
AUGUST

TACOMA WATER

2014

**FINANCIAL
REPORT**



Public Utility Board

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Chair

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Vice-Chair

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Superintendent

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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, 2014 AND AUGUST 31, 2013

ASSETS	<u>2014</u>	<u>2013</u>
UTILITY PLANT		
Water Plant in Service	\$854,654,984	\$827,521,381
Less Depreciation and Amortization	(177,591,886)	(165,856,914)
Total	<u>677,063,098</u>	<u>661,664,467</u>
Construction Work in Progress	176,387,365	107,264,427
Net Utility Plant	<u>853,450,463</u>	<u>768,928,894</u>
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	(1,739)	16,739,162
2010 RWSS Construction Fund	427,163	7,138,030
2013 Construction Fund	37,145,757	50,756,890
Regional Water Supply System Operating Fund	6,335	14,917,947
Provision for Debt Payment	10,415,952	9,832,893
Customer Water Main Deposits	3,025,901	2,934,190
Water Supply Forum Fund.....	428,738	436,609
Special Bond Reserves	22,094,467	22,091,893
Water Customer Contribution Fund	127,878	91,244
Water Capital Reserves	22,761,547	19,345,166
Water System Development Charge	53,309,208	54,008,221
Notes & Contracts Receivables - SDC	-	462,128
Total Restricted Assets	<u>149,741,207</u>	<u>198,754,373</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	40,165,250	33,851,272
Working Funds	1,000	1,500
Customers' Deposits	268,613	266,424
Receivables:		
Customers	6,027,694	5,433,155
Accrued Unbilled Revenues	4,494,710	4,026,679
Others	1,169,352	1,176,528
BABs Interest Subsidies	960,192	960,192
Provision for Uncollectible Accounts	(523,053)	(445,114)
Materials and Supplies	2,441,193	2,287,619
Prepayments	426,641	470,235
Total Current Assets	<u>55,431,592</u>	<u>48,028,490</u>
TOTAL ASSETS	<u>1,059,116,225</u>	<u>1,016,204,720</u>
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	3,252,118	4,220,218
Regulatory Assets - Hyada Surcharges	860,219	958,498
Unamortized Losses on Refunding Bonds	1,663,187	1,889,193
Total Deferred Outflows	<u>5,775,524</u>	<u>7,067,909</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,064,891,749</u>	<u>\$1,023,272,629</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	\$420,507,284	\$383,664,394
Restricted for:		
Water Capital Reserves	15,736,133	19,345,166
Water System Development Charge	18,195,889	19,371,246
Debt Service Funds	5,170,677	3,652,142
Unrestricted	42,374,955	44,875,941
TOTAL NET POSITION	501,984,938	470,908,889
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	62,765,000	63,835,000
Total Outstanding Revenue Bonds	393,065,000	400,015,000
Plus: Unamortized Bond Premium	14,678,938	16,127,351
Net Outstanding Revenue Bonds	407,743,938	416,142,351
PWTF Pre-Construction Loans	5,197,601	5,728,363
PWTF Construction Loans	22,903,947	25,069,956
State Drinking Water Loan	40,589,417	17,789,716
Total Long-Term Debt	476,434,903	464,730,386
CURRENT LIABILITIES		
Salaries and Wages Payable	406,188	391,362
Purchases and Contracts Payable	3,823,301	5,554,408
Interest Expense Accrued	5,245,275	6,180,753
Taxes Accrued	1,658,860	1,540,290
Customers' and Contractors' Deposits	335,284	293,618
Current Portion of Long-Term Debt	11,009,843	10,237,522
Other Current Liabilities	1,950,000	1,804,300
Current Accrued Compensated Absences	249,552	235,807
Total Current Liabilities	24,678,303	26,238,060
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,320,231	7,515,530
Customer Advances for Construction	4,288,152	4,138,283
Unearned Revenue	8,793,227	9,082,154
Other Deferred Credits	3,570,581	2,961,622
Long Term Accrued Compensated Absences	2,245,968	2,122,259
Total Long-Term Liabilities	26,218,159	25,819,848
TOTAL LIABILITIES	527,331,365	516,788,294
DEFERRED INFLOWS		
Rate Stabilization	35,575,446	35,575,446
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	\$1,064,891,749	\$1,023,272,629

