,269,319</u>
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,129,695	7,320,231
Customer Advances for Construction	4,552,454	4,160,610
Unearned Revenue - SDC	8,298,821	8,852,373
Other Long-Term Liabilities	3,925,126	3,587,992
Long-Term Accrued Compensated Absences	<u>2,300,497</u>	<u>2,245,968</u>
Total Long-Term Liabilities	<u>26,206,593</u>	<u>26,167,174</u>
TOTAL LIABILITIES	<u>532,545,770</u>	<u>526,983,177</u>
DEFERRED INFLOWS		
Rate Stabilization	<u>35,575,447</u>	<u>35,575,447</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$1,097,600,455</u></u>	<u><u>\$1,061,002,144</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

	<u>JULY</u> <u>2015</u>	<u>JULY</u> <u>2014</u>
OPERATING REVENUES		
Sales of Water	\$7,973,887	\$6,672,414
Other Operating Revenues	833,533	715,998
Contract Resource Obligation Revenue	481,136	260,122
Total Operating Revenues	<u>9,288,556</u>	<u>7,648,534</u>
 OPERATING EXPENSES		
Production Expense		
Source of Supply	575,282	505,113
Water Treatment	537,514	355,144
Total Production Expense	<u>1,112,796</u>	<u>860,257</u>
Power Pumping Expense	75,144	38,758
Transmission and Storage Expense	263,487	215,217
Distribution Expense	1,092,448	982,227
Customer Accounting and Consumer Service ...	289,442	362,591
Taxes	356,472	308,632
Depreciation	1,424,365	1,395,130
Administrative and General	757,344	638,679
Total Operating Expenses	<u>5,371,498</u>	<u>4,801,491</u>
 OPERATING INCOME (LOSS)	 3,917,058	 2,847,043
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	149,162	135,119
Miscellaneous	8,927	556,863
Interest on Long-Term Debt	(1,334,103)	(1,378,724)
Interest on Long-Term Debt BABs Sub	(320,063)	(320,064)
Amortization Of Debt Premium	98,110	92,947
Interest Charged to Construction.....	34,873	631,821
Total Non-Operating Revenues (Expenses)	<u>(1,363,094)</u>	<u>(282,038)</u>
 Net Income (Loss) Before Capital Contributions and Transfers	 2,553,964	 2,565,005
Capital Contributions		
Cash	328,569	139,191
Donated Fixed Assets	165,991	263,898
Federal BAB Subsidies	320,063	320,064
Grants	-	-
Transfers Out		
City Gross Earnings Tax	<u>(650,568)</u>	<u>(585,137)</u>
 CHANGE IN NET POSITION	 <u>\$2,718,019</u>	 <u>\$2,703,021</u>
 TOTAL NET POSITION - JANUARY 1		
 TOTAL NET POSITION - JULY 31		

YEAR TO DATE		2015	
JULY 31	JULY 31	OVER	PERCENT
2015	2014	(UNDER)	CHANGE
		2014	
\$ 40,246,353	\$ 37,622,494	\$2,623,859	7.0%
5,509,343	5,361,557	147,786	2.8%
9,864,022	11,349,601	(1,485,579)	-13.1%
<u>55,619,718</u>	<u>54,333,652</u>	<u>1,286,066</u>	2.4%
3,968,846	3,417,177	551,669	16.1%
2,788,954	2,289,061	499,893	21.8%
<u>6,757,800</u>	<u>5,706,238</u>	<u>1,051,562</u>	18.4%
318,905	315,834	3,071	1.0%
1,844,173	1,644,229	199,944	12.2%
7,186,332	6,488,417	697,915	10.8%
2,373,681	2,363,057	10,624	0.4%
2,311,295	1,996,898	314,397	15.7%
9,969,773	9,750,333	219,440	2.3%
5,123,917	4,176,820	947,097	22.7%
<u>35,885,876</u>	<u>32,441,826</u>	<u>3,444,050</u>	10.6%
19,733,842	21,891,826	(2,157,984)	-9.9%
862,100	965,762	(103,662)	-10.7%
(233,933)	282,564	(516,497)	-182.8%
(9,597,399)	(9,779,551)	182,152	-1.9%
(2,100,259)	(2,102,178)	1,919	-0.1%
1,176,227	650,632	525,595	80.8%
1,457,097	4,009,955	(2,552,858)	-63.7%
<u>(8,436,167)</u>	<u>(5,972,816)</u>	<u>(2,463,351)</u>	41.2%
11,297,675	15,919,010	(4,621,335)	-29.0%
2,543,580	2,394,354	149,226	6.2%
343,658	741,194	(397,536)	-53.6%
2,100,259	2,102,180	(1,921)	-0.1%
61,478	397,135	(335,657)	-84.5%
<u>(3,540,657)</u>	<u>(3,399,326)</u>	<u>(141,331)</u>	4.2%
12,805,993	18,154,547	(5,348,554)	-29.5%
<u>516,673,245</u>	<u>480,288,973</u>	<u>36,384,272</u>	7.6%
<u>\$529,479,238</u>	<u>\$498,443,520</u>	<u>\$31,035,718</u>	6.2%

