NOVEMBER

TACOMA WATER

2014 FINANCIAL REPORT

TACOMA PUBLIC UTILITIES

Public Utility Board

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Member

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Member

WILLIAM A. GAINES
Director of Utilities/CEO

LINDA MCCREA
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, 2014 AND NOVEMBER 30, 2013

ASSETS	2014	2013
UTILITY PLANT		
Water Plant in Service	$865,880,397	$840,599,861
Less Depreciation and Amortization	(181,274,642)	(169,281,587)
Total	684,605,755	671,318,274
Construction Work in Progress	183,432,429	120,883,480
Net Utility Plant	868,038,184	792,201,754
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	4,442,272	3,603,806
2010 RWSS Construction Fund	49,073	7,159,796
2013 Construction Fund	36,782,807	50,867,569
Regional Water Supply System Operating Fund	3,796,555	2,500,264
Provision for Debt Payment	16,534,772	15,776,997
Customer Water Main Deposits	3,042,875	2,947,773
Water Supply Forum Fund	408,130	436,552
Special Bond Reserves	22,095,027	22,092,533
Water Customer Contribution Fund	(145,477)	87,955
Water Capital Reserves	22,764,047	19,388,681
Water System Development Charge	52,860,768	53,471,946
Notes & Contracts Receivables - SDC	-	462,128
Total Restricted Assets	162,630,849	178,796,000
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	44,177,327	40,035,732
Working Funds	1,000	1,500
Customers' Deposits	270,406	269,161
Receivables:		
Customers	4,031,970	4,270,607
Accrued Unbilled Revenues	4,494,710	4,026,679
Others	1,387,914	1,641,368
BABs Interest Subsidies	1,920,383	1,920,383
Provision for Uncollectible Accounts	(245,561)	(467,232)
Materials and Supplies	2,461,787	2,343,427
Prepayments	382,371	377,030
Total Current Assets	58,882,307	54,418,655
TOTAL ASSETS	1,090,044,303	1,025,909,372
DEFERRED OUTFLOWS		
Regulatory Assets - Public Fire Protection Fees	3,063,153	4,031,253
Regulatory Assets - Hyada Surcharges	836,391	934,551
Unamortized Losses on Refunding Bonds	1,606,685	1,832,692
Total Deferred Outflows	5,506,229	6,798,496
TOTAL ASSETS AND DEFERRED OUTFLOWS	$1,095,550,532	$1,032,707,868

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	$424,945,151	$395,396,853
Restricted for:		
Water Capital Reserves	15,738,633	11,884,261
Water System Development Charge	17,747,449	18,826,442
Debt Service Funds	6,444,694	5,016,448
Unrestricted	50,806,963	44,041,015
TOTAL NET POSITION	515,682,890	475,165,019
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	3,070,000	3,335,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	62,765,000	63,835,000
Total Outstanding Revenue Bonds	393,065,000	400,015,000
Plus: Unamortized Bond Premium	14,343,594	15,711,729
Net Outstanding Revenue Bonds	407,408,594	415,726,729
PWTF Pre-Construction Loans	1,121,130	1,281,304
PWTF Construction Loans	26,980,418	29,517,015
State Drinking Water Loan	54,418,644	16,440,468
Total Long-Term Debt	489,928,786	462,965,516
CURRENT LIABILITIES		
Salaries and Wages Payable	735,875	736,997
Purchases and Contracts Payable	3,609,702	8,971,469
Interest Expense Accrued	10,090,078	10,760,551
Taxes Accrued	1,199,139	1,067,491
Customers' and Contractors' Deposits	281,502	307,934
Current Portion of Long-Term Debt	11,312,843	10,540,522
Other Current Liabilities	425,000	475,677
Current Accrued Compensated Absences	249,552	235,807
Total Current Liabilities	27,903,691	33,096,448
LONG-TERM LIABILITIES		
Muckleshoot Agreements	7,320,231	7,515,530
Customer Advances for Construction	4,486,425	4,102,080
Unearned Revenue	8,844,999	9,204,004
Other Long-Term Liabilities	3,562,096	2,961,566
Long-Term Accrued Compensated Absences	2,245,968	2,122,259
Total Long-Term Liabilities	26,459,719	25,905,439
TOTAL LIABILITIES	544,292,196	521,967,403
DEFERRED INFLOWS		
Rate Stabilization	35,575,446	35,575,446
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	$1,095,550,532	$1,032,707,868

