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*NOVEMBER*

*TACOMA WATER*

**2015**

**FINANCIAL  
REPORT**





# Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

MONIQUE TRUDNOWSKI

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WOODROW JONES

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Member

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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 - NOVEMBER 30, 2015 AND NOVEMBER 30, 2014

<b>ASSETS</b>	<u>2015</u>	<u>2014</u>
<b>UTILITY PLANT</b>		
Water Plant in Service .....	\$1,052,246,494	\$865,880,397
Less Depreciation and Amortization .....	(194,924,166)	(181,274,642)
Total .....	<u>857,322,328</u>	<u>684,605,755</u>
Construction Work in Progress .....	26,205,375	183,432,429
Net Utility Plant .....	<u>883,527,703</u>	<u>868,038,184</u>
<b>NON-UTILITY PROPERTY</b> .....	492,963	492,963
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
2010 Construction Fund .....	8,926,247	4,442,272
2010 RWSS Construction Fund .....	20,463	49,073
2013 Construction Fund .....	25,240,882	36,782,807
Regional Water Supply System Operating Fund .....	(501,203)	3,796,555
Provision for Debt Payment .....	15,801,214	16,534,772
Customer Water Main Deposits .....	3,105,535	3,042,875
Water Supply Forum Fund .....	216,225	408,130
Special Bond Reserves .....	22,097,643	22,095,027
Water Customer Contribution Fund .....	(196,997)	(145,477)
Water Capital Reserves .....	25,327,916	22,764,047
Water System Development Charge .....	55,903,296	52,860,768
Total Restricted Assets .....	<u>155,941,221</u>	<u>162,630,849</u>
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Current Fund .....	50,566,371	44,177,327
Working Funds .....	-	1,000
Customers' and Contractors' Deposits .....	328,324	270,406
Receivables:		
Customers .....	4,019,215	4,031,970
Accrued Unbilled Revenues .....	4,616,056	4,494,710
Others .....	806,304	1,387,914
BABs Interest Subsidies .....	1,789,797	1,920,383
Provision for Uncollectible Accounts .....	(354,246)	(245,561)
Materials and Supplies .....	2,424,337	2,461,787
Prepayments .....	526,662	382,371
Total Current Assets .....	<u>64,722,820</u>	<u>58,882,307</u>
<b>TOTAL ASSETS</b> .....	<u>1,104,684,707</u>	<u>1,090,044,303</u>
<b>DEFERRED OUTFLOWS</b>		
Regulatory Assets - Public Fire Protection Fees .....	2,247,803	3,063,153
Regulatory Assets - Surcharges .....	732,717	836,391
Unamortized Losses on Refunding Bonds .....	1,933,836	1,606,685
Total Deferred Outflows .....	<u>4,914,356</u>	<u>5,506,229</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b> .....	<u><u>\$1,109,599,063</u></u>	<u><u>\$1,095,550,532</u></u>