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
JULY 31, 2015 AND JULY 31, 2014

	<u>JULY 2015</u>	<u>JULY 2014</u>
SALES OF WATER		
Residential and Domestic	\$5,052,795	\$4,092,195
Commercial and Industrial	1,393,880	1,264,275
Special Rate	560,773	478,579
Municipal	42,485	36,985
Other Public Buildings and Grounds	230,235	291,403
Sales to Other Utilities	<u>693,719</u>	<u>508,977</u>
Total	<u><u>\$7,973,887</u></u>	<u><u>\$6,672,414</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	86,901	86,527
Commercial and Industrial	6,221	6,543
Municipal	241	260
Sales to Other Utilities	<u>13</u>	<u>19</u>
Total	<u><u>93,376</u></u>	<u><u>93,349</u></u>

YEAR TO DATE		2015 OVER (UNDER) 2014	PERCENT CHANGE
JULY 2015	JULY 2014		
\$25,887,512	\$23,843,975	\$2,043,537	8.6%
7,765,146	7,128,323	636,823	8.9%
3,382,534	3,330,471	52,063	1.6%
244,052	233,638	10,414	4.5%
794,555	1,170,949	(376,394)	-32.1%
<u>2,172,554</u>	<u>1,915,138</u>	<u>257,416</u>	13.4%
<u>\$40,246,353</u>	<u>\$37,622,494</u>	<u>\$2,623,859</u>	7.0%
648,666	642,261	6,405	1.0%
43,213	43,441	(228)	-0.5%
1,532	1,538	(6)	-0.4%
<u>121</u>	<u>127</u>	<u>(6)</u>	-4.7%
<u>693,532</u>	<u>687,367</u>	<u>6,165</u>	0.9%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

WATER BILLED	MILLION GALLONS, TOTAL			
	JULY	JULY	YEAR TO DATE	
	2015	2014	JULY 2015	JULY 2014
Residential and Domestic	1,063.73	819.74	4,447.38	4,037.41
Commercial and Industrial	345.53	341.02	1,637.63	1,657.15
Special Rate	515.60	500.04	3,347.79	3,489.88
Municipal	6.93	4.55	30.40	32.25
Sales to Other Utilities	231.33	148.11	730.84	634.26
	2,163.12	1,813.46	10,194.04	9,850.95