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NOVEMBER 30, 2014 AND NOVEMBER 30, 2013

	November 2014	November 2013
OPERATING REVENUES		
Sales of Water	$4,394,698	$4,276,543
Other Operating Revenues	682,818	786,074
Contract Resource Obligation Revenue	(321,559)	874,348
Total Operating Revenues	4,755,957	5,936,965
OPERATING EXPENSES		
Production Expense		
Source of Supply	475,454	514,112
Water Treatment	254,239	295,390
Total Production Expense	729,693	809,502
Power Pumping Expense	40,463	28,424
Transmission and Storage Expense	205,888	355,276
Distribution Expense	950,656	984,711
Customer Accounting and Consumer Service	303,143	306,093
Taxes	193,335	213,096
Depreciation	1,455,442	1,403,947
Administrative and General	567,542	501,561
Total Operating Expenses	4,446,162	4,602,610
OPERATING INCOME (LOSS)	309,795	1,334,355
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	141,962	211,868
Miscellaneous	(5,812)	8,373
Interest on Long-Term Debt	(1,386,789)	(1,408,699)
Interest on Long-Term Debt BABs Sub	(320,064)	(320,064)
Amortization Of Debt Premium	92,947	119,707
Interest Charged to Construction	685,790	(1,019,021)
Total Non-Operating Revenues (Expenses)	(791,966)	(2,407,836)
Net Income (Loss) Before Capital Contributions and Transfers	(482,171)	(1,073,481)
Capital Contributions		
Cash	641,750	331,136
Donated Fixed Assets	-	1,218,927
Federal BAB Subsidies	320,064	320,064
Transfers Out		
City Gross Earnings Tax	(432,018)	(359,724)
Transfer to Other Funds	(27,252)	-
CHANGE IN NET POSITION	$20,373	$436,922
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - NOVEMBER 30		

YEAR TO DATE		2014 OVER	
November 30 2014	November 30 2013	(UNDER) 2013	PERCENT CHANGE
$ 64,113,693	$ 58,688,898	$5,424,795	9.2%
8,381,355	8,414,911	(33,556)	-0.4%
18,537,056	20,905,773	(2,368,717)	-11.3%
91,032,104	88,009,582	3,022,522	3.4%
5,543,808	4,982,012	561,796	11.3%
3,509,981	3,348,631	161,350	4.8%
9,053,789	8,330,643	723,146	8.7%
531,787	400,405	131,382	32.8%
2,603,021	2,633,527	(30,506)	-1.2%
10,429,076	10,065,483	363,593	3.6%
3,714,710	3,553,894	160,816	4.5%
3,316,818	3,191,017	125,801	3.9%
15,389,477	14,736,151	653,326	4.4%
6,806,846	6,452,541	354,305	5.5%
51,845,524	49,363,661	2,481,863	5.0%
39,186,580	38,645,921	540,659	1.4%
1,467,399	649,418	817,981	126.0%
549,252	(1,245,147)	1,794,399	144.1%
(15,310,572)	(14,993,055)	(317,517)	2.1%
(3,382,432)	(3,353,629)	(28,803)	0.9%
1,022,421	1,548,607	(526,186)	-34.0%
6,658,532	-	6,658,532	NA
(8,995,400)	(17,393,806)	8,398,406	-48.3%
30,191,180	21,252,115	8,939,065	42.1%
4,471,514	3,737,204	734,310	19.6%
3,178,258	2,206,935	971,323	44.0%
3,382,435	3,353,629	28,806	0.9%
(5,768,076)	(5,243,000)	(525,076)	10.0%
(61,394)	-	(61,394)	NA
35,393,917	25,306,883	10,087,034	39.9%
480,288,973	449,858,136	30,430,837	6.8%
$515,682,890	$475,165,019	$40,517,871	8.5%

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
NOVEMBER 30, 2014 AND NOVEMBER 30, 2013

