



*Wastewater and Surface Water
Management
Financial Report
April 2016*

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Notification

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. Immaterial differences may occur due to rounding.

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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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Joint Financial Statements

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

	April 30,		Increase
	2016	2015	(Decrease)
ASSETS			
Current Assets:			
Cash and cash equivalents (C&CE)	\$ 59,923,429	\$ 42,641,791	\$ 17,281,638
Accounts receivable (net)	13,383,665	14,059,304	(675,639)
Due from other governments	-	41,428	(41,428)
Inventory	1,102,244	981,515	120,729
Prepayments	112,021	127,916	(15,895)
Other current assets	-	34,669	(34,669)
Current restricted assets:			
C&CE - debt service, deposits and replacements	19,213,209	16,274,649	2,938,560
C&CE - construction accounts	36,658,182	67,607,321	(30,949,139)
Total restricted assets	<u>55,871,391</u>	<u>83,881,970</u>	<u>(28,010,579)</u>
Total current assets	<u>130,392,750</u>	<u>141,768,593</u>	<u>(11,375,843)</u>
Non-current assets:			
Net pension asset	1,119,219	-	1,119,219
Other non-current assets	4,061,190	4,221,920	(160,730)
Total non-current assets	<u>5,180,409</u>	<u>4,221,920</u>	<u>958,489</u>
Capital assets:			
Land and easements	19,672,854	19,621,412	51,442
Property, plant, and equipment	748,604,896	714,533,859	34,071,037
Less: accumulated depreciation	(241,275,135)	(226,421,941)	(14,853,194)
Construction work in progress	30,848,306	31,974,625	(1,126,319)
Total capital assets, net of depreciation	<u>557,850,921</u>	<u>539,707,955</u>	<u>18,142,966</u>
Total non-current assets	<u>563,031,330</u>	<u>543,929,875</u>	<u>19,101,455</u>
TOTAL ASSETS	<u>693,424,080</u>	<u>685,698,468</u>	<u>7,725,612</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	3,276,178	3,455,492	(179,314)
Deferred outflows - pensions	2,657,217	-	2,657,217
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,933,395</u>	<u>3,455,492</u>	<u>2,477,903</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 699,357,475</u>	<u>\$ 689,153,960</u>	<u>\$ 10,203,515</u>

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

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

	April 30,		Increase
	2016	2015	(Decrease)
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,382,019	\$ 1,569,289	\$ (187,270)
Due to other governments	92,523	708,890	(616,367)
State Revolving Loan interest payable	555,514	85,551	469,963
Accrued wages and benefits payable	1,395,051	1,235,315	159,736
Accrued taxes	138,820	150,038	(11,218)
Environmental liability - current	617,760	594,045	23,715
Notes & leases - current	4,219,637	4,137,131	82,506
Revenue bonds - current	2,254,585	-	2,254,585
Other current liabilities	333,138	-	333,138
Current payable from restricted assets:			
Debt principal payable	1,610,415	-	1,610,415
Debt interest payable	2,905,489	1,679,891	1,225,598
Total current liabilities	<u>15,504,951</u>	<u>10,160,150</u>	<u>5,344,801</u>
Non-current liabilities:			
Revenue bonds payable (net)	166,852,890	171,580,575	(4,727,685)
Compensated absences	2,691,710	2,646,180	45,530
Environmental liability - non-current	150,000	400,000	(250,000)
Notes & leases - non-current	74,002,909	78,450,693	(4,447,784)
Net OPEB obligation	2,519,381	2,231,603	287,778
Total non-current liabilities	<u>246,216,890</u>	<u>255,309,051</u>	<u>(9,092,161)</u>
TOTAL LIABILITIES	<u>261,721,841</u>	<u>265,469,201</u>	<u>(3,747,360)</u>
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	25,000,000	25,000,000	-
Deferred inflows - pensions	1,181,543	-	1,181,543
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>26,181,543</u>	<u>25,000,000</u>	<u>1,181,543</u>
NET POSITION			
Net investment in capital assets	392,185,057	398,540,673	(6,355,616)
Restricted for:			
Debt service	14,697,305	14,594,758	102,547
Net pension asset	1,119,219	-	1,119,219
Unrestricted	3,452,510	(14,450,672)	17,903,182
TOTAL NET POSITION	<u>411,454,091</u>	<u>398,684,759</u>	<u>12,769,332</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 699,357,475</u>	<u>\$ 689,153,960</u>	<u>\$ 10,203,515</u>

