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*July 2021*

***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, 2021 and July 31, 2020**

	July		Increase
ASSETS	2021	2020	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 51,626,591	\$ 50,773,709	\$ 852,882
GASB 31 market rate adjustment	878,555	339,831	538,724
Accounts receivable, net	4,477,930	4,062,555	415,375
Accrued unbilled revenue	3,607,376	3,555,989	51,387
Restricted cash and equity in pooled investments:			
Debt service funds	1,944,292	2,140,219	(195,927)
Customer deposits	32,488	41,571	(9,083)
Construction funds	-	2,636,610	(2,636,610)
Total restricted cash and equity in pooled investments	1,976,780	4,818,400	(2,841,620)
Total current assets	62,567,232	63,550,484	(983,252)
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	70,679,126	70,668,403	10,723
Machinery and equipment	56,147,086	55,308,941	838,145
Computer software	4,927,552	5,137,760	(210,208)
Less: accumulated depreciation	(118,188,351)	(118,229,186)	40,835
Construction in progress	10,845,418	3,955,731	6,889,687
Total capital assets, net	89,034,007	81,464,825	7,569,182
Other noncurrent assets:			
Net pension asset	1,065,425	-	1,065,425
Total noncurrent assets	90,099,432	83,574,325	8,634,607
Total assets	154,776,164	147,124,809	7,651,355
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - other post employment benefits	292,262	206,337	85,925
Deferred outflows - pensions	3,160,906	7,759,538	(4,598,632)
Total deferred outflows of resources	3,453,168	7,965,875	(4,512,707)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 158,229,332</b>	<b>\$ 155,090,684</b>	<b>\$ 3,138,648</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, 2021 and July 31, 2020**

<b>LIABILITIES</b>	<b>July</b>		<b>Increase</b>
	<b>2021</b>	<b>2020</b>	<b>(Decrease)</b>
Current liabilities:			
Accounts payable	\$ 2,200,531	\$ 1,752,033	\$ 448,498
Accrued wages payable and compensated absences	756,051	781,980	(25,929)
Accrued taxes payable	369,088	358,690	10,398
Customer deposits	73,560	81,607	(8,047)
Accrued landfill postclosure care costs	694,674	858,999	(164,325)
Current portion of long-term debt	771,663	756,667	14,996
Total current liabilities	4,865,567	4,589,976	275,591
Current payable from restricted assets:			
Deposits payable	34,458	43,431	(8,973)
Accrued revenue bond interest payable	400,957	408,521	(7,564)
Current portion of long-term debt	1,543,333	1,513,333	30,000
Total liabilities payable from restricted assets	1,978,748	1,965,285	13,463
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	54,101,584	57,086,346	(2,984,762)
Long-term accrued landfill postclosure care costs	13,740,678	14,006,977	(266,299)
Long-term accrued compensated absences	1,418,746	1,215,225	203,521
Net pension liability	-	6,556,061	(6,556,061)
Pension withdrawal liability	437,420	437,420	-
Net OPEB liability	2,536,608	2,404,966	131,642
Total noncurrent liabilities	72,235,036	81,706,995	(9,471,959)
Total liabilities	79,079,351	88,262,256	(9,182,905)
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization	7,000,000	7,000,000	-
Deferred inflows - OPEB	289,731	278,819	10,912
Deferred inflows - pensions	4,060,123	861,461	3,198,662
Deferred inflows - gain on refunding bonds	147,639	236,659	(89,020)
Total deferred inflows of resources	11,497,493	8,376,939	3,120,554
<b>NET POSITION</b>			
Net investment in capital assets	41,205,117	33,171,603	8,033,514
Restricted for:			
Debt service	2,109,502	2,327,865	(218,363)
Net pension asset	1,065,425	-	1,065,425
Unrestricted	23,272,444	22,952,021	320,423
Total net position	67,652,488	58,451,489	9,200,999
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 158,229,332</u>	<u>\$ 155,090,684</u>	<u>\$ 3,138,648</u>

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**City of Tacoma**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statement of Revenues, Expenses, and change in Net Position (Unaudited)**  
**July 31, 2021 and July 31, 2020**

	Month of July		Year-to-Date July		% Chg
	2021	2020	2021	2020	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,647,981	\$ 2,713,820	\$ 19,282,907	\$ 18,530,439	4%
Commercial collection	2,929,860	2,846,765	20,461,590	19,012,782	8%
Disposal revenues	1,058,918	833,435	6,839,037	5,528,171	24%
Salvage revenues	62,768	24,436	377,051	156,886	140%
Other operating revenues	26,758	11,202	138,648	182,638	-24%
Total operating revenues	6,726,285	6,429,658	47,099,233	43,410,916	8%
<b>OPERATING EXPENSES</b>					
Commercial collection	463,129	375,167	3,360,089	3,001,443	12%
Onsite operations	750,053	699,062	4,850,891	4,672,474	4%
Residential collection	1,003,114	946,664	6,612,170	6,126,919	8%
Other collection services	1,380,930	1,523,843	9,961,980	8,719,677	14%
Support services	1,192,660	1,427,349	9,194,590	9,371,440	-2%
Depreciation	513,568	480,919	3,460,501	3,408,263	2%
Total operating expenses	5,303,454	5,453,004	37,440,221	35,300,216	6%
Net operating income	1,422,831	976,654	9,659,012	8,110,700	19%
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	38,687	73,281	312,092	588,920	-47%
Rental income	383	-	12,464	2,021	517%
Operating grant	24,000	-	199,000	50,721	292%
Interest expenses and other related costs	(200,479)	(204,262)	(1,403,353)	(1,430,734)	2%
Amortization of premium and refunding gain	61,948	65,890	433,638	461,232	-6%
Other revenues/expenses	3,807	245	29,333	6,315	364%
Process from sale disposal of capital assets	27,600	1,000	88,978	63,451	40%
Total nonoperating revenue (expenses)	(44,054)	(63,846)	(327,848)	(258,074)	-27%
Net income before transfers	1,378,777	912,808	9,331,164	7,852,626	19%
Transfers - gross earnings taxes	(528,344)	(515,976)	(3,746,822)	(3,523,818)	-6%
<b>CHANGE IN NET POSITION</b>	<u>\$ 850,433</u>	<u>\$ 396,832</u>	5,584,342	4,328,808	29%
<b>NET POSITION - JANUARY 1</b>			62,068,146	54,122,681	
<b>NET POSITION - JULY 31</b>			<u>\$ 67,652,488</u>	<u>\$ 58,451,489</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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