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

	August 2014	August 2013
OPERATING REVENUES		
Sales of Water	\$8,090,143	\$7,596,038
Other Operating Revenues	799,444	851,410
Contract Resource Obligation Revenue	476,894	336,510
Total Operating Revenues	9,366,481	8,783,958
OPERATING EXPENSES		
Production Expense		
Source of Supply	629,979	535,171
Water Treatment	353,528	336,383
Total Production Expense	983,507	871,554
Power Pumping Expense	69,531	36,912
Transmission and Storage Expense	261,336	192,417
Distribution Expense	997,556	902,550
Customer Accounting and Consumer Service ...	356,919	335,648
Taxes	357,421	347,753
Depreciation	1,393,088	1,335,215
Administrative and General	647,284	545,174
Total Operating Expenses	5,066,642	4,567,223
OPERATING INCOME (LOSS)	4,299,839	4,216,735
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	138,823	110,213
Miscellaneous	(9,838)	(57,390)
Interest on Long-Term Debt	(1,378,732)	(1,370,398)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amortization Of Debt Premium	92,947	119,707
Interest Charged to Construction.....	645,205	62,091
Total Non-Operating Revenues (Expenses)	(831,659)	(1,455,841)
Net Income (Loss) Before Capital Contributions and Transfers	3,468,180	2,760,894
Capital Contributions		
Cash	456,332	546,203
Donated Fixed Assets	-	843,736
Federal BAB Subsidies	320,064	320,064
Transfers Out		
City Gross Earnings Tax	(703,158)	(666,629)
CHANGE IN NET POSITION	\$3,541,418	\$3,804,268
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - AUGUST 31		

YEAR TO DATE		2014	
August 31	August 31	OVER	PERCENT
2014	2013	(UNDER)	CHANGE
		2013	
\$ 45,712,637	\$ 41,449,496	\$4,263,141	10.3%
6,161,001	5,951,313	209,688	3.5%
11,826,495	19,284,310	(7,457,815)	-38.7%
<u>63,700,133</u>	<u>66,685,119</u>	<u>(2,984,986)</u>	<u>-4.5%</u>
4,047,156	3,545,594	501,562	14.1%
<u>2,642,589</u>	<u>2,403,365</u>	<u>239,224</u>	<u>10.0%</u>
6,689,745	5,948,959	740,786	12.5%
385,365	306,961	78,404	25.5%
1,905,565	1,827,968	77,597	4.2%
7,485,973	7,223,079	262,894	3.6%
2,719,976	2,601,998	117,978	4.5%
2,354,319	2,294,103	60,216	2.6%
11,143,421	10,666,885	476,536	4.5%
<u>4,824,104</u>	<u>4,926,088</u>	<u>(101,984)</u>	<u>-2.1%</u>
<u>37,508,468</u>	<u>35,796,041</u>	<u>1,712,427</u>	<u>4.8%</u>
26,191,665	30,889,078	(4,697,413)	-15.2%
1,104,584	205,974	898,610	436.3%
272,726	(1,298,408)	1,571,134	121.0%
(11,158,283)	(10,867,873)	(290,410)	2.7%
(2,422,242)	(2,393,438)	(28,804)	1.2%
743,579	1,189,486	(445,907)	-37.5%
4,655,160	948,934	3,706,226	390.6%
<u>(6,804,476)</u>	<u>(12,215,325)</u>	<u>5,410,849</u>	<u>-44.3%</u>
19,387,189	18,673,753	713,436	3.8%
3,247,821	2,817,402	430,419	15.3%
741,194	908,817	(167,623)	-18.4%
2,422,244	2,393,438	28,806	1.2%
<u>(4,102,483)</u>	<u>(3,742,657)</u>	<u>(359,826)</u>	<u>9.6%</u>
21,695,965	21,050,753	645,212	3.1%
<u>480,288,973</u>	<u>449,858,136</u>	<u>30,430,837</u>	<u>6.8%</u>
<u>\$501,984,938</u>	<u>\$470,908,889</u>	<u>\$31,076,049</u>	<u>6.6%</u>

