
October 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

Table of Contents

Management’s Discussion and Analysis	3
Interim Financial Statements	5
Statements of Net Position (Unaudited).....	6
Statements of Revenue, Expense, and Changes in Net Position (Unaudited).....	9
Interim Financial Statements by Utility	11
Statements of Net Position (Unaudited).....	12
Statements of Revenues, Expense and Changes in Net Position (Unaudited)	15

Note:

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

This page intentionally left blank.

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.

This page intentionally left blank.

Interim Financial Statements

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

	As of October 31,		Increase
	2021	2020	(Decrease)
ASSETS			
Current assets:			
Cash and equity in pooled investments	\$ 124,589,338	\$ 97,589,639	\$ 26,999,699
Accounts receivable, net	11,020,433	10,225,964	794,469
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	105,007	151,504	(46,497)
Loan receivable	5,964,314	-	5,964,314
Due from other governments	-	35,078	(35,078)
Inventory	2,368,077	1,908,447	459,630
Prepayments	373,239	260,641	112,598
Restricted cash and equity in pooled investments:			
Debt service funds	10,663,885	10,504,823	159,062
Construction funds	33,041,965	69,435,083	(36,393,118)
Total restricted cash and equity in pooled investments	43,705,850	79,939,906	(36,234,056)
Total current assets	198,440,878	198,954,928	(514,050)
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	385,533	668,071	(282,538)
Prepayments	-	93,913	(93,913)
Capital assets:			
Land and easements	25,301,414	25,188,346	113,068
Buildings	213,369,171	211,945,712	1,423,459
Machinery and equipment	199,419,431	199,134,583	284,848
Transmission lines and other improvements	450,825,909	437,536,556	13,289,353
Computer software	9,318,928	9,466,301	(147,373)
Less: accumulated depreciation	(329,230,580)	(311,719,401)	(17,511,179)
Construction work in progress	73,226,349	35,617,442	37,608,907
Total capital assets, net	642,230,622	607,169,539	35,061,083
Total non-current assets	649,135,473	612,603,557	36,531,916
TOTAL ASSETS	847,576,351	811,558,485	36,017,866
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - loss on refunding bonds	3,252,912	3,458,269	(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	9,725,468	19,932,545	(10,207,077)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 857,301,819	\$ 831,491,030	\$ 25,810,789

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 October 31,		Increase
	2021	2020	(Decrease)
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 5,343,744	\$ 2,599,875	\$ 2,743,869
Accrued wages payable and compensated absences payable	934,366	865,732	68,634
Accrued taxes payable	200,125	198,770	1,355
Due to other governments	260,000	1,040,000	(780,000)
Accrued environmental liability	44,864	490,108	(445,244)
Accrued State loan interest payable	141,933	52,390	89,543
Current portion of Capital COP loan	565,000	-	565,000
Current portion of State Revolving Fund loan	4,349,387	4,085,016	264,371
Current portion of revenue bonds payable	606,250	579,583	26,667
Current liabilities payable from restricted assets:			
Current portion of revenue bonds payable	6,668,750	6,375,417	293,333
Accrued revenue bonds interest payable	3,995,135	4,129,406	(134,271)
Total current liabilities	23,109,554	20,416,297	2,693,257
Non-current liabilities:			
Long-term debt - revenue bonds, net	235,904,630	244,333,356	(8,428,726)
Long-term debt - Capital COP loan	11,705,000	-	11,705,000
Long-term State Revolving Fund loan	26,930,822	28,592,417	(1,661,595)
Long-term WIFIA loan	15,026,875	-	15,026,875
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	299,897,338	295,548,388	4,348,950
TOTAL LIABILITIES	323,006,892	315,964,685	7,042,207
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	25,000,000	25,000,000	-
Deferred inflows - gain on refunding bonds	1,547	20,107	(18,560)
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	33,787,305	28,838,467	4,948,838
NET POSITION			
Net investment in capital assets	398,205,874	411,981,061	(13,775,187)
Restricted for:			
Bond reserves	4,672,034	4,672,034	-
Net pension asset	1,847,284	-	1,847,284
Unrestricted	95,782,430	70,034,783	25,747,647
TOTAL NET POSITION	500,507,622	486,687,878	13,819,744
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 857,301,819	\$ 831,491,030	\$ 25,810,789

This page intentionally left blank.