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

<b>NET POSITION AND LIABILITIES</b>	<u>2015</u>	<u>2014</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets .....	\$439,719,231	\$424,945,151
Restricted for:		
Water Capital Reserves .....	18,781,507	15,738,633
Water System Development Charge .....	20,327,850	17,747,449
Debt Service Funds .....	5,970,782	6,444,694
Unrestricted .....	<u>53,618,534</u>	<u>50,806,963</u>
TOTAL NET POSITION .....	<u>538,417,904</u>	<u>515,682,890</u>
<b>LONG-TERM DEBT</b>		
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 .....	<u>384,705,000</u>	<u>393,065,000</u>
Plus: Unamortized Bond Premium .....	15,340,083	14,343,594
Net Outstanding Revenue Bonds .....	<u>400,045,083</u>	<u>407,408,594</u>
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	54,418,644
Total Long-Term Debt .....	<u>484,484,732</u>	<u>489,928,786</u>
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable .....	807,946	735,875
Purchases and Contracts Payable .....	1,001,267	3,609,702
Interest Expense Accrued .....	9,830,432	10,090,078
Taxes Accrued .....	1,292,025	1,199,138
Customers' Deposits .....	350,026	281,502
Current Portion of Long-Term Debt .....	10,906,079	11,312,843
Other Current Liabilities .....	433,500	425,000
Current Accrued Compensated Absences .....	255,611	249,552
Total Current Liabilities .....	<u>24,876,886</u>	<u>27,903,690</u>
<b>LONG-TERM LIABILITIES</b>		
Muckleshoot Agreements .....	7,129,695	7,320,231
Customer Advances for Construction .....	4,636,139	4,486,425
Unearned Revenue - SDC .....	8,345,871	8,844,999
Other Long-Term Liabilities .....	3,831,892	3,562,096
Long-Term Accrued Compensated Absences .....	2,300,497	2,245,968
Total Long-Term Liabilities .....	<u>26,244,094</u>	<u>26,459,719</u>
TOTAL LIABILITIES .....	<u>535,605,712</u>	<u>544,292,195</u>
<b>DEFERRED INFLOWS</b>		
Rate Stabilization .....	35,575,447	35,575,447
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS ..	<u>\$1,109,599,063</u>	<u>\$1,095,550,532</u>

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> <u>2015</u>	<u>NOVEMBER</u> <u>2014</u>
<b>OPERATING REVENUES</b>		
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>
<b>OPERATING EXPENSES</b>		
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>
<b>OPERATING INCOME (LOSS) .....</b>	<b>1,020,383</b>	<b>309,795</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
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 .....	<u>-</u>	<u>(27,252)</u>
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%
<u>90,663,327</u>	<u>91,032,104</u>	<u>(368,777)</u>	-0.4%
7,397,827	5,543,808	1,854,019	33.4%
4,414,341	3,509,981	904,360	25.8%
<u>11,812,168</u>	<u>9,053,789</u>	<u>2,758,379</u>	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%
<u>57,515,117</u>	<u>51,845,524</u>	<u>5,669,593</u>	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%
<u>(13,771,736)</u>	<u>(8,995,400)</u>	<u>(4,776,336)</u>	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%
<u>(50,690)</u>	<u>(61,394)</u>	<u>10,704</u>	-17.4%
21,744,659	35,393,917	(13,649,258)	-38.6%
<u>516,673,245</u>	<u>480,288,973</u>	<u>36,384,272</u>	
<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  
NOVEMBER 30, 2015 AND NOVEMBER 30, 2014

	<u>NOVEMBER 2015</u>	<u>NOVEMBER 2014</u>
<b>SALES OF WATER</b>		
Residential and Domestic .....	\$2,802,868	\$2,748,589
Commercial and Industrial .....	930,418	806,767
Special Rate .....	498,869	458,913
Municipal .....	50,917	46,542
Other Public Buildings and Grounds .....	233,543	107,488
Sales to Other Utilities .....	<u>407,914</u>	<u>226,399</u>
Total .....	<u><u>\$4,924,529</u></u>	<u><u>\$4,394,698</u></u>

**BILLINGS (NUMBER OF MONTHS BILLED)**

Residential and Domestic .....	75,995	75,873
Commercial and Industrial .....	4,928	5,090
Municipal .....	270	271
Sales to Other Utilities .....	<u>17</u>	<u>18</u>
Total .....	<u><u>81,210</u></u>	<u><u>81,252</u></u>

YEAR TO DATE		2015 OVER (UNDER) 2014	PERCENT CHANGE
NOVEMBER 2015	NOVEMBER 2014		
\$44,215,943	\$40,940,476	\$3,275,467	8.0%
13,671,225	11,801,920	1,869,305	15.8%
5,490,141	5,343,055	147,086	2.8%
455,019	421,780	33,239	7.9%
1,803,609	2,108,989	(305,380)	-14.5%
4,704,524	3,497,473	1,207,051	34.5%
<u>\$70,340,461</u>	<u>\$64,113,693</u>	<u>\$6,226,768</u>	9.7%
1,012,213	1,001,048	11,165	1.1%
67,450	67,294	156	0.2%
2,490	2,491	(1)	0.0%
201	199	2	1.0%
<u>1,082,354</u>	<u>1,071,032</u>	<u>11,322</u>	1.1%

