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***April 2020***

***SOLID WASTE MANAGEMENT***

***INTERIM FINANCIAL REPORT***



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***Prepared by the City of Tacoma - Finance Department***



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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. 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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# Interim Financial Statements

**City of Tacoma**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statement of Net Position (Unaudited)**  
**April 30, 2020 and April 30, 2019**

<b>ASSETS</b>	<b>April</b>		<b>Increase</b>
	<b>2020</b>	<b>2019</b>	<b>(Decrease)</b>
Current assets:			
Cash and equity in pooled investments	\$ 51,324,410	\$ 45,046,116	\$ 6,278,294
GASB 31 market rate adjustment	339,831	-	339,831
Accounts receivable, net	4,017,509	3,143,674	873,835
Accrued unbilled revenue	3,555,989	3,592,069	(36,080)
Restricted cash and equity in pooled investments:			
Debt service funds	2,165,660	3,820,815	(1,655,155)
Customer deposits	46,209	45,385	824
Construction funds	2,626,164	4,152,150	(1,525,986)
Total restricted cash and equity in pooled investments	4,838,033	8,018,350	(3,180,317)
Total current assets	64,075,772	59,800,209	4,275,563
Noncurrent assets:			
Restricted cash and equity in pooled investments:			
Bond reserves	2,109,500	2,109,500	-
Capital assets:			
Land	2,855,763	2,855,763	-
Buildings	61,767,413	61,767,413	-
Landfill infrastructure	70,668,403	68,074,220	2,594,183
Machinery and equipment	54,194,670	52,065,209	2,129,461
Computer software	5,137,760	5,124,775	12,985
Less: accumulated depreciation	(116,772,670)	(112,451,133)	(4,321,537)
Construction in progress	4,207,790	2,002,285	2,205,505
Total capital assets, net	82,059,129	79,438,532	2,620,597
Other noncurrent assets:			
Net pension asset	-	2,240,216	(2,240,216)
Total other noncurrent assets	-	2,240,216	(2,240,216)
Total noncurrent assets	84,168,629	83,788,248	380,381
Total assets	148,244,401	143,588,457	4,655,944
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - other post employment benefits	206,337	193,712	12,625
Deferred outflows - pensions	7,759,538	2,872,905	4,886,633
Total deferred outflows of resources	7,965,875	3,066,617	4,899,258
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 156,210,276</b>	<b>\$ 146,655,074</b>	<b>\$ 9,555,202</b>

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



**City of Tacoma**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statement of Net Position (Unaudited)**  
**April 30, 2020 and April 30, 2019**

<b>LIABILITIES</b>	<b>April</b>		<b>Increase</b>
	<b>2020</b>	<b>2019</b>	<b>(Decrease)</b>
Current liabilities:			
Accounts payable	\$ 2,242,311	\$ 1,251,477	\$ 990,834
Accrued wages payable and compensated absences	1,791,292	856,779	934,513
Accrued taxes payable	371,004	324,958	46,046
GASB 31 market rate adjustment	-	268,582	(268,582)
Customer deposits	81,814	52,560	29,254
Accrued landfill postclosure care costs	858,999	946,999	(88,000)
Current portion of long-term debt	1,324,167	1,260,000	64,167
Total current liabilities	6,669,587	4,961,355	1,708,232
Current payable from restricted assets:			
Deposits payable	48,109	45,533	2,576
Accrued revenue bond interest payable	1,021,310	1,066,311	(45,001)
Current portion of long-term debt	945,833	900,000	45,833
Total liabilities payable from restricted assets	2,015,252	2,011,844	3,408
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	57,261,762	60,259,248	(2,997,486)
Long-term accrued landfill postclosure care costs	14,006,977	14,777,976	(770,999)
Long-term accrued compensated absences	1,215,225	1,206,341	8,884
Net pension liability	6,556,061	-	6,556,061
Pension withdrawal liability	437,420	-	437,420
Net OPEB liability	2,404,966	2,611,190	(206,224)
Total noncurrent liabilities	81,882,411	78,854,755	3,027,656
Total liabilities	90,567,250	85,827,954	4,739,296
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization	7,000,000	7,000,000	-
Deferred inflows - OPEB	278,819	44,229	234,590
Deferred inflows - pensions	861,461	3,813,369	(2,951,908)
Deferred inflows - gain on refunding bonds	258,913	347,933	(89,020)
Total deferred inflows of resources	8,399,193	11,205,531	(2,806,338)
<b>NET POSITION</b>			
Net investment in capital assets	33,032,450	28,915,501	4,116,949
Restricted for:			
Debt service	4,578,017	3,964,004	614,013
Net pension asset	-	2,240,216	(2,240,216)
Unrestricted	19,633,366	14,501,868	5,131,498
Total net position	57,243,833	49,621,589	7,622,244
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 156,210,276</u>	<u>\$146,655,074</u>	<u>\$ 9,555,202</u>

**City of Tacoma**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statement of Revenues, Expenses, and change in Net Position (Unaudited)**  
**April 30, 2020 and April 30, 2019**

	Month of April		Year-to-Date April		% Chg
	2020	2019	2020	2019	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 3,346,072	\$ 2,463,305	\$10,434,504	\$ 9,394,933	11%
Commercial collection	2,989,634	2,858,230	11,149,165	10,455,525	7%
Disposal revenues	436,074	1,085,843	3,001,910	3,493,121	-14%
Salvage revenues	16,200	36,426	86,914	126,815	-31%
Other operating revenues	8,367	74,392	89,803	137,629	-35%
Total operating revenues	6,796,347	6,518,196	24,762,296	23,608,023	5%
<b>OPERATING EXPENSES</b>					
Commercial collection	393,586	443,910	1,819,236	1,638,645	11%
Onsite operations	706,712	675,010	2,612,361	2,451,905	7%
Residential collection	866,941	784,386	3,246,115	2,889,040	12%
Other collection services	1,452,207	1,400,392	4,611,569	4,817,684	-4%
Support services	1,465,618	1,288,407	5,258,401	4,384,377	20%
Depreciation	487,798	461,282	1,951,748	1,848,732	6%
Total operating expenses	5,372,862	5,053,387	19,499,430	18,030,383	8%
Net operating income	1,423,485	1,464,809	5,262,866	5,577,640	-6%
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	86,436	95,654	362,206	368,067	-2%
Rental income	-	4,753	2,021	12,839	-84%
Interest expenses and other related costs	(204,262)	(213,262)	(817,948)	(853,948)	4%
Amortization of premium and refunding gain	65,890	69,631	263,561	278,522	-5%
Other revenues/expenses	2,263	383	5,512	527	946%
Gain on sale/disposal of capital assets	49,901	-	49,901	-	N/A
Total nonoperating revenue (expenses)	228	(42,841)	(134,747)	(193,993)	31%
Net income before transfers	1,423,713	1,421,968	5,128,119	5,383,647	-5%
Transfers - gross earnings taxes	(556,235)	(508,975)	(2,006,967)	(1,911,717)	-5%
<b>CHANGE IN NET POSITION</b>	<u>867,478</u>	<u>912,993</u>	<u>3,121,152</u>	<u>3,471,930</u>	-10%
<b>NET POSITION - JANUARY 1</b>			54,122,681	46,149,659	
<b>NET POSITION - APRIL 30</b>			<u>\$57,243,833</u>	<u>\$49,621,589</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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