	NOVEMBER 2014	NOVEMBER 2013
SALES OF WATER		
Residential and Domestic	$2,748,589	$2,620,022
Commercial and Industrial	806,767	764,294
Special Rate - Simpson Tacoma Kraft Company	458,913	475,070
Municipal	46,542	35,447
Other Public Buildings and Grounds	107,488	241,850
Sales to Other Utilities	226,399	139,860
Total	$4,394,698	$4,276,543
BILLINGS (NUMBER OF MONTHS BILLED)		
Residential and Domestic	75,903	78,266
Commercial and Industrial	4,759	4,862
Municipal	272	267
Other Public Buildings and Grounds	359	372
Sales to Other Utilities	19	20
Total	81,312	83,787

YEAR TO DATE		2014 OVER	
NOVEMBER 2014	NOVEMBER 2013	(UNDER) 2013	PERCENT CHANGE
$40,940,476	$37,555,504	$3,384,972	9.0%
11,801,920	10,573,278	1,228,642	11.6%
5,343,055	4,868,303	474,752	9.8%
421,780	415,673	6,107	1.5%
2,108,989	2,056,348	52,641	2.6%
3,497,473	3,219,792	277,681	8.6%
$64,113,693	$58,688,898	$5,424,795	9.2%
1,001,508	997,048	4,460	0.4%
63,075	62,866	209	0.3%
2,494	2,365	129	5.5%
4,560	4,478	82	1.8%
210	206	4	1.9%
1,071,847	1,066,963	4,884	0.5%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
NOVEMBER 30, 2014 AND NOVEMBER 30, 2013

	MILLION GALLONS, TOTAL			
	NOVEMBER 2014	NOVEMBER 2013	YEAR TO DATE NOVEMBER 2014	NOVEMBER 2014
WATER BILLED				
Residential and Domestic	450.66	436.04	7,377.41	7,194.26
Commercial and Industrial	144.12	155.79	2,451.51	2,347.15
Special Rate - Simpson	488.53	392.18	5,545.01	5,344.06
Municipal	6.36	6.78	64.89	79.14
Other Public Bldgs and Grounds	16.38	18.16	445.62	424.87
Sales to Other Utilities	109.30	96.00	1,538.10	1,087.30
	1,215.35	1,104.95	17,422.54	16,476.78

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

MILLION GALLONS, AVERAGE DAILY	
NOVEMBER 2014	NOVEMBER 2013
15.02	14.53
4.80	5.19
16.28	13.07
0.21	0.23
0.55	0.61
3.64	3.20
40.50	36.83