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

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

	April Year-to-Date		% Change
	2016	2015	
OPERATING REVENUES			
Wastewater residential	\$ 14,901,186	\$ 13,768,834	8%
Wastewater commercial and public authorities	7,982,873	7,255,373	10%
Surface water	10,807,724	10,130,762	7%
Other revenues	808,167	706,626	14%
Total operating revenues	<u>34,499,950</u>	<u>31,861,595</u>	<u>8%</u>
OPERATING EXPENSES			
Business operations	7,825,920	7,483,235	5%
Operations and maintenance	8,732,003	8,287,130	5%
Science and engineering	5,289,208	3,958,695	34%
Depreciation	5,202,039	4,934,942	5%
Total operating expenses	<u>27,049,170</u>	<u>24,664,002</u>	<u>10%</u>
Net operating income	<u>7,450,780</u>	<u>7,197,593</u>	<u>4%</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other earnings	364,815	233,538	56%
Interest and other related costs	(3,253,824)	(2,922,341)	11%
Amortization of bond premium and loss on refunding	141,744	130,111	9%
Other non revenues	150,070	142,851	5%
Loss on disposition of property	(3,688)	-	n/a
Total nonoperating revenues (expenses)	<u>(2,600,883)</u>	<u>(2,415,841)</u>	<u>8%</u>
Net income before contributions and transfers	<u>4,849,897</u>	<u>4,781,752</u>	<u>1%</u>
Capital contributions	84,961	169,070	(50%)
Transfer out & gross earnings tax	(2,784,818)	(2,624,798)	6%
Total contributions and transfers	<u>(2,699,857)</u>	<u>(2,455,728)</u>	<u>10%</u>
CHANGE IN NET POSITION	<u>2,150,040</u>	<u>2,326,024</u>	<u>(8%)</u>
NET POSITION - JANUARY 1	<u>409,304,051</u>	<u>396,358,735</u>	<u>3%</u>
NET POSITION - APRIL 30	<u>\$ 411,454,091</u>	<u>\$ 398,684,759</u>	<u>3%</u>

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Financial Statements by Utility

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

	Wastewater		Surface Water	
	April 30,		April 30,	
	2016	2015	2016	2015
ASSETS				
Current Assets:				
Cash and cash equivalents (C&CE)	\$ 32,214,638	\$ 20,815,633	\$ 27,708,791	\$ 21,826,158
Accounts receivable (net)	9,321,665	9,941,442	4,062,000	4,117,862
Due from other governments	-	-	-	41,428
Inventory	1,102,244	981,515	-	-
Prepayments	102,310	102,642	9,711	25,274
Other current assets	-	18,781	-	15,888
Current restricted assets:				
C&CE- debt service, deposits and replacements	12,108,586	10,415,618	7,104,623	5,859,031
C&CE- construction accounts	28,981,063	48,672,772	7,677,119	18,934,549
Total restricted assets	<u>41,089,649</u>	<u>59,088,390</u>	<u>14,781,742</u>	<u>24,793,580</u>
Total current assets	<u>83,830,506</u>	<u>90,948,403</u>	<u>46,562,244</u>	<u>50,820,190</u>
Non-current assets:				
Net pension asset	766,219	-	353,000	-
Other non-current assets	2,790,136	2,950,866	1,271,054	1,271,054
Total non-current assets	<u>3,556,355</u>	<u>2,950,866</u>	<u>1,624,054</u>	<u>1,271,054</u>
Capital assets:				
Land and easements	7,594,620	7,561,938	12,078,234	12,059,474
Property, plant, and equipment	549,069,880	523,192,092	199,535,016	191,341,767
Less: accumulated depreciation	(194,168,143)	(183,054,896)	(47,106,992)	(43,367,045)
Construction work in progress	19,973,185	25,036,819	10,875,121	6,937,806
Total capital assets, net of depreciation	<u>382,469,542</u>	<u>372,735,953</u>	<u>175,381,379</u>	<u>166,972,002</u>
Total non-current assets	<u>386,025,897</u>	<u>375,686,819</u>	<u>177,005,433</u>	<u>168,243,056</u>
TOTAL ASSETS	<u>469,856,403</u>	<u>466,635,222</u>	<u>223,567,677</u>	<u>219,063,246</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	1,132,282	1,193,484	2,143,896	2,262,008
Deferred outflows - pensions	1,819,135	-	838,082	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,951,417</u>	<u>1,193,484</u>	<u>2,981,978</u>	<u>2,262,008</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 472,807,820</u>	<u>\$ 467,828,706</u>	<u>\$ 226,549,655</u>	<u>\$ 221,325,254</u>