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

	<u>AUGUST 2014</u>	<u>AUGUST 2013</u>
SALES OF WATER		
Residential and Domestic	\$5,295,760	\$5,110,442
Commercial and Industrial	1,349,704	1,178,268
Special Rate - Simpson Tacoma Kraft Company	493,920	448,396
Municipal	48,531	48,561
Other Public Buildings and Grounds	334,071	304,644
Sales to Other Utilities	<u>568,157</u>	<u>505,727</u>
Total	<u><u>\$8,090,143</u></u>	<u><u>\$7,596,038</u></u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	97,872	101,367
Commercial and Industrial	5,658	5,706
Municipal	245	247
Other Public Buildings and Grounds	399	423
Sales to Other Utilities	<u>19</u>	<u>18</u>
Total	<u><u>104,193</u></u>	<u><u>107,761</u></u>

YEAR TO DATE		2014 OVER (UNDER) 2013	PERCENT CHANGE
AUGUST 2014	AUGUST 2013		
\$29,139,735	\$26,858,391	\$2,281,344	7.0%
8,478,027	7,382,258	1,095,769	7.1%
3,824,391	3,373,434	450,957	1.3%
282,169	294,943	(12,774)	20.5%
1,505,020	1,367,028	137,992	11.8%
<u>2,483,295</u>	<u>2,173,442</u>	<u>309,853</u>	76.7%
<u>\$45,712,637</u>	<u>\$41,449,496</u>	<u>\$4,263,141</u>	10.3%
740,452	732,595	7,857	-1.8%
46,402	45,680	722	-1.7%
1,785	1,677	108	2.7%
3,316	3,232	84	-1.8%
<u>153</u>	<u>147</u>	<u>6</u>	1.9%
<u>792,108</u>	<u>783,331</u>	<u>8,777</u>	1.1%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

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

	MILLION GALLONS, TOTAL			
	AUGUST	AUGUST	YEAR TO DATE	
	2014	2013	AUGUST 2014	AUGUST 2013
WATER BILLED				
Residential and Domestic	1,104.96	1,127.68	5,136.76	5,125.74
Commercial and Industrial	316.47	304.16	1,753.46	1,627.79
Special Rate - Simpson	518.75	525.36	4,008.63	3,905.45
Municipal	8.81	9.77	41.06	55.59
Other Public Bldgs and Grounds	83.37	81.44	314.38	301.97
Sales to Other Utilities	214.42	116.54	1,098.64	694.00
	<u>2,246.78</u>	<u>2,164.95</u>	<u>12,352.93</u>	<u>11,710.54</u>

