
April 2021

***WASTEWATER AND SURFACE WATER
MANAGEMENT***

INTERIM FINANCIAL REPORT



Prepared by the City of Tacoma - Finance Department

City of Tacoma, Washington
Environmental Services Department
Wastewater and Surface Water Management

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Note:

These financial statements are interim, unaudited reports prepared primarily for the use of management.

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Management's Discussion and Analysis

The management discussion and analysis (MD&A) is prepared for quarter-end reports: March, June, September, and December. Please refer to the prior quarter-end MD&A for interim months.

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Interim Financial Statements

City of Tacoma, Washington
Environmental Service Department
Wastewater and Surface Water Management
Statements of Net Position (Unaudited)

	As of April 30,		Increase
	2021	2020	(Decrease)
ASSETS			
Current assets:			
Cash and equity in pooled investments	\$ 100,514,820	\$ 96,174,035	\$ 4,340,785
Accounts receivable, net	10,708,762	9,484,517	1,224,245
Unbilled revenues	7,675,787	7,736,787	(61,000)
GASB 31 market rate adjustment	2,638,833	1,106,962	1,531,871
Conservation loan fund receivables	129,339	151,349	(22,010)
Loan receivable	7,831,227	-	7,831,227
Inventory	2,193,900	1,744,145	449,755
Prepayments	123,856	114,482	9,374
Restricted cash and equity in pooled investments:			
Debt service funds	7,026,385	7,027,323	(938)
Construction funds	47,616,326	76,829,728	(29,213,402)
Total restricted cash and equity in pooled investments	54,642,711	83,857,051	(29,214,340)
Total current assets	186,459,235	200,369,328	(13,910,093)
Non-current assets:			
Restricted cash and equity in pooled investments:			
Debt reserves	4,672,034	4,672,034	-
Net pension asset	1,847,284	-	1,847,284
Conservation loan fund receivables	563,145	716,133	(152,988)
Prepayments	-	93,913	(93,913)
Capital assets:			
Land and easements	25,205,157	23,897,246	1,307,911
Buildings	213,368,352	195,685,094	17,683,258
Machinery and equipment	199,180,218	213,790,704	(14,610,486)
Transmission lines and other improvements	450,634,464	442,735,664	7,898,800
Computer software	9,318,928	9,307,245	11,683
Less: accumulated depreciation	(320,055,251)	(305,320,866)	(14,734,385)
Construction work in progress	52,754,890	24,524,068	28,230,822
Total capital assets, net	630,406,758	604,619,155	25,787,603
Total non-current assets	637,489,221	610,101,235	27,387,986
TOTAL ASSETS	823,948,456	810,470,563	13,477,893
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - loss on refunding bonds	3,355,590	3,560,947	(205,357)
Deferred outflows - OPEB	992,025	1,052,545	(60,520)
Deferred outflows - pensions	5,480,531	15,421,731	(9,941,200)
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,828,146	20,035,223	(10,207,077)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 833,776,602	\$ 830,505,786	\$ 3,270,816

These Statements should be read with the Notes to the Financial Statements contained in the previous year-end Financial Report.

City of Tacoma, Washington
Environmental Service Department
Wastewater and Surface Water Management
Statements of Net Position (Unaudited)

