
May 2020

SOLID WASTE MANAGEMENT

INTERIM FINANCIAL REPORT



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)
May 31, 2020 and May 31, 2019

	May		Increase
ASSETS	2020	2019	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 51,115,635	\$ 45,010,060	\$ 6,105,575
GASB 31 market rate adjustment	339,831	-	339,831
Accounts receivable, net	3,782,316	2,903,614	878,702
Accrued unbilled revenue	3,555,989	3,592,069	(36,080)
Restricted cash and equity in pooled investments:			
Debt service funds	2,407,260	4,062,248	(1,654,988)
Customer deposits	40,766	44,005	(3,239)
Construction funds	2,630,010	4,159,547	(1,529,537)
Total restricted cash and equity in pooled investments	5,078,036	8,265,800	(3,187,764)
Total current assets	63,871,807	59,771,543	4,100,264
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	52,188,843	2,005,827
Computer software	5,137,760	5,124,829	12,931
Less: accumulated depreciation	(117,260,468)	(112,911,412)	(4,349,056)
Construction in progress	4,493,243	2,492,661	2,000,582
Total capital assets, net	81,856,784	79,592,317	2,264,467
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	83,966,284	83,942,033	24,251
Total assets	147,838,091	143,713,576	4,124,515
DEFERRED OUTFLOWS OF RESOURCES			
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
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 155,803,966</u>	<u>\$ 146,780,193</u>	<u>\$ 9,023,773</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
Statement of Net Position (Unaudited)
May 31, 2020 and May 31, 2019

LIABILITIES	May		Increase
	2020	2019	(Decrease)
Current liabilities:			
Accounts payable	\$ 2,277,147	\$ 1,299,544	\$ 977,603
Accrued wages payable and compensated absences	1,051,406	429,526	621,880
Accrued taxes payable	325,394	315,049	10,345
GASB 31 market rate adjustment	-	268,582	(268,582)
Customer deposits	92,054	87,656	4,398
Accrued landfill postclosure care costs	858,999	946,999	(88,000)
Current portion of long-term debt	1,135,000	900,000	235,000
Total current liabilities	5,740,000	4,247,356	1,492,644
Current payable from restricted assets:			
Deposits payable	42,616	41,575	1,041
Accrued revenue bond interest payable	1,225,572	1,279,573	(54,001)
Current portion of long-term debt	1,135,000	1,260,000	(125,000)
Total liabilities payable from restricted assets	2,403,188	2,581,148	(177,960)
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	57,203,290	60,197,036	(2,993,746)
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	81,823,939	78,792,543	3,031,396
Total liabilities	89,967,127	85,621,047	4,346,080
DEFERRED INFLOWS OF RESOURCES			
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	251,495	340,515	(89,020)
Total deferred inflows of resources	8,391,775	11,198,113	(2,806,338)
NET POSITION			
Net investment in capital assets	33,089,009	29,436,683	3,652,326
Restricted for:			
Debt service	2,156,188	5,105,437	(2,949,249)
Net pension asset	-	2,240,216	(2,240,216)
Unrestricted	22,199,867	13,178,697	9,021,170
Total net position	57,445,064	49,961,033	7,484,031
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 155,803,966</u>	<u>\$146,780,193</u>	<u>\$ 9,023,773</u>

City of Tacoma
Environmental Services Department
Solid Waste Management
Statement of Revenues, Expenses, and change in Net Position (Unaudited)
May 31, 2020 and May 31, 2019

	Month of May		Year-to-Date May		% Chg
	2020	2019	2020	2019	
OPERATING REVENUES					
Residential collection	\$ 2,544,531	\$ 2,534,105	\$12,979,035	\$11,929,038	9%
Commercial collection	2,264,816	2,485,583	13,413,982	12,941,108	4%
Disposal revenues	806,206	1,009,445	3,808,116	4,502,566	-15%
Salvage revenues	24,916	27,582	111,829	154,397	-28%
Other operating revenues	77,723	24,052	167,526	161,680	4%
Total operating revenues	5,718,192	6,080,767	30,480,488	29,688,789	3%
OPERATING EXPENSES					
Commercial collection	399,055	473,249	2,218,290	2,111,894	5%
Onsite operations	696,836	608,762	3,309,196	3,060,666	8%
Residential collection	954,654	941,207	4,200,769	3,830,247	10%
Other collection services	1,283,063	1,453,260	5,894,632	6,270,944	-6%
Support services	1,225,951	1,278,813	6,484,353	5,663,190	15%
Depreciation	487,798	460,279	2,439,546	2,309,011	6%
Total operating expenses	5,047,357	5,215,570	24,546,786	23,245,952	6%
Net operating income	670,835	865,197	5,933,702	6,442,837	-8%
NONOPERATING REVENUES (EXPENSES)					
Investment income	80,629	99,090	442,835	467,157	-5%
Rental income	-	8,086	2,021	20,924	-90%
Operating grant	50,721	-	50,721	-	N/A
Interest expenses and other related costs	(204,262)	(213,262)	(1,022,210)	(1,067,210)	4%
Amortization of premium and refunding gain	65,890	69,631	329,451	348,153	-5%
Other revenues/expenses	313	521	5,825	2,048	184%
Gain on sale/disposal of capital assets	12,550	-	62,451	-	N/A
Total nonoperating revenue (expenses)	5,841	(35,934)	(128,906)	(228,928)	44%
Net income before transfers	676,676	829,263	5,804,796	6,213,909	-7%
Transfers - to other funds	-	-	-	(1,000)	100%
Transfers - gross earnings taxes	(475,445)	(489,818)	(2,482,413)	(2,401,535)	-3%
CHANGE IN NET POSITION	<u>201,231</u>	<u>339,445</u>	<u>3,322,383</u>	<u>3,811,374</u>	-13%
NET POSITION - JANUARY 1			54,122,681	46,149,659	
NET POSITION - MAY 31			<u>\$57,445,064</u>	<u>\$49,961,033</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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