



Solid Waste Management Interim Financial Report

For the month ended May 31, 2019

City of Tacoma, Washington
Prepared by the 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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Financial Statements

City of Tacoma
Environmental Services Department
Solid Waste Management
Statements of Net Position (Unaudited)

	May 31,		Increase
ASSETS	2019	2018	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 45,010,060	\$ 39,061,853	\$ 5,948,207
Accounts receivable, net	2,903,614	3,053,007	(149,393)
Accrued unbilled revenue	3,592,069	3,329,619	262,450
Restricted cash and equity in pooled investments:			
Debt service funds	4,062,248	2,361,075	1,701,173
Customer deposits	44,005	69,483	(25,478)
Construction funds	4,159,547	4,103,740	55,807
Total restricted cash and equity in pooled investments	8,265,800	6,534,298	1,731,502
Total current assets	59,771,543	51,978,777	7,792,766
Noncurrent assets:			
Restricted cash and equity in pooled investments:			
Bond reserves	2,109,500	4,723,150	(2,613,650)
Capital assets:			
Land	2,855,763	2,855,763	-
Buildings	61,767,413	61,774,244	(6,831)
Landfill infrastructure	68,074,220	67,541,082	533,138
Machinery and equipment	52,188,843	52,189,180	(337)
Computer software	5,124,829	5,090,833	33,996
Less: accumulated depreciation	(112,911,412)	(108,985,367)	(3,926,045)
Construction in progress	2,492,661	847,752	1,644,909
Total capital assets, net	79,592,317	81,313,487	(1,721,170)
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	83,942,033	86,036,637	(2,094,604)
Total assets	143,713,576	138,015,414	5,698,162
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow - other post employment benefits	193,712	-	193,712
Deferred outflows - pensions	2,872,905	5,406,673	(2,533,768)
Total deferred outflows of resources	3,066,617	5,406,673	(2,340,056)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 146,780,193	\$ 143,422,087	\$ 3,358,106

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
Statements of Net Position (Unaudited)

	May 31,		Increase
	2019	2018	(Decrease)
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,299,544	\$ 1,934,468	\$ (634,924)
Accrued wages payable and compensated absences	429,526	963,125	(533,599)
Accrued taxes payable	315,049	327,669	(12,620)
GASB 31 market rate adjustment	268,582	285,776	(17,194)
Customer deposits	87,656	32,621	55,035
Accrued landfill postclosure care costs	946,999	875,997	71,002
Current portion of long-term debt	900,000	1,030,000	(130,000)
Total current liabilities	4,247,356	5,449,656	(1,202,300)
Current payable from restricted assets:			
Deposits payable	41,575	68,661	(27,086)
Accrued revenue bond interest payable	1,279,573	1,331,075	(51,502)
Current portion of long-term debt	1,260,000	1,030,000	230,000
Total liabilities payable from restricted assets	2,581,148	2,429,736	151,412
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	60,197,036	63,124,651	(2,927,615)
Long-term accrued landfill postclosure care costs	14,777,976	15,478,017	(700,041)
Long-term accrued compensated absences	1,206,341	1,105,686	100,655
Net pension liability	-	5,161,926	(5,161,926)
Net OPEB liability	2,611,190	2,236,868	374,322
Total noncurrent liabilities	78,792,543	87,107,148	(8,314,605)
Total liabilities	85,621,047	94,986,540	(9,365,493)
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	7,000,000	6,000,000	1,000,000
Deferred inflows - OPEB	44,229	-	44,229
Deferred inflows - pensions	3,813,369	1,112,221	2,701,148
Deferred inflows - gain on refunding bonds	340,515	429,534	(89,019)
Total deferred inflows of resources	11,198,113	7,541,755	3,656,358
NET POSITION			
Net investment in capital assets	29,436,683	28,662,310	774,373
Restricted for:			
Debt service	5,105,437	4,723,150	382,287
Net pension asset	2,240,216	-	2,240,216
Unrestricted	13,178,697	7,508,332	5,670,365
Total net position	49,961,033	40,893,792	9,067,241
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 146,780,193</u>	<u>\$ 143,422,087</u>	<u>\$ 3,358,106</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
Environmental Services Department
Solid Waste Management
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)

	Month of May		Year-to-Date May 31,		% Chg
	2019	2018	2019	2018	
OPERATING REVENUES					
Residential collection	\$ 2,534,105	\$ 2,228,427	\$ 11,929,038	\$ 11,457,590	4%
Commercial collection	2,485,583	2,573,603	12,941,108	12,498,224	4%
Disposal revenues	1,009,445	997,230	4,502,566	4,418,271	2%
Salvage revenues	27,582	77,834	154,397	163,933	-6%
Other operating revenues	24,052	62,745	161,680	127,423	27%
Total operating revenues	6,080,767	5,939,839	29,688,789	28,665,441	4%
OPERATING EXPENSES					
Commercial collection	473,249	428,273	2,111,894	1,924,971	10%
Onsite operations	608,762	700,450	3,060,666	3,316,949	(8%)
Residential collection	941,207	769,692	3,830,247	3,618,132	6%
Other collection services	1,453,260	1,392,223	6,270,944	6,197,111	1%
Support services	1,278,813	1,165,088	5,663,190	5,095,455	11%
Depreciation	460,279	475,796	2,309,011	2,363,396	(2%)
Total operating expenses	5,215,570	4,931,522	23,245,952	22,516,014	3%
Net operating income	865,197	1,008,317	6,442,837	6,149,427	5%
NONOPERATING REVENUES (EXPENSES)					
Investment income	99,090	64,496	467,157	275,660	69%
Rental income	8,086	4,043	20,924	32,819	(36%)
Interest expenses and other related costs	(213,262)	(221,846)	(1,067,210)	(1,106,258)	(4%)
Amortization of premium and refunding gain	69,631	73,199	348,153	365,993	(5%)
Other revenues	521	385	2,048	140,884	(99%)
Gain (loss) on sale/disposal of capital assets	-	(13,265)	-	266,610	(100%)
Total nonoperating revenue (expenses)	(35,934)	(92,988)	(228,928)	(24,292)	842%
Net income before transfers	829,263	915,329	6,213,909	6,125,135	1%
Transfers - to other funds	-	-	(1,000)	-	N/A
Transfers - gross earnings taxes	(489,818)	(509,527)	(2,401,535)	(2,275,249)	6%
CHANGE IN NET POSITION	339,445	405,802	3,811,374	3,849,886	(1%)
NET POSITION - JANUARY 1			46,149,659	37,043,906	
NET POSITION - MAY 31			<u>\$ 49,961,033</u>	<u>\$ 40,893,792</u>	

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