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

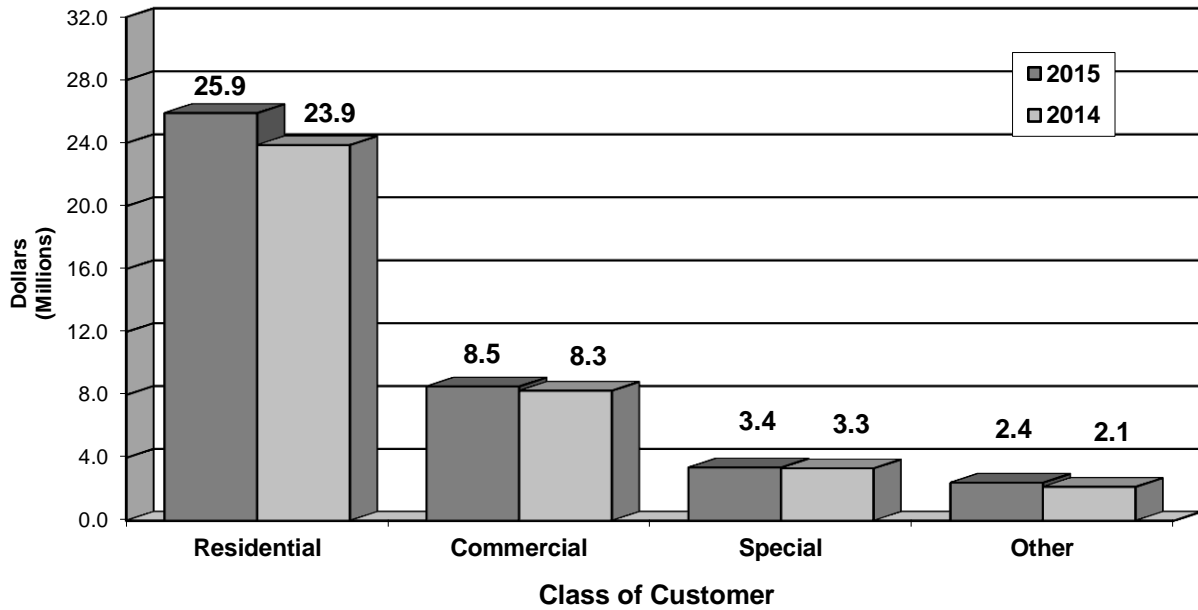
MILLION GALLONS, AVERAGE DAILY

<u>JULY</u> <u>2015</u>	<u>JULY</u> <u>2014</u>
34.31	26.44
11.15	11.00
16.63	16.13
0.22	0.15
<u>7.46</u>	<u>4.78</u>
<u><u>69.77</u></u>	<u><u>58.50</u></u>

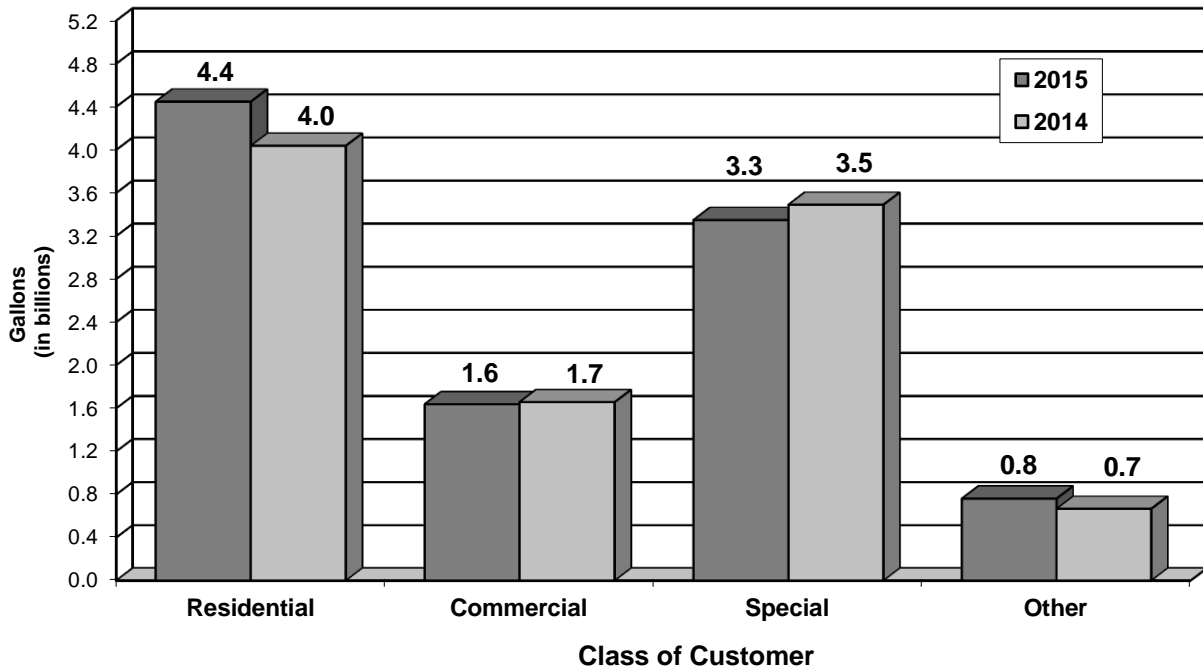
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Supplemental Data