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA WATER

SUMMARY OF WATER BILLED  
NOVEMBER 30, 2015 AND NOVEMBER 30, 2014

	MILLION GALLONS, TOTAL			
	NOVEMBER 2015	NOVEMBER 2014	YEAR TO DATE NOVEMBER 2015	YEAR TO DATE NOVEMBER 2014
WATER BILLED				
Residential and Domestic .....	426.26	451.47	7,873.72	7,384.97
Commercial and Industrial .....	196.93	161.83	2,985.93	2,888.36
Special Rate .....	483.16	488.53	5,346.25	5,545.01
Municipal .....	9.16	6.36	72.75	64.89
Sales to Other Utilities .....	203.49	77.01	1,647.57	1,110.10
	1,319.00	1,185.20	17,926.22	16,993.33

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

MILLION GALLONS, AVERAGE DAILY

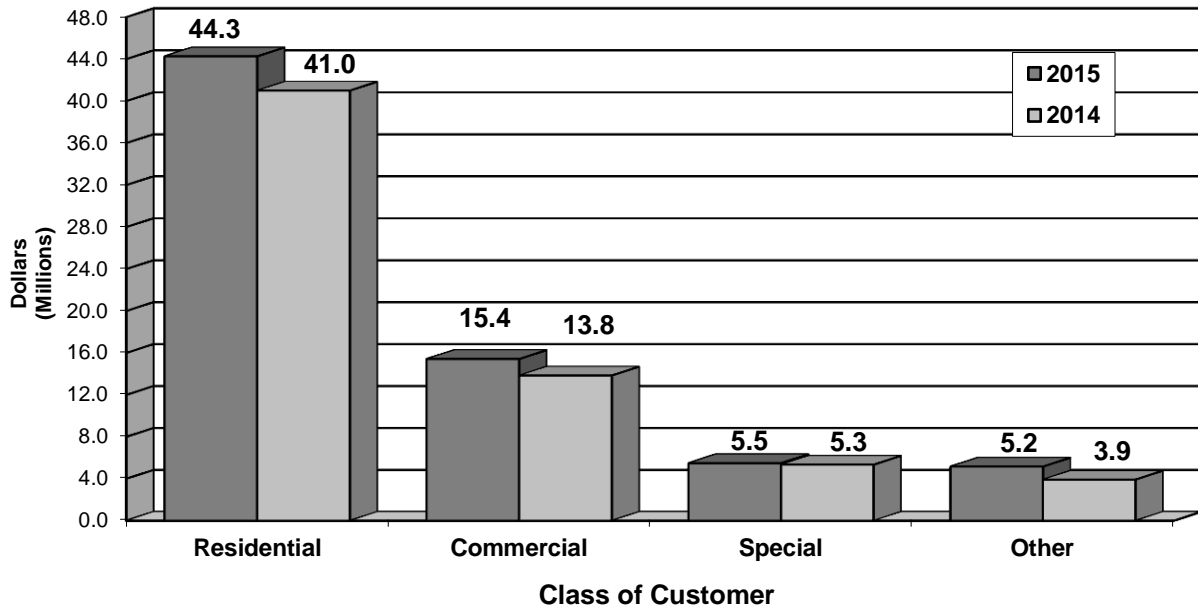
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NOVEMBER 2015	NOVEMBER 2014
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14.21	15.05
6.56	5.39
16.11	16.28
0.31	0.21
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6.78	2.57
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43.97	39.50
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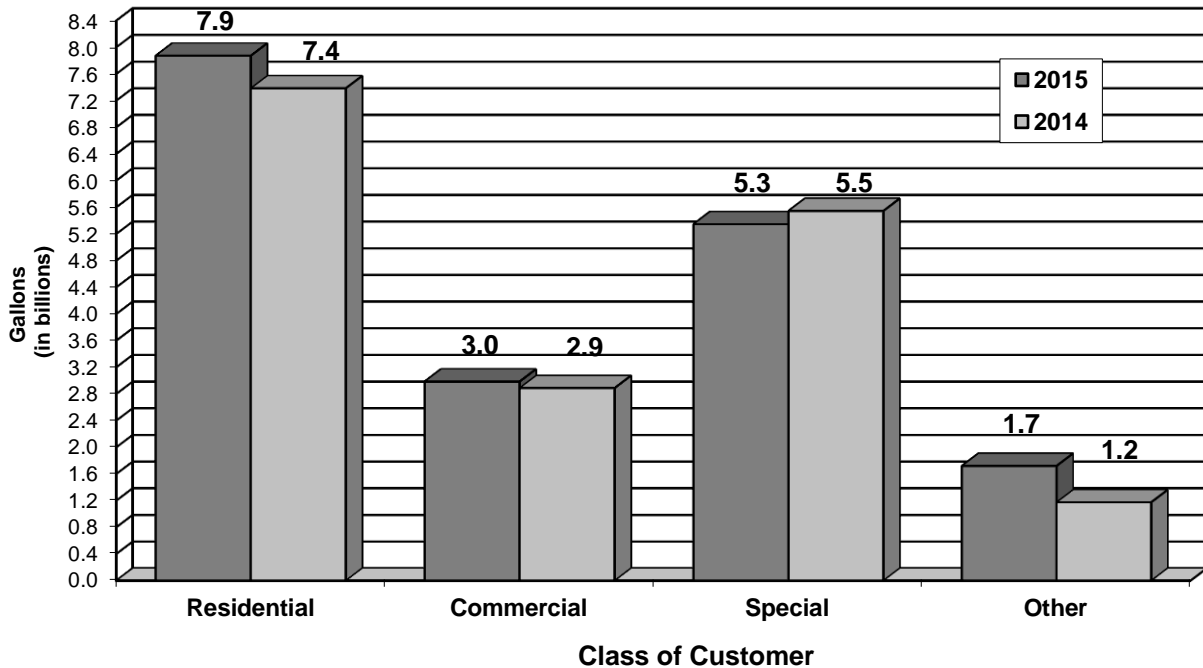
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# Supplemental Data