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

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

	Wastewater		Surface Water	
	April 30,		April 30,	
	2016	2015	2016	2015
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 726,021	\$ 754,073	\$ 655,998	\$ 815,216
Due to other governments	92,523	708,890	-	-
State Revolving Loan interest payable	551,751	81,591	3,763	3,960
Accrued wages and benefits payable	971,923	867,760	423,128	367,555
Accrued taxes	97,626	107,014	41,194	43,024
Environmental liability - current	-	-	617,760	594,045
Notes & leases - current	3,960,598	3,886,408	259,039	250,723
Revenue bonds - current	1,153,585	-	1,101,000	-
Other current liabilities	223,260	-	109,878	-
Current payable from restricted assets:				
Debt principal payable	823,985	-	786,430	-
Debt interest payable	1,421,570	655,126	1,483,919	1,024,765
Total current liabilities	<u>10,022,842</u>	<u>7,060,862</u>	<u>5,482,109</u>	<u>3,099,288</u>
Non-current liabilities:				
Revenue bonds payable (net)	83,319,270	85,702,523	83,533,620	85,878,052
Compensated absences	2,021,343	1,977,586	670,367	668,594
Environmental liability - non-current	-	-	150,000	400,000
Notes & leases - non-current	59,210,679	63,280,357	14,792,230	15,170,336
Net OPEB obligation	2,036,203	1,761,706	483,178	469,897
Total non-current liabilities	<u>146,587,495</u>	<u>152,722,172</u>	<u>99,629,395</u>	<u>102,586,879</u>
TOTAL LIABILITIES	<u>156,610,337</u>	<u>159,783,034</u>	<u>105,111,504</u>	<u>105,686,167</u>
DEFERRED INFLOWS OF RESOURCES				
Rate stabilization	17,000,000	17,000,000	8,000,000	8,000,000
Deferred inflows - pensions	808,886	-	372,657	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>17,808,886</u>	<u>17,000,000</u>	<u>8,372,657</u>	<u>8,000,000</u>
NET POSITION				
Net investment in capital assets	264,938,755	269,732,921	127,246,302	128,807,752
Restricted for:				
Debt service	9,863,031	9,760,492	4,834,274	4,834,266
Net pension asset	766,219	-	353,000	-
Unrestricted	22,820,592	11,552,259	(19,368,082)	(26,002,931)
TOTAL NET POSITION	<u>298,388,597</u>	<u>291,045,672</u>	<u>113,065,494</u>	<u>107,639,087</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 472,807,820</u>	<u>\$ 467,828,706</u>	<u>\$ 226,549,655</u>	<u>\$ 221,325,254</u>

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

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

	Wastewater		Surface Water	
	April Year-to-Date		April Year-to-Date	
	2016	2015	2016	2015
OPERATING REVENUES				
Wastewater residential	\$ 14,901,186	\$ 13,768,834	\$ -	\$ -
Wastewater commercial and public authorities	7,982,873	7,255,373	-	-
Surface water	-	-	10,807,724	10,130,762
Other revenues	732,735	646,090	75,432	60,536
Total operating revenues	<u>23,616,794</u>	<u>21,670,297</u>	<u>10,883,156</u>	<u>10,191,298</u>
OPERATING EXPENSES				
Business operations	5,430,469	4,920,530	2,395,451	2,562,705
Operations and maintenance	7,522,202	7,363,069	1,209,801	924,061
Science and engineering	2,209,447	1,615,687	3,079,761	2,343,008
Depreciation	3,941,796	3,696,968	1,260,243	1,237,974
Total operating expenses	<u>19,103,914</u>	<u>17,596,254</u>	<u>7,945,256</u>	<u>7,067,748</u>
Net operating income	<u>4,512,880</u>	<u>4,074,043</u>	<u>2,937,900</u>	<u>3,123,550</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other earnings	234,639	139,083	130,176	94,455
Interest and other related costs	(1,965,147)	(1,399,502)	(1,288,677)	(1,522,839)
Amortization of bond premium and loss on refunding	70,737	47,628	71,007	82,483
Other non revenues	74,471	70,202	75,599	72,649
Loss on disposition of property	(1,844)	-	(1,844)	-
Total nonoperating revenues (expenses)	<u>(1,587,144)</u>	<u>(1,142,589)</u>	<u>(1,013,739)</u>	<u>(1,273,252)</u>
Net income before contributions and transfers	<u>2,925,736</u>	<u>2,931,454</u>	<u>1,924,161</u>	<u>1,850,298</u>
Capital contributions	45,347	48,707	39,614	120,363
Transfer out & gross earnings tax	(1,909,872)	(1,800,390)	(874,946)	(824,408)
Total contributions and transfers	<u>(1,864,525)</u>	<u>(1,751,683)</u>	<u>(835,332)</u>	<u>(704,045)</u>
CHANGE IN NET POSITION	1,061,211	1,179,771	1,088,829	1,146,253
NET POSITION - JANUARY 1	<u>297,327,386</u>	<u>289,865,901</u>	<u>111,976,665</u>	<u>106,492,834</u>
NET POSITION - APRIL 30	<u>\$ 298,388,597</u>	<u>\$ 291,045,672</u>	<u>\$ 113,065,494</u>	<u>\$ 107,639,087</u>

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

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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.