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

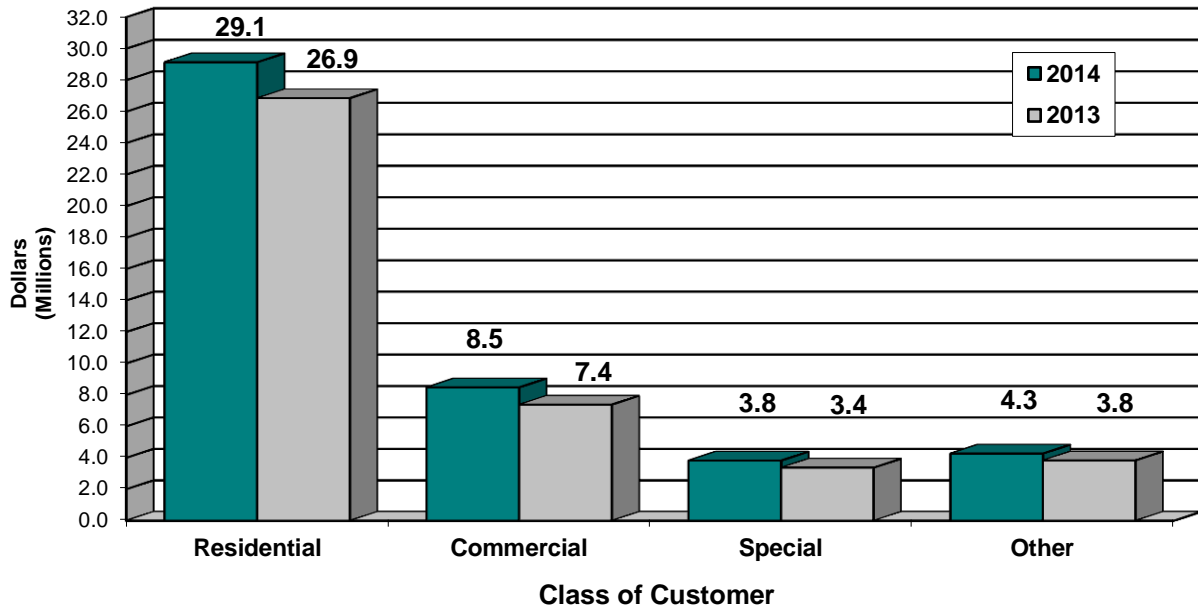
MILLION GALLONS, AVERAGE DAILY

<u>AUGUST</u> <u>2014</u>	<u>AUGUST</u> <u>2013</u>
35.64	36.38
10.21	9.81
16.73	16.95
0.28	0.32
2.69	2.63
<u>6.92</u>	<u>3.76</u>
<u><u>72.47</u></u>	<u><u>69.85</u></u>

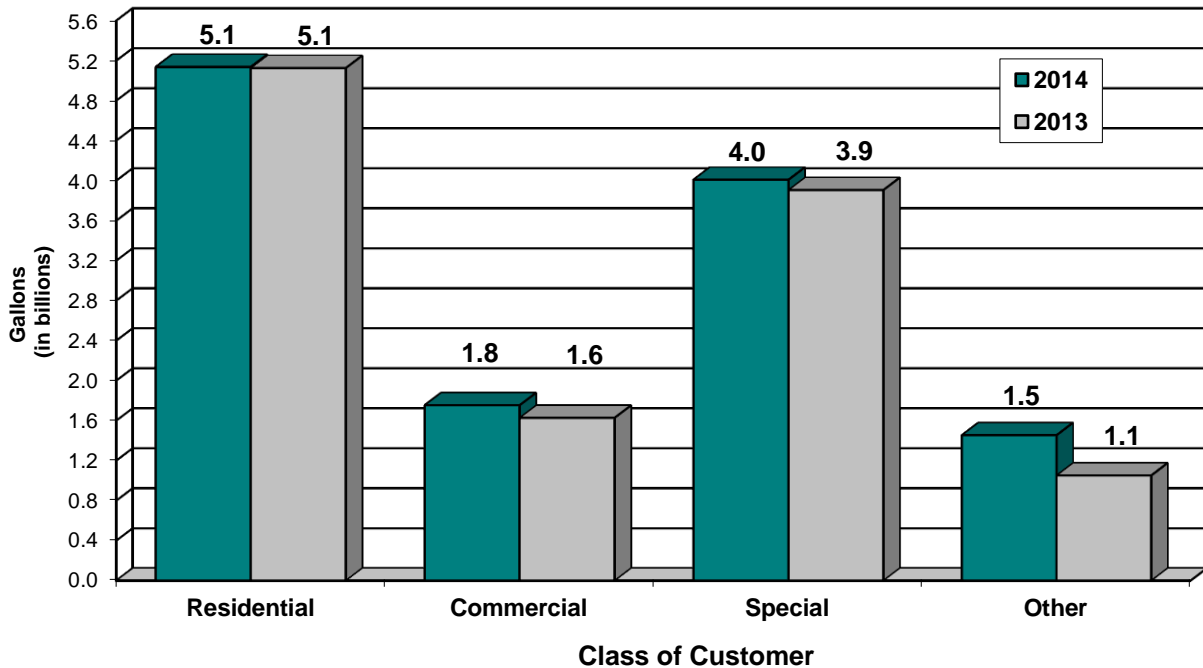
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Supplemental Data