**WATER SALES**  
Year to Date - November 2015 & 2014

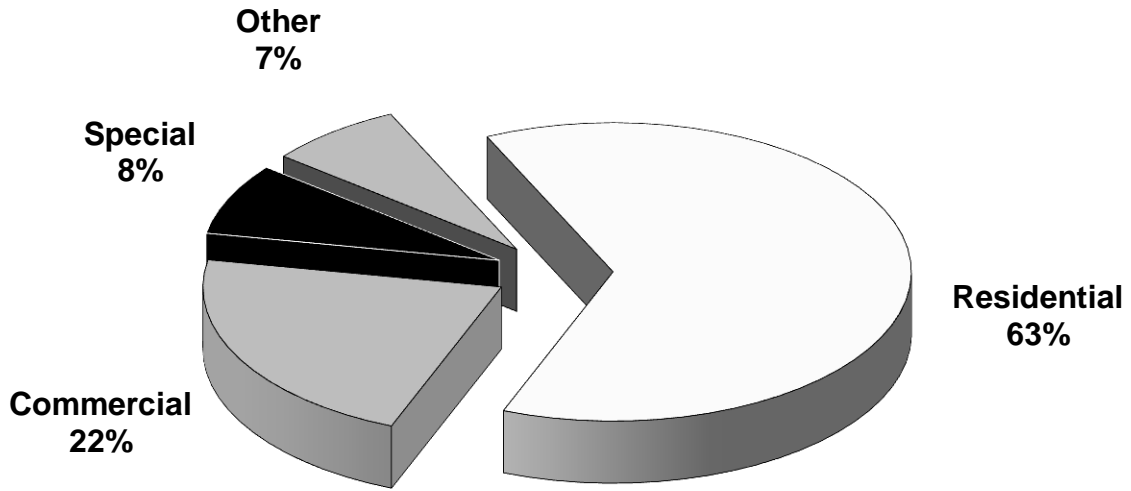


**WATER CONSUMPTION**  
Year to Date - November 2015 & 2014