	As of April 30,		Increase
	2021	2020	(Decrease)
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,479,793	\$ 1,834,393	\$ 645,400
Accrued wages payable and compensated absences payable	929,972	3,244,201	(2,314,229)
Accrued taxes payable	222,052	217,764	4,288
Due to other governments	260,000	1,040,000	(780,000)
Accrued environmental liability	147,500	1,720,792	(1,573,292)
Accrued State loan interest payable	143,717	55,557	88,160
Current portion of Capital COP loan	525,000	-	525,000
Current portion of State Revolving Fund loan	4,122,545	4,047,853	74,692
Current portion of revenue bonds payable	4,243,750	4,057,083	186,667
Current liabilities payable from restricted assets:			
Current portion of revenue bonds payable	3,031,250	2,897,917	133,333
Accrued revenue bonds interest payable	3,995,135	4,129,406	(134,271)
Total current liabilities	20,100,714	23,244,966	(3,144,252)
Non-current liabilities:			
Long-term debt - revenue bonds, net	236,481,381	244,911,450	(8,430,069)
Long-term debt - Capital COP loan	12,270,000	-	12,270,000
Long-term State Revolving Fund loan	26,540,968	30,603,183	(4,062,215)
Long-term accrued compensated absences	3,270,411	2,565,742	704,669
Long-term accrued environmental liability	1,144,500	1,192,000	(47,500)
Net pension liability	-	13,029,876	(13,029,876)
Net OPEB liability	2,635,160	2,555,057	80,103
Pension withdrawal liability	3,279,940	3,279,940	-
Total noncurrent liabilities	285,622,360	298,137,248	(12,514,888)
TOTAL LIABILITIES	305,723,074	321,382,214	(15,659,140)
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	25,000,000	25,000,000	-
Deferred inflows - gain on refunding bonds	10,827	29,388	(18,561)
Deferred inflows - OPEB	1,746,124	2,106,245	(360,121)
Deferred inflows - pensions	7,039,634	1,712,115	5,327,519
TOTAL DEFERRED INFLOWS OF RESOURCES	33,796,585	28,847,748	4,948,837
NET POSITION			
Net investment in capital assets	413,857,354	410,926,167	2,931,187
Restricted for:			
Bond reserves	4,672,034	4,672,034	-
Net pension asset	1,847,284	-	1,847,284
Unrestricted	73,880,271	64,677,623	9,202,648
TOTAL NET POSITION	494,256,943	480,275,824	13,981,119
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 833,776,602	\$ 830,505,786	\$ 3,270,816

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City of Tacoma, Washington
Environmental Service Department
Wastewater and Surface Water Management
Statements of Revenue, Expense, and Changes in Net Position (Unaudited)

	April Year-to-Date		\$	%
	2021	2020	Change	Change
OPERATING REVENUES				
Wastewater residential	\$ 18,214,672	\$ 17,618,371	\$ 596,301	3%
Wastewater commercial and public authorities	7,680,126	8,293,693	(613,567)	-7%
Surface water residential	6,391,371	6,231,750	159,621	3%
Surface water commercial	6,750,263	6,704,090	46,173	1%
Other revenues	1,342,354	985,696	356,658	36%
Total operating revenues	40,378,786	39,833,600	545,186	1%
OPERATING EXPENSES				
Business operations	9,455,750	8,868,439	587,311	7%
Operations and maintenance	9,962,655	9,650,645	312,010	3%
Science and engineering	5,329,887	5,115,081	214,806	4%
Depreciation	6,197,895	6,119,177	78,718	1%
Total operating expenses	30,946,187	29,753,342	1,192,845	4%
Net operating income	9,432,599	10,080,258	(647,659)	-6%
NONOPERATING REVENUES (EXPENSES)				
Investment and other earnings	570,845	1,142,349	(571,504)	-50%
Interest expenses and other related costs	(3,469,691)	(3,627,460)	157,769	4%
Amortization of bond premium and gain/loss on refunding	322,235	323,130	(895)	0%
Other nonoperating revenues	562,352	688,221	(125,869)	-18%
Gain or loss on sale/disposal of capital assets	16,438	100,500	(84,062)	-84%
Total nonoperating expenses	(1,997,821)	(1,373,260)	(624,561)	-45%
Net income before contributions and transfers	7,434,778	8,706,998	(1,272,220)	-15%
Capital contributions and grants	465,502	464,026	1,476	0%
Transfer in from other funds	-	7,552	(7,552)	-100%
Transfer out to other funds	(390,833)	(422,167)	31,334	7%
Gross earnings tax	(3,310,376)	(3,242,880)	(67,496)	-2%
Total contributions and transfers	(3,235,707)	(3,193,469)	(42,238)	-1%
CHANGE IN NET POSITION	4,199,071	5,513,529	(1,314,458)	-24%
NET POSITION - JANUARY 1	490,057,872	474,762,295	15,295,577	3%
NET POSITION - APRIL 30	\$ 494,256,943	\$ 480,275,824	\$ 13,981,119	3%

These Statements should be read with the Notes to the Financial Statements contained in the previous year-end Financial Report.