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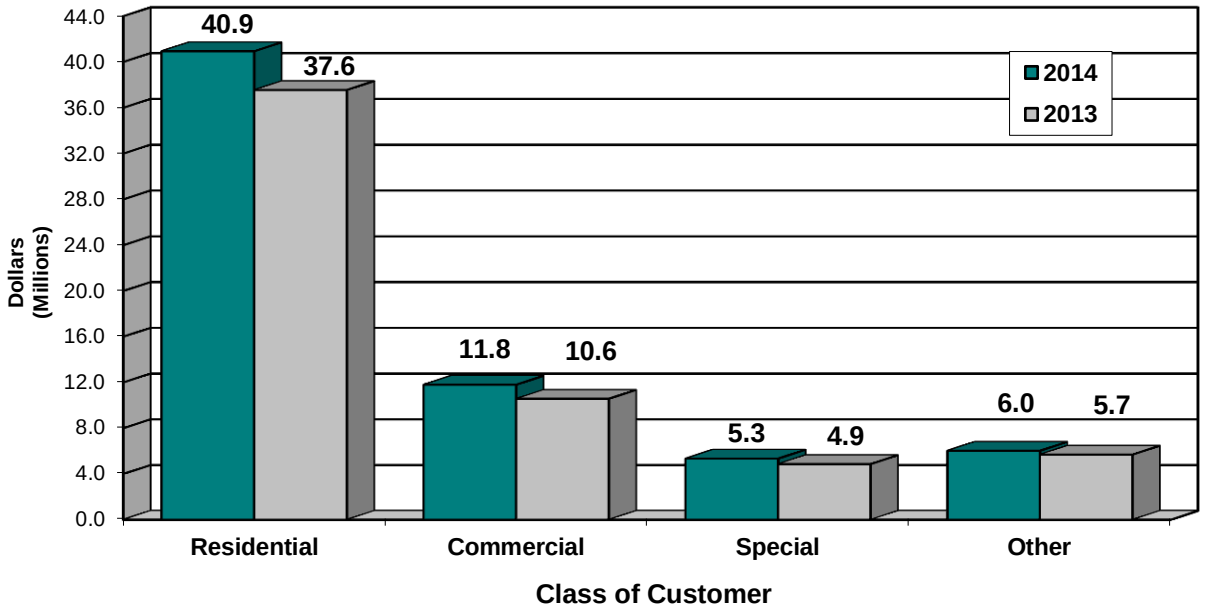
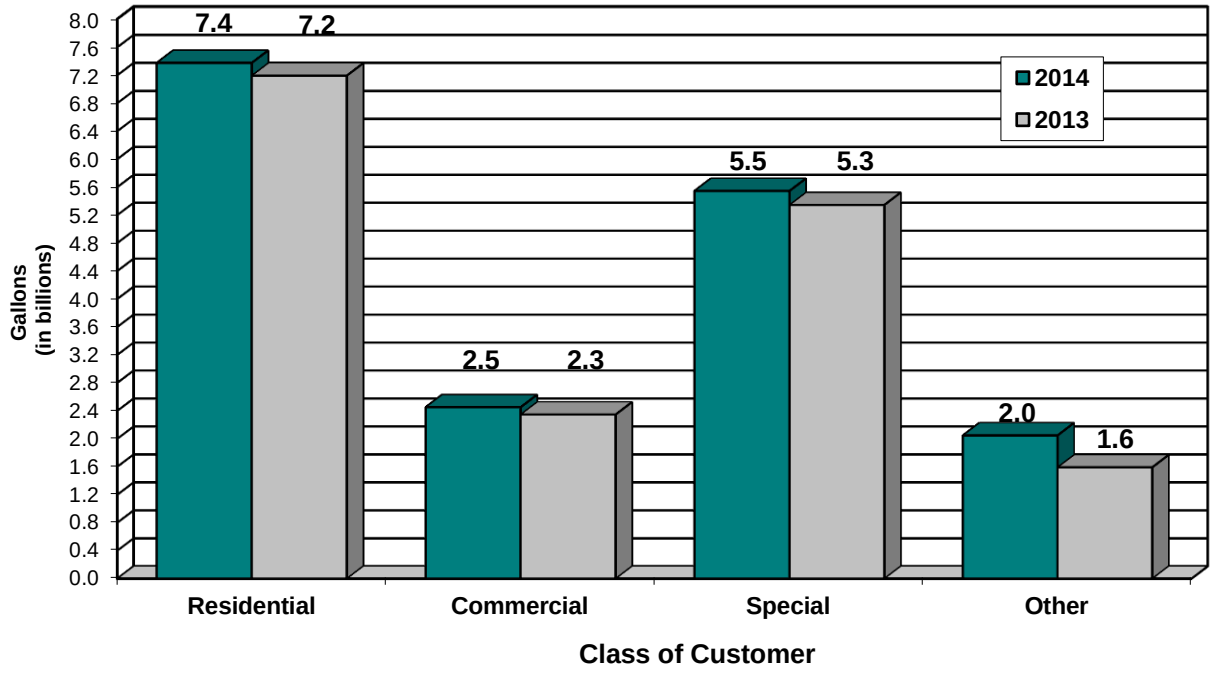
Supplemental Data