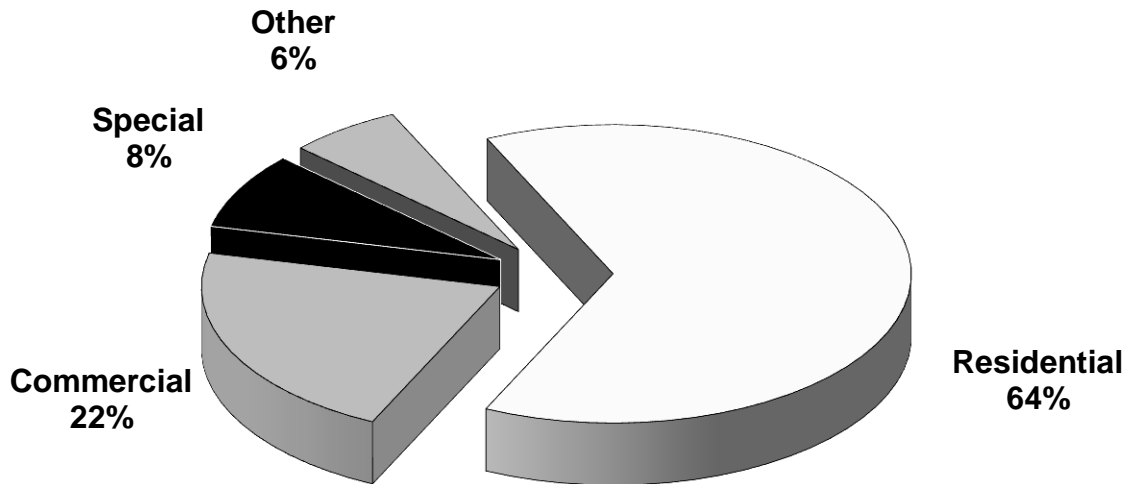




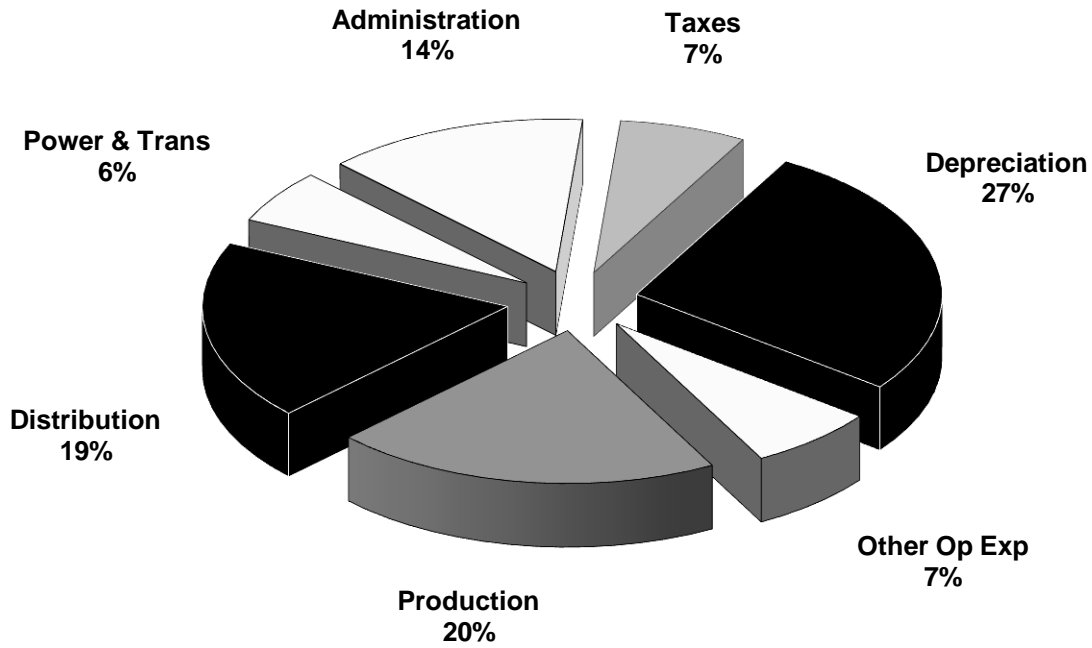
**WATER SALES**  
Year to Date - November 2015  
(\$70,340,461)