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

	October Year-to-Date		\$	%
	2021	2020	Change	Change
OPERATING REVENUES				
Wastewater residential	\$ 45,609,725	\$ 44,606,911	\$ 1,002,814	2%
Wastewater commercial and public authorities	20,839,860	20,003,667	836,193	4%
Surface water residential	15,682,289	15,679,834	2,455	0%
Surface water commercial	16,638,952	17,183,392	(544,440)	-3%
Other revenues	3,318,352	2,885,620	432,732	15%
Total operating revenues	102,089,178	100,359,424	1,729,754	2%
OPERATING EXPENSES				
Business operations	23,493,233	22,222,513	1,270,720	6%
Operations and maintenance	25,454,541	24,444,786	1,009,755	4%
Science and engineering	13,971,922	15,550,407	(1,578,485)	-10%
Depreciation	15,490,115	15,613,992	(123,877)	-1%
Total operating expenses	78,409,811	77,831,698	578,113	1%
Net operating income	23,679,367	22,527,726	1,151,641	5%
NONOPERATING REVENUES (EXPENSES)				
Investment and other earnings	1,214,604	2,505,898	(1,291,294)	-52%
Interest expenses and other related costs	(8,660,376)	(8,993,813)	333,437	4%
Amortization of bond premium and gain/loss on refunding	805,588	807,826	(2,238)	0%
Other nonoperating revenues	1,511,971	3,219,033	(1,707,062)	-53%
Gain or loss on sale/disposal of capital assets	76,452	(586,044)	662,496	113%
Total nonoperating expenses	(5,051,761)	(3,047,100)	(2,004,661)	-66%
Net income before contributions and transfers	18,627,606	19,480,626	(853,020)	-4%
Capital contributions and grants	1,136,261	1,698,374	(562,113)	-33%
Transfer in from other funds	-	22,260	(22,260)	-100%
Transfer out to other funds	(977,083)	(1,055,417)	78,334	7%
Gross earnings tax	(8,337,034)	(8,220,260)	(116,774)	-1%
Total contributions and transfers	(8,177,856)	(7,555,043)	(622,813)	-8%
CHANGE IN NET POSITION	10,449,750	11,925,583	(1,475,833)	-12%
NET POSITION - JANUARY 1	490,057,872	474,762,295	15,295,577	3%
NET POSITION - OCTOBER 31	\$ 500,507,622	\$ 486,687,878	\$ 13,819,744	3%

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

This page intentionally left blank.

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 October 31,		Surface Water As of October 31,	
	2021	2020	2021	2020
ASSETS				
Current assets:				
Cash and equity in pooled investments	\$ 88,250,086	\$ 68,238,072	\$ 36,339,252	\$ 29,351,567
Accounts receivable, net	8,418,498	7,695,209	2,601,935	2,530,755
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	105,007	151,504	-	-
Loan receivable	5,964,314	-	-	-
Due from other governments	-	-	-	35,078
Inventory	2,368,077	1,908,447	-	-
Prepayments	373,239	260,641	-	-
Restricted cash and equity in pooled investments:				
Debt service funds	6,300,002	6,202,064	4,363,883	4,302,759
Construction funds	1,121,186	28,446,856	31,920,779	40,988,227
Total restricted cash and equity in pooled investments	7,421,188	34,648,920	36,284,662	45,290,986
Total current assets	119,273,838	118,573,254	79,167,040	80,381,674
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	385,533	668,071	-	-
Prepayments	-	93,913	-	-
Capital assets:				
Land and easements	13,313,483	13,258,354	11,987,931	11,929,992
Buildings	211,504,626	210,081,167	1,864,545	1,864,545
Machinery and equipment	179,380,100	179,137,148	20,039,331	19,997,435
Transmission lines and other improvements	247,678,988	237,953,024	203,146,921	199,583,532
Computer software	5,451,250	5,548,488	3,867,678	3,917,813
Less: accumulated depreciation	(264,621,577)	(251,214,833)	(64,609,003)	(60,504,568)
Construction work in progress	52,259,108	21,797,459	20,967,241	13,819,983
Total capital assets, net	444,965,978	416,560,807	197,264,644	190,608,732
Total non-current assets	451,355,253	421,962,791	197,780,220	190,640,766
TOTAL ASSETS	570,629,091	540,536,045	276,947,260	271,022,440
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - loss on refunding bonds	2,042,790	2,167,918	1,210,122	1,290,351
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	6,352,174	12,843,394	3,373,294	7,089,151
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 576,981,265	\$ 553,379,439	\$ 280,320,554	\$ 278,111,591