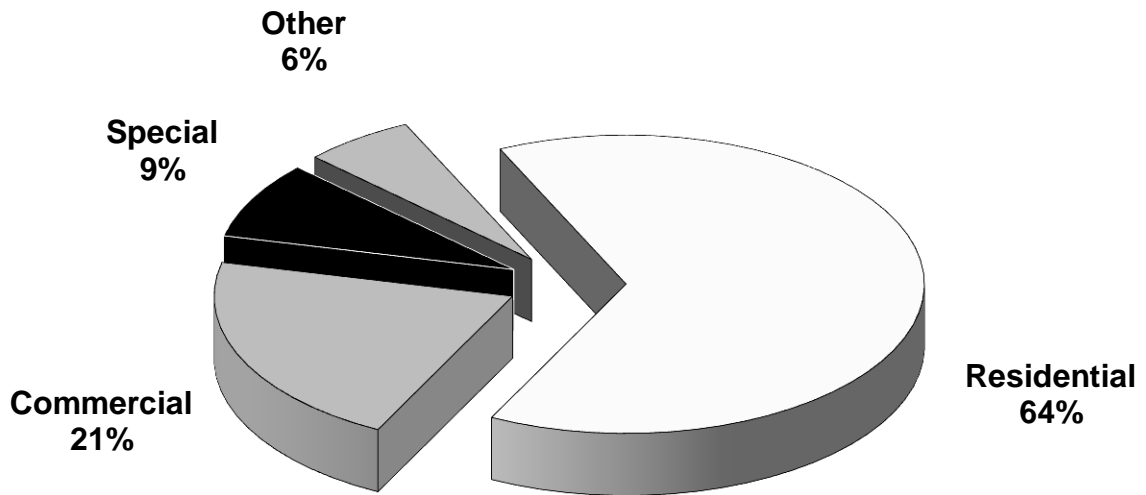
WATER SALES
Year to Date - July 2015 & 2014



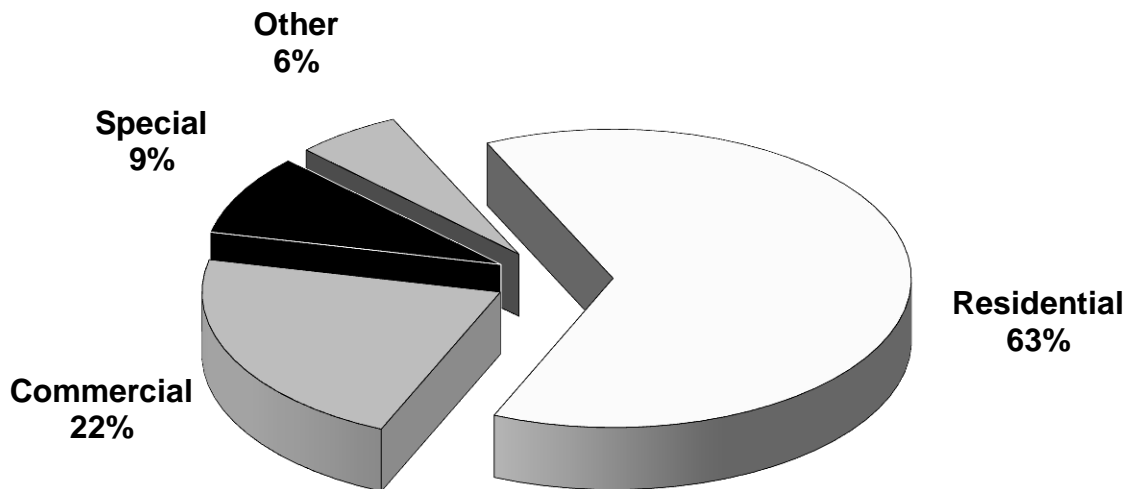
WATER CONSUMPTION
Year to Date - July 2015 & 2014