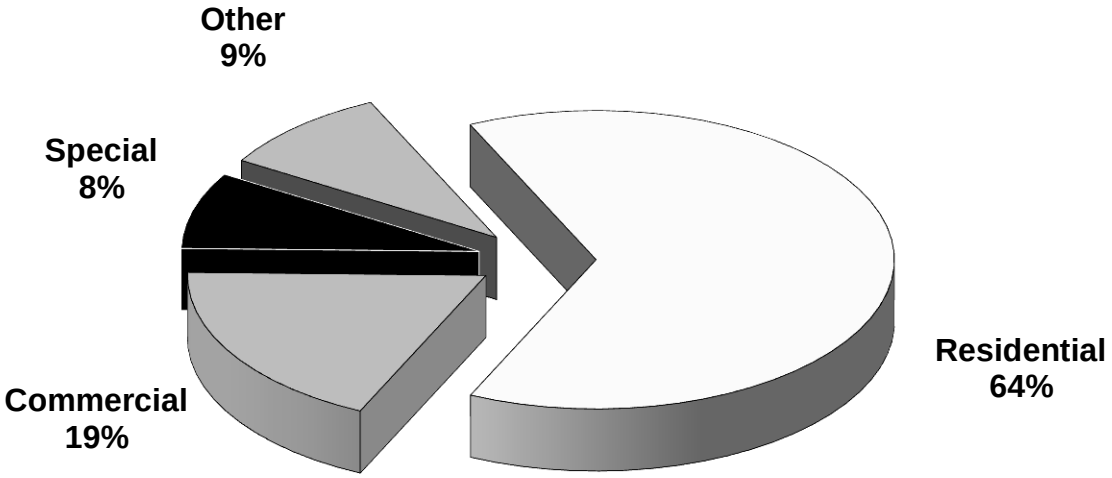
WATER SALES
Year to Date - November 2014 & 2013



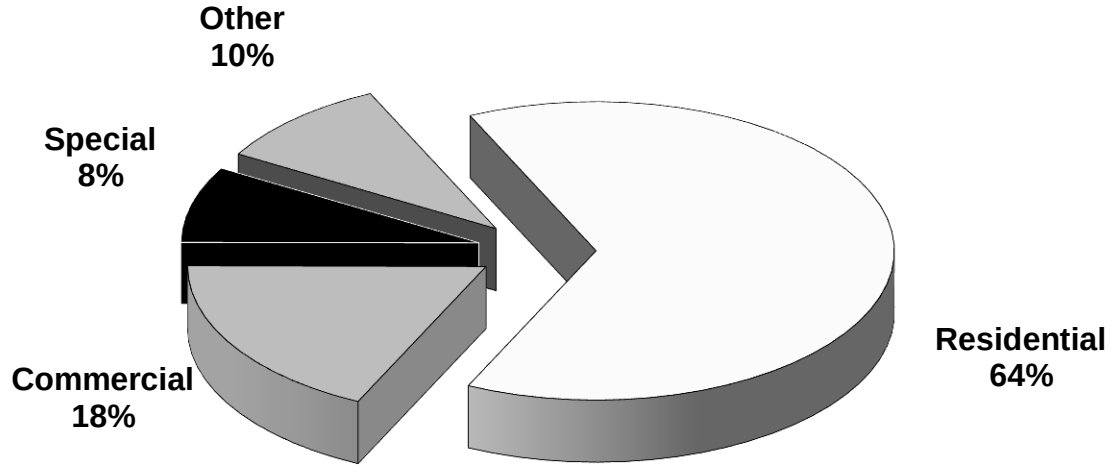
WATER CONSUMPTION
Year to Date - November 2014 & 2013



