
August 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)
August 31, 2020 and August 31, 2019

ASSETS	August		Increase
	2020	2019	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 51,547,421	\$ 47,557,316	\$ 3,990,105
GASB 31 market rate adjustment	339,831	-	339,831
Accounts receivable, net	4,199,101	2,860,573	1,338,528
Accrued unbilled revenue	3,555,989	3,592,069	(36,080)
Restricted cash and equity in pooled investments:			
Debt service funds	2,381,819	3,506,972	(1,125,153)
Customer deposits	41,884	46,738	(4,854)
Construction funds	2,640,075	3,539,128	(899,053)
Total restricted cash and equity in pooled investments	5,063,778	7,092,838	(2,029,060)
Total current assets	64,706,120	61,102,796	3,603,324
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	55,447,729	54,095,355	1,352,374
Computer software	5,137,760	5,125,884	11,876
Less: accumulated depreciation	(118,708,853)	(114,193,536)	(4,515,317)
Construction in progress	4,515,706	2,668,829	1,846,877
Total capital assets, net	81,683,921	80,393,928	1,289,993
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	83,793,421	84,743,644	(950,223)
Total assets	148,499,541	145,846,440	2,653,101
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	\$ 156,465,416	\$ 148,913,057	\$ 7,552,359

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)
August 31, 2020 and August 31, 2019

LIABILITIES	August		Increase
	2020	2019	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,756,180	\$ 2,061,877	\$ (305,697)
Accrued wages payable and compensated absences	862,171	729,096	133,075
Accrued taxes payable	371,315	320,782	50,533
GASB 31 market rate adjustment	-	268,582	(268,582)
Customer deposits	81,536	94,634