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Interim Financial Statements by Utility

City of Tacoma, Washington
Environmental Service Department
Wastewater and Surface Water Management
Statements of Net Position (Unaudited)

	Wastewater As of April 30,		Surface Water As of April 30,	
	2021	2020	2021	2020
ASSETS				
Current assets:				
Cash and equity in pooled investments	\$ 68,466,280	\$ 69,858,582	\$ 32,048,540	\$ 26,315,453
Accounts receivable, net	8,004,097	6,906,463	2,704,665	2,578,054
Unbilled revenues	4,827,787	4,993,787	2,848,000	2,743,000
GASB 31 market rate adjustment	1,545,642	676,674	1,093,191	430,288
Conservation loan fund receivables	129,339	151,349	-	-
Loan receivable	7,831,227	-	-	-
Inventory	2,193,900	1,744,145	-	-
Prepayments	123,856	114,482	-	-
Restricted cash and equity in pooled investments:				
Debt service funds	4,113,435	4,111,932	2,912,950	2,915,391
Construction funds	11,356,354	32,972,650	36,259,972	43,857,078
Total restricted cash and equity in pooled investments	15,469,789	37,084,582	39,172,922	46,772,469
Total current assets	108,591,917	121,530,064	77,867,318	78,839,264
Non-current assets:				
Restricted cash and equity in pooled investments:				
Debt reserves	4,640,000	4,640,000	32,034	32,034
Net pension asset	1,363,742	-	483,542	-
Conservation loan fund receivables	563,145	716,133	-	-
Prepayments	-	93,913	-	-
Capital assets:				
Land and easements	13,266,759	12,052,764	11,938,398	11,844,482
Buildings	211,503,807	193,820,550	1,864,545	1,864,544
Machinery and equipment	179,140,887	200,120,467	20,039,331	13,670,237
Transmission lines and other improvements	247,544,043	237,213,675	203,090,421	205,521,989
Computer software	5,451,250	5,391,078	3,867,678	3,916,167
Less: accumulated depreciation	(257,634,422)	(247,007,493)	(62,420,829)	(58,313,373)
Construction work in progress	35,843,126	13,500,789	16,911,764	11,023,279
Total capital assets, net	435,115,450	415,091,830	195,291,308	189,527,325
Total non-current assets	441,682,337	420,541,876	195,806,884	189,559,359
TOTAL ASSETS	550,274,254	542,071,940	273,674,202	268,398,623
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - loss on refunding bonds	2,105,354	2,230,482	1,250,236	1,330,465
Deferred outflows - OPEB	263,428	217,076	728,597	835,469
Deferred outflows - pensions	4,045,956	10,458,400	1,434,575	4,963,331
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,414,738	12,905,958	3,413,408	7,129,265
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 556,688,992	\$ 554,977,898	\$ 277,087,610	\$ 275,527,888

City of Tacoma, Washington
Environmental Service Department
Wastewater and Surface Water Management
Statements of Net Position (Unaudited)