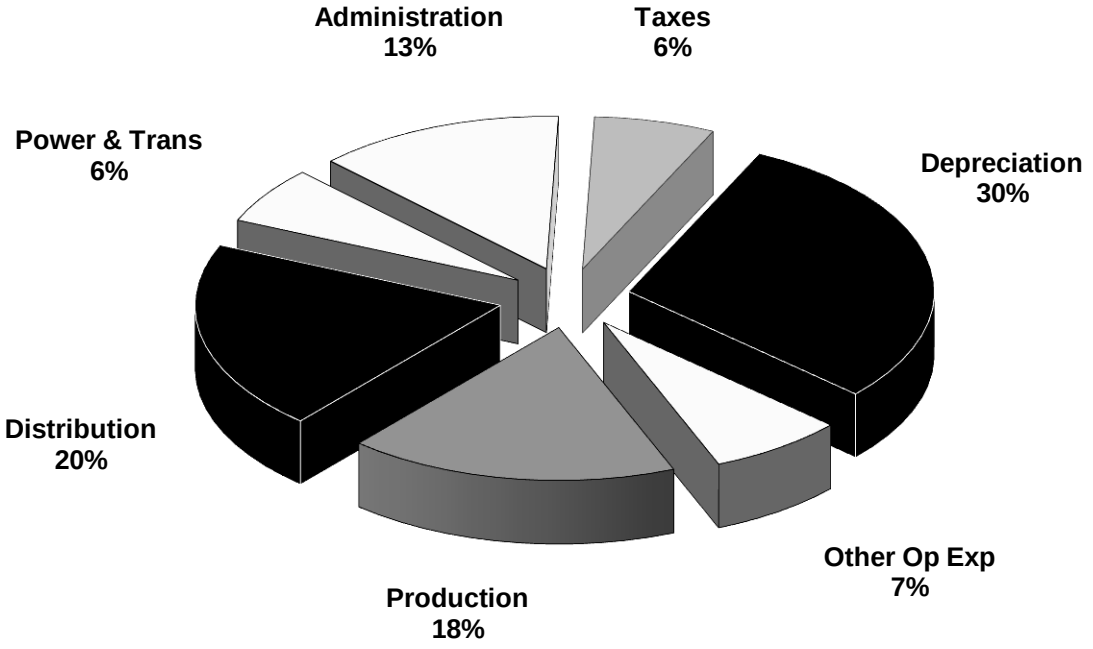
WATER SALES
Year to Date - November 2014
($64,113,693)



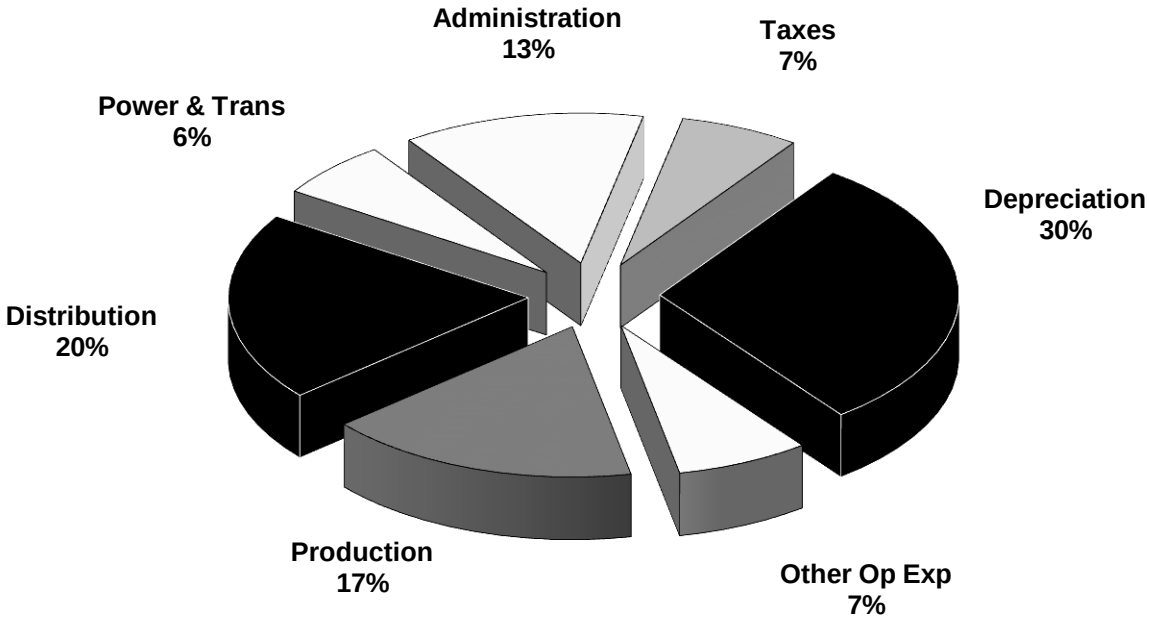
WATER SALES
Year to Date - November 2013
($58,688,898)



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



TOTAL OPERATING EXPENSES
Year to Date - November 2013
($49,363,661)



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