
July
2019

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)
July 31, 2019 and July 31, 2018

ASSETS	July		Increase
	2019	2018	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 46,092,679	\$ 39,516,036	\$ 6,576,643
Accounts receivable, net	3,628,915	3,434,290	194,625
Accrued unbilled revenue	3,592,069	3,329,619	262,450
Restricted cash and equity in pooled investments:			
Debt service funds	3,265,539	1,817,025	1,448,514
Customer deposits	47,082	68,736	(21,654)
Construction funds	4,174,639	4,115,107	59,532
Total restricted cash and equity in pooled investments	<u>7,487,260</u>	<u>6,000,868</u>	<u>1,486,392</u>
Total current assets	<u>60,800,923</u>	<u>52,280,813</u>	<u>8,520,110</u>
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	53,202,888	52,499,920	702,968
Computer software	5,125,884	5,090,833	35,051
Less: accumulated depreciation	(113,836,044)	(109,913,927)	(3,922,117)
Construction in progress	<u>2,608,799</u>	<u>719,901</u>	<u>1,888,898</u>
Total capital assets, net	79,798,923	80,567,816	(768,893)
Other noncurrent assets:			
Net pension asset	<u>2,240,216</u>	-	<u>2,240,216</u>
Total other noncurrent assets	<u>2,240,216</u>	-	<u>2,240,216</u>
Total noncurrent assets	<u>84,148,639</u>	<u>85,290,966</u>	<u>(1,142,327)</u>
Total assets	<u>144,949,562</u>	<u>137,571,779</u>	<u>7,377,783</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow - other post employment benefits	193,712	-	193,712
Deferred outflows - pensions	<u>2,872,905</u>	<u>5,406,673</u>	<u>(2,533,768)</u>
Total deferred outflows of resources	<u>3,066,617</u>	<u>5,406,673</u>	<u>(2,340,056)</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 148,016,179</u>	<u>\$ 142,978,452</u>	<u>\$ 5,037,727</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)
July 31, 2019 and July 31, 2018

	July		Increase
LIABILITIES	2019	2018	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,897,704	\$ 1,653,478	\$ 244,226
Accrued wages payable and compensated absences	613,637	544,330	69,307
Accrued taxes payable	355,303	300,165	55,138
GASB 31 market rate adjustment	268,582	285,776	(17,194)
Customer deposits	69,750	38,826	30,924
Accrued landfill postclosure care costs	946,999	875,997	71,002
Current portion of long-term debt	720,000	686,667	33,333
Total current liabilities	4,871,975	4,385,239	486,736
Current payable from restricted assets:			
Deposits payable	48,215	66,759	(18,544)
Accrued revenue bond interest payable	426,522	443,692	(17,170)
Current portion of long-term debt	1,440,000	1,373,333	66,667
Total liabilities payable from restricted assets	1,914,737	1,883,784	30,953
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	60,072,611	62,993,089	(2,920,478)
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	78,668,118	86,975,586	(8,307,468)
Total liabilities	85,454,830	93,244,609	(7,789,779)
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	7,000,000	7,000,000	-
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	325,678	414,698	(89,020)
Total deferred inflows of resources	11,183,276	8,526,919	2,656,357
NET POSITION			
Net investment in capital assets	30,047,273	27,780,469	2,266,804
Restricted for:			
Debt service	5,668,517	4,723,150	945,367
Net pension asset	2,240,216	-	2,240,216
Unrestricted	13,422,067	8,703,305	4,718,762
Total net position	51,378,073	41,206,924	10,171,149
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 148,016,179</u>	<u>\$ 142,978,452</u>	<u>\$ 5,037,727</u>

City of Tacoma
Environmental Services Department
Solid Waste Management
Statement of Revenues, Expenses, and change in Net Position (Unaudited)
July 31, 2019 and July 31, 2018

	Month of July		Year-to-Date July		% Chg
	2019	2018	2019	2018	
OPERATING REVENUES					
Residential collection	\$ 2,501,611	\$ 2,334,450	\$ 16,856,287	\$ 15,785,157	7%
Commercial collection	3,306,715	2,353,987	18,877,826	17,353,865	9%
Disposal revenues	1,039,150	1,070,045	6,599,774	6,308,616	5%
Salvage revenues	24,247	37,693	194,092	234,441	-17%
Other operating revenues	46,953	18,353	222,599	166,052	34%
Total operating revenues	6,918,676	5,814,528	42,750,578	39,848,131	7%
OPERATING EXPENSES					
Commercial collection	464,814	422,895	3,050,367	2,757,983	11%
Onsite operations	743,889	669,175	4,460,140	4,671,384	-5%
Residential collection	693,614	758,210	5,508,524	5,340,539	3%
Other collection services	1,402,095	1,188,527	9,154,462	8,767,428	4%
Support services	1,431,380	1,156,357	8,363,384	7,443,589	12%
Depreciation	463,912	472,535	3,233,643	3,307,251	-2%
Total operating expenses	5,199,704	4,667,699	33,770,520	32,288,174	5%
Net operating income	1,718,972	1,146,829	8,980,058	7,559,957	19%
NONOPERATING REVENUES (EXPENSES)					
Investment income	102,403	70,646	669,043	411,689	63%
Rental income	-	4,043	20,924	40,521	-48%
Interest expenses and other related costs	(213,262)	(221,846)	(1,493,734)	(1,547,236)	3%
Amortization of premium and refunding gain	69,631	73,199	487,414	512,390	-5%
Other revenues/expenses	383	(1,118)	2,815	142,747	-98%
Gain on sale/disposal of capital assets	-	-	-	265,110	-100%
Total nonoperating revenue (expenses)	(40,845)	(75,076)	(313,538)	(174,779)	-79%
Net income before transfers	1,678,127	1,071,753	8,666,520	7,385,178	17%
Transfers - to other funds	-	-	(1,000)	-	N/A
Transfers - gross earnings taxes	(539,248)	(468,512)	(3,437,106)	(3,222,160)	-7%
CHANGE IN NET POSITION	<u>1,138,879</u>	<u>603,241</u>	<u>5,228,414</u>	<u>4,163,018</u>	26%
NET POSITION - JANUARY 1			46,149,659	37,043,906	
NET POSITION - JULY 31			<u>\$ 51,378,073</u>	<u>\$ 41,206,924</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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