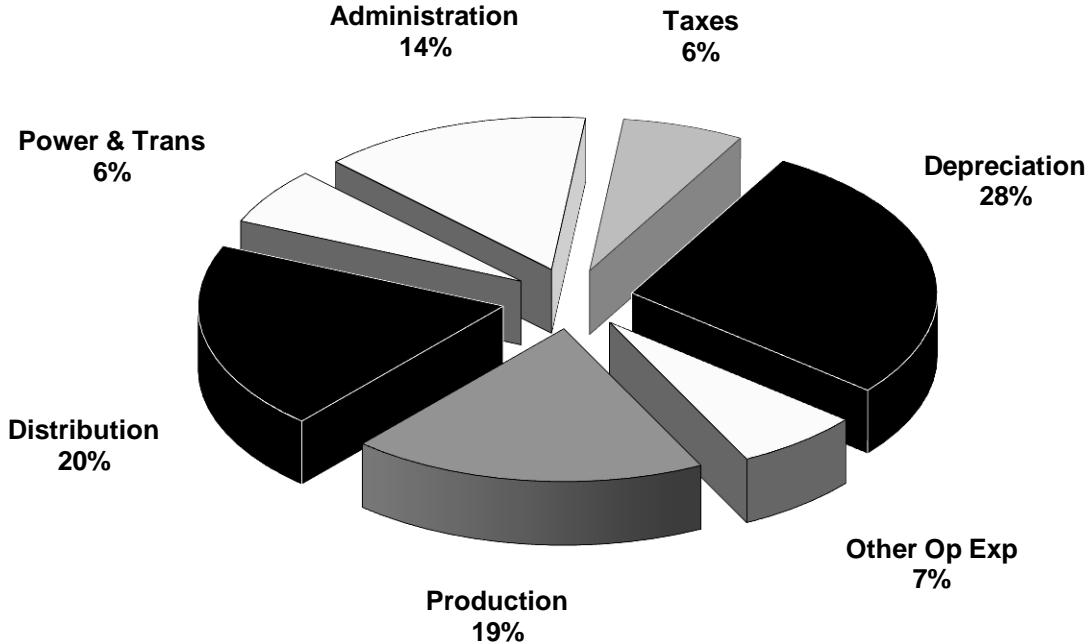
WATER SALES
Year to Date - July 2015
(\$40,246,353)



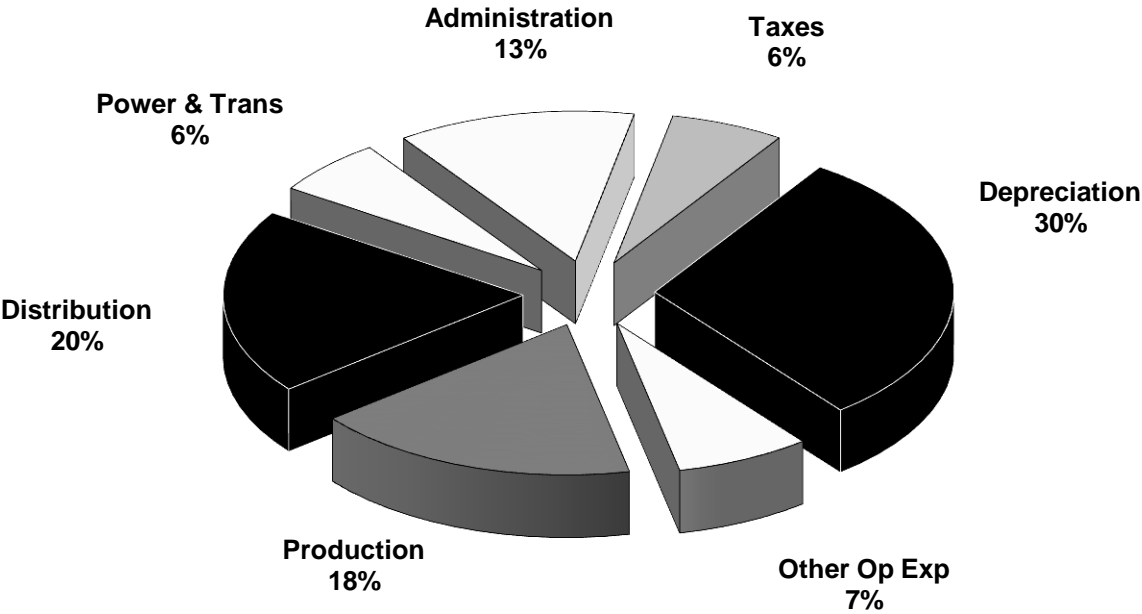
WATER SALES
Year to Date - July 2014
(\$37,622,494)



TOTAL OPERATING EXPENSES
Year to Date - July 2015
(\$35,885,876)



TOTAL OPERATING EXPENSES
Year to Date - July 2014
(\$32,441,826)





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