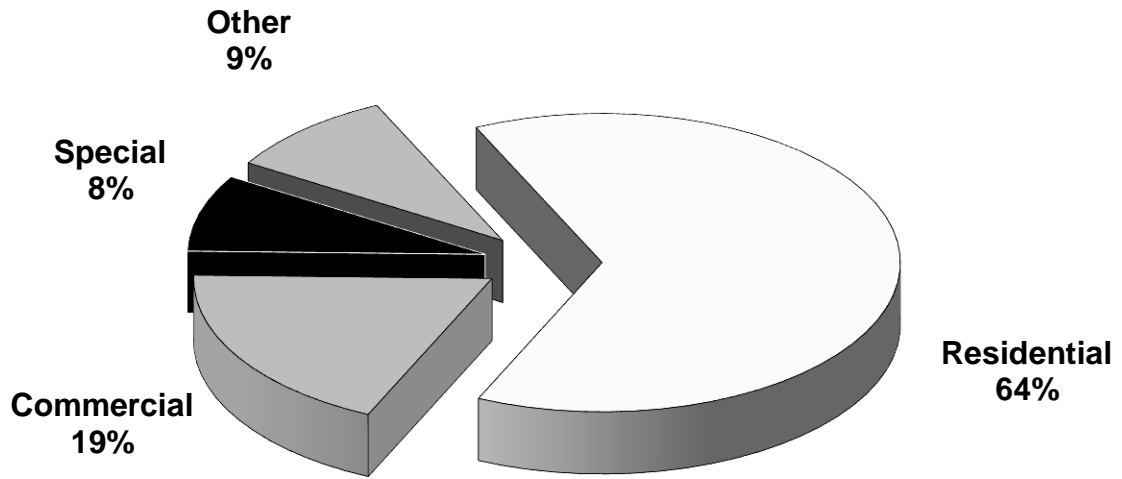
WATER SALES
Year to Date - August 2014 & 2013



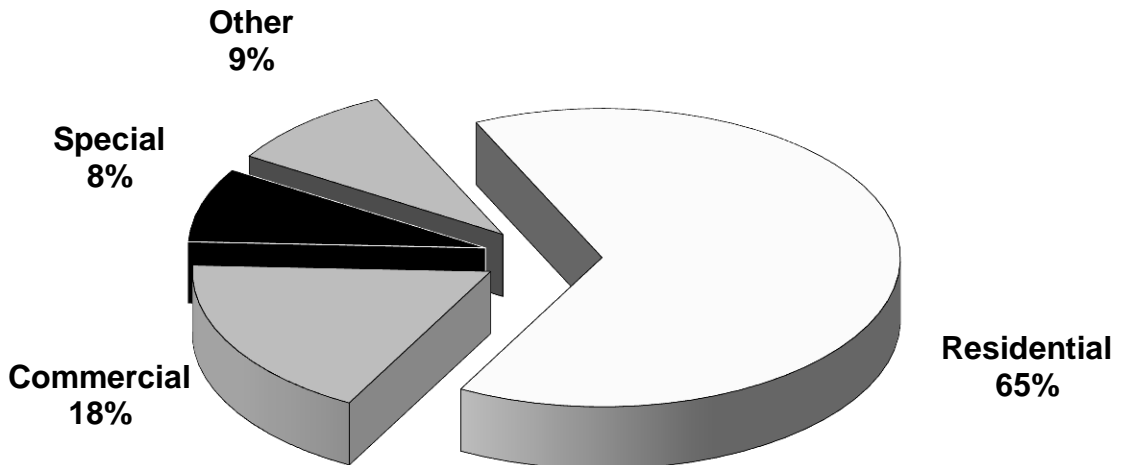
WATER CONSUMPTION
Year to Date - August 2014 & 2013