	Wastewater As of April 30,		Surface Water As of April 30,	
	2021	2020	2021	2020
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,705,597	\$ 1,254,039	\$ 774,196	\$ 580,354
Accrued wages payable and compensated absences payable	706,641	2,380,580	223,331	863,621
Accrued taxes payable	154,389	150,338	67,663	67,426
Due to other governments	260,000	1,040,000	-	-
Accrued environmental liability	-	-	147,500	1,720,792
Accrued State loan interest payable	141,032	52,644	2,685	2,913
Current portion of Capital COP loan	525,000	-	-	-
Current portion of State Revolving Fund loan	4,098,392	4,024,390	24,153	23,463
Current portion of revenue bonds payable	2,550,995	2,438,488	1,692,755	1,618,595
Current liabilities payable from restricted assets:				
Current portion of revenue bonds payable	1,822,140	1,741,777	1,209,110	1,156,140
Accrued revenue bonds interest payable	2,291,295	2,370,155	1,703,840	1,759,251
Total current liabilities	14,255,481	15,452,411	5,845,233	7,792,555
Non-current liabilities:				
Long-term debt - revenue bonds, net	138,520,234	143,451,092	97,961,147	101,460,358
Long-term debt - Capital COP loan	12,270,000	-	-	-
Long-term State Revolving Fund loan	26,228,685	30,327,076	312,283	276,107
Long-term accrued compensated absences	2,654,336	2,094,738	616,075	471,004
Long-term accrued environmental liability	-	-	1,144,500	1,192,000
Net pension liability	-	8,836,340	-	4,193,536
Net OPEB liability	1,375,803	1,350,938	1,259,357	1,204,119
Pension withdrawal liability	3,279,940	3,279,940	-	-
Total noncurrent liabilities	184,328,998	189,340,124	101,293,362	108,797,124
TOTAL LIABILITIES	198,584,479	204,792,535	107,138,595	116,589,679
DEFERRED INFLOWS OF RESOURCES				
Rate stabilization	17,000,000	17,000,000	8,000,000	8,000,000
Deferred inflows - gain on refunding bonds	4,547	12,343	6,280	17,045
Deferred inflows - OPEB	1,618,935	1,988,074	127,189	118,171
Deferred inflows - pensions	5,196,951	1,161,088	1,842,683	551,027
TOTAL DEFERRED INFLOWS OF RESOURCES	23,820,433	20,161,505	9,976,152	8,686,243
NET POSITION				
Net investment in capital assets	272,210,532	270,041,573	141,646,822	140,884,594
Restricted for:				
Bond reserves	4,640,000	4,640,000	32,034	32,034
Net pension asset	1,363,742	-	483,542	-
Unrestricted	56,069,806	55,342,285	17,810,465	9,335,338
TOTAL NET POSITION	334,284,080	330,023,858	159,972,863	150,251,966
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 556,688,992	\$ 554,977,898	\$ 277,087,610	\$ 275,527,888

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City of Tacoma, Washington
Environmental Service Department
Wastewater and Surface Water Management
Statements of Revenues, Expense and Changes in Net Position (Unaudited)

	Wastewater April Year-to-Date		Surface Water April Year-to-Date	
	2021	2020	2021	2020
OPERATING REVENUES				
Wastewater residential	\$ 18,214,672	\$ 17,618,371	\$ -	\$ -
Wastewater commercial and public authorities	7,680,126	8,293,693	-	-
Surface water residential	-	-	6,391,371	6,231,750
Surface water commercial	-	-	6,750,263	6,704,090
Other revenues	1,251,451	958,972	90,903	26,724
Total operating revenues	27,146,249	26,871,036	13,232,537	12,962,564
OPERATING EXPENSES				
Business operations	6,295,254	6,007,628	3,160,496	2,860,811
Operations and maintenance	8,824,580	8,370,192	1,138,075	1,280,453
Science and engineering	2,879,411	2,765,011	2,450,476	2,350,070
Depreciation	4,736,759	4,724,030	1,461,136	1,395,147
Total operating expenses	22,736,004	21,866,861	8,210,183	7,886,481
Net operating income	4,410,245	5,004,175	5,022,354	5,076,083
NONOPERATING REVENUES (EXPENSES)				
Investment and other earnings	326,992	691,172	243,853	451,177
Interest expenses and other related costs	(2,103,934)	(2,216,831)	(1,365,757)	(1,410,629)
Amortization of bond premium and gain/loss on refunding	146,579	146,952	175,656	176,178
Other nonoperating revenues	505,480	667,499	56,872	20,722
Gain or loss on sale/disposal of capital assets	20,665	100,500	(4,227)	-
Total nonoperating expenses	(1,104,218)	(610,708)	(893,603)	(762,552)
Net income before contributions and transfers	3,306,027	4,393,467	4,128,751	4,313,531
Capital contributions and grants	266,634	338,041	198,868	125,985
Transfer in from other funds	-	-	-	7,552
Transfer out to other funds	-	(39,150)	(390,833)	(383,017)
Gross earnings tax	(2,221,424)	(2,200,970)	(1,088,952)	(1,041,910)
Total contributions and transfers	(1,954,790)	(1,902,079)	(1,280,917)	(1,291,390)
CHANGE IN NET POSITION	1,351,237	2,491,388	2,847,834	3,022,141
NET POSITION - JANUARY 1	332,932,843	327,532,470	157,125,029	147,229,825
NET POSITION - APRIL 30	\$ 334,284,080	\$ 330,023,858	\$ 159,972,863	\$ 150,251,966



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.