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

	Wastewater As of October 31,		Surface Water As of October 31,	
	2021	2020	2021	2020
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,784,307	\$ 1,793,824	\$ 1,559,437	\$ 806,051
Accrued wages payable and compensated absences payable	708,537	662,223	225,829	203,509
Accrued taxes payable	142,586	139,551	57,539	59,219
Due to other governments	260,000	1,040,000	-	-
Accrued environmental liability	-	-	44,864	490,108
Accrued State loan interest payable	139,364	49,590	2,569	2,800
Current portion of Capital COP loan	565,000	-	-	-
Current portion of State Revolving Fund loan	4,324,882	4,061,210	24,505	23,806
Current portion of revenue bonds payable	364,428	348,355	241,822	231,228
Current liabilities payable from restricted assets:				
Current portion of revenue bonds payable	4,008,707	3,831,910	2,660,043	2,543,507
Accrued revenue bonds interest payable	2,291,295	2,370,155	1,703,840	1,759,251
Total current liabilities	16,589,106	14,296,818	6,520,448	6,119,479
Non-current liabilities:				
Long-term debt - revenue bonds, net	138,241,700	143,171,997	97,662,930	101,161,359
Long-term debt - Capital COP loan	11,705,000	-	-	-
Long-term State Revolving Fund loan	26,588,964	28,287,222	341,858	305,195
Long-term WIFIA loan	15,026,875	-	-	-
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	198,872,618	187,021,175	101,024,720	108,527,213
TOTAL LIABILITIES	215,461,724	201,317,993	107,545,168	114,646,692
DEFERRED INFLOWS OF RESOURCES				
Rate stabilization	17,000,000	17,000,000	8,000,000	8,000,000
Deferred inflows - gain on refunding bonds	650	8,445	897	11,662
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	23,816,536	20,157,607	9,970,769	8,680,860
NET POSITION				
Net investment in capital assets	257,276,769	271,298,352	140,929,105	140,682,709
Restricted for:				
Bond reserves	4,640,000	4,640,000	32,034	32,034
Net pension asset	1,363,742	-	483,542	-
Unrestricted	74,422,494	55,965,487	21,359,936	14,069,296
TOTAL NET POSITION	337,703,005	331,903,839	162,804,617	154,784,039
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 576,981,265	\$ 553,379,439	\$ 280,320,554	\$ 278,111,591

This page intentionally left blank.

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

	Wastewater		Surface Water	
	October Year-to-Date		October Year-to-Date	
	2021	2020	2021	2020
OPERATING REVENUES				
Wastewater residential	\$ 45,609,725	\$ 44,606,911	\$ -	\$ -
Wastewater commercial and public authorities	20,839,860	20,003,667	-	-
Surface water residential	-	-	15,682,289	15,679,834
Surface water commercial	-	-	16,638,952	17,183,392
Other revenues	3,218,469	2,840,380	99,883	45,240
Total operating revenues	69,668,054	67,450,958	32,421,124	32,908,466
OPERATING EXPENSES				
Business operations	15,725,450	15,309,370	7,767,783	6,913,143
Operations and maintenance	22,260,405	21,312,433	3,194,136	3,132,353
Science and engineering	7,058,509	6,968,051	6,913,413	8,582,356
Depreciation	11,840,806	12,027,650	3,649,309	3,586,342
Total operating expenses	56,885,170	55,617,504	21,524,641	22,214,194
Net operating income	12,782,884	11,833,454	10,896,483	10,694,272
NONOPERATING REVENUES (EXPENSES)				
Investment and other earnings	679,356	1,510,399	535,248	995,499
Interest expenses and other related costs	(5,246,099)	(5,467,825)	(3,414,277)	(3,525,988)
Amortization of bond premium and gain/loss on refunding	366,447	367,381	439,141	440,445
Other nonoperating revenues	1,188,817	1,610,440	323,154	1,608,593
Gain or loss on sale/disposal of capital assets	80,679	(586,044)	(4,227)	-
Total nonoperating expenses	(2,930,800)	(2,565,649)	(2,120,961)	(481,451)
Net income before contributions and transfers	9,852,084	9,267,805	8,775,522	10,212,821
Capital contributions and grants	624,643	772,186	511,618	926,188
Transfer in from other funds	-	-	-	22,260
Transfer out to other funds	-	(97,875)	(977,083)	(957,542)
Gross earnings tax	(5,706,565)	(5,570,747)	(2,630,469)	(2,649,513)
Total contributions and transfers	(5,081,922)	(4,896,436)	(3,095,934)	(2,658,607)
CHANGE IN NET POSITION	4,770,162	4,371,369	5,679,588	7,554,214
NET POSITION - JANUARY 1	332,932,843	327,532,470	157,125,029	147,229,825
NET POSITION - OCTOBER 31	\$ 337,703,005	\$ 331,903,839	\$ 162,804,617	\$ 154,784,039



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.