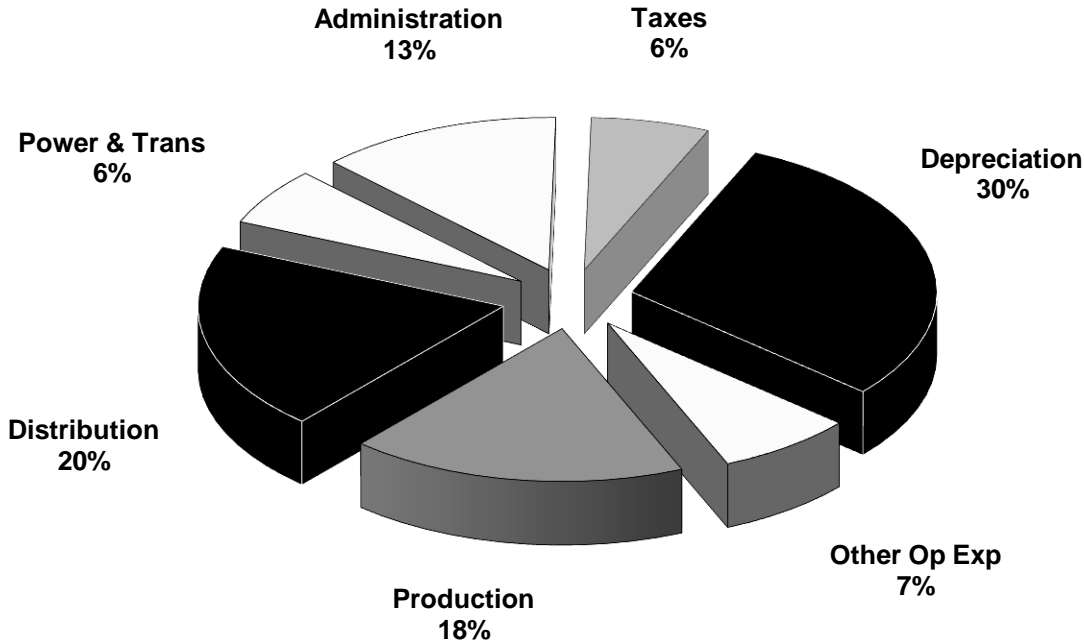
WATER SALES
Year to Date - August 2014
(\$45,712,637)



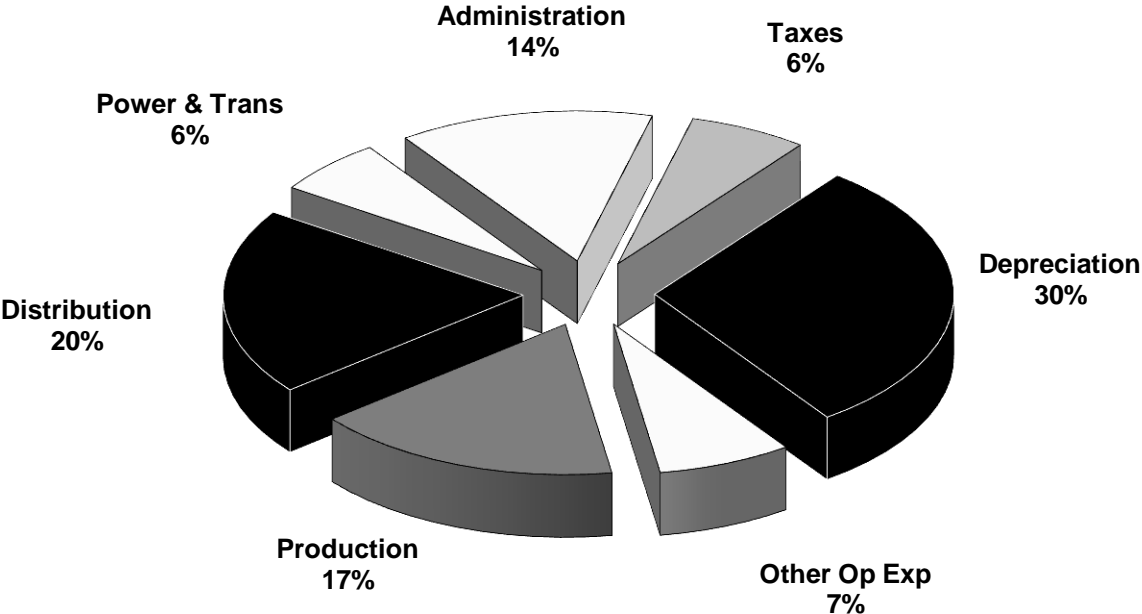
WATER SALES
Year to Date - August 2013
(\$41,449,496)



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



TOTAL OPERATING EXPENSES
Year to Date - August 2013
(\$35,796,041)





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.