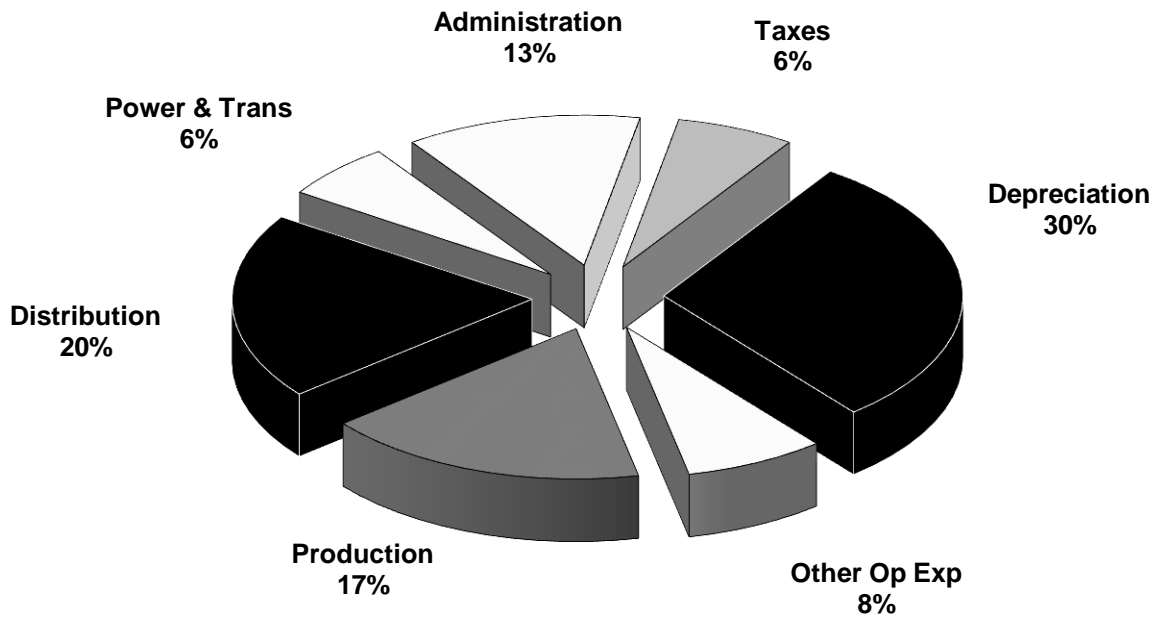
**WATER SALES**  
Year to Date - November 2014  
(\$64,113,693)



**TOTAL OPERATING EXPENSES**  
Year to Date - November 2015  
(\$57,515,117)



**TOTAL OPERATING EXPENSES**  
Year to Date - November 2014  
(\$51,845,524)





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.