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*July 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)**  
**July 31, 2020 and July 31, 2019**

	July		Increase
<b>ASSETS</b>	<b>2020</b>	<b>2019</b>	<b>(Decrease)</b>
Current assets:			
Cash and equity in pooled investments	\$ 50,773,709	\$ 46,092,679	\$ 4,681,030
GASB 31 market rate adjustment	339,831	-	339,831
Accounts receivable, net	4,062,555	3,628,915	433,640
Accrued unbilled revenue	3,555,989	3,592,069	(36,080)
Restricted cash and equity in pooled investments:			
Debt service funds	2,140,219	3,265,539	(1,125,320)
Customer deposits	41,571	47,082	(5,511)
Construction funds	2,636,610	4,174,639	(1,538,029)
Total restricted cash and equity in pooled investments	4,818,400	7,487,260	(2,668,860)
Total current assets	63,550,484	60,800,923	2,749,561
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	55,308,941	53,202,888	2,106,053
Computer software	5,137,760	5,125,884	11,876
Less: accumulated depreciation	(118,229,186)	(113,836,044)	(4,393,142)
Construction in progress	3,955,731	2,608,799	1,346,932
Total capital assets, net	81,464,825	79,798,923	1,665,902
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	83,574,325	84,148,639	(574,314)
Total assets	147,124,809	144,949,562	2,175,247
<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>\$ 155,090,684</b>	<b>\$ 148,016,179</b>	<b>\$ 7,074,505</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)**  
**July 31, 2020 and July 31, 2019**

	July		Increase
LIABILITIES	2020	2019	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,752,033	\$ 1,897,704	\$ (145,671)
Accrued wages payable and compensated absences	781,980	613,637	168,343
Accrued taxes payable	358,690	355,303	3,387
GASB 31 market rate adjustment	-	268,582	(268,582)
Customer deposits	81,607	69,750	11,857
Accrued landfill postclosure care costs	858,999	946,999	(88,000)
Current portion of long-term debt	756,667	720,000	36,667
Total current liabilities	4,589,976	4,871,975	(281,999)
Current payable from restricted assets:			
Deposits payable	43,431	48,215	(4,784)
Accrued revenue bond interest payable	408,521	426,522	(18,001)
Current portion of long-term debt	1,513,333	1,440,000	73,333
Total liabilities payable from restricted assets	1,965,285	1,914,737	50,548
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	57,086,346	60,072,611	(2,986,265)
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	81,706,995	78,668,118	3,038,877
Total liabilities	88,262,256	85,454,830	2,807,426
<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	236,659	325,678	(89,019)
Total deferred inflows of resources	8,376,939	11,183,276	(2,806,337)
<b>NET POSITION</b>			
Net investment in capital assets	33,171,603	30,047,273	3,124,330
Restricted for:			
Debt service	2,327,865	5,668,517	(3,340,652)
Net pension asset	-	2,240,216	(2,240,216)
Unrestricted	22,952,021	13,422,067	9,529,954
Total net position	58,451,489	51,378,073	7,073,416
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 155,090,684</u>	<u>\$148,016,179</u>	<u>\$ 7,074,505</u>

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

	Month of July		Year-to-Date July		% Chg
	2020	2019	2020	2019	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,713,820	\$ 2,501,611	\$18,530,439	\$16,856,287	10%
Commercial collection	2,846,765	3,306,715	19,012,782	18,877,826	1%
Disposal revenues	833,435	1,039,150	5,528,171	6,599,774	-16%
Salvage revenues	24,436	24,247	156,886	194,092	-19%
Other operating revenues	11,202	46,953	182,638	222,599	-18%
Total operating revenues	6,429,658	6,918,676	43,410,916	42,750,578	2%
<b>OPERATING EXPENSES</b>					
Commercial collection	375,167	464,814	3,001,443	3,050,367	-2%
Onsite operations	699,062	743,889	4,672,474	4,460,140	5%
Residential collection	946,664	693,614	6,126,919	5,508,524	11%
Other collection services	1,523,843	1,402,095	8,719,677	9,154,462	-5%
Support services	1,427,349	1,431,380	9,371,440	8,363,384	12%
Depreciation	480,919	463,912	3,408,263	3,233,643	5%
Total operating expenses	5,453,004	5,199,704	35,300,216	33,770,520	5%
Net operating income	976,654	1,718,972	8,110,700	8,980,058	-10%
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	73,281	102,403	588,920	669,043	-12%
Rental income	-	-	2,021	20,924	-90%
Operating grant	-	-	50,721	-	N/A
Interest expenses and other related costs	(204,262)	(213,262)	(1,430,734)	(1,493,734)	4%
Amortization of premium and refunding gain	65,890	69,631	461,232	487,414	-5%
Other revenues/expenses	245	383	6,315	2,815	124%
Gain on sale/disposal of capital assets	1,000	-	63,451	-	N/A
Total nonoperating revenue (expenses)	(63,846)	(40,845)	(258,074)	(313,538)	18%
Net income before transfers	912,808	1,678,127	7,852,626	8,666,520	-9%
Transfers - to other funds	-	-	-	(1,000)	100%
Transfers - gross earnings taxes	(515,976)	(539,248)	(3,523,818)	(3,437,106)	-3%
<b>CHANGE IN NET POSITION</b>	<u>\$ 396,832</u>	<u>\$ 1,138,879</u>	4,328,808	5,228,414	-17%
<b>NET POSITION - JANUARY 1</b>			54,122,681	46,149,659	
<b>NET POSITION - JULY 31</b>			<u>\$58,451,489</u>	<u>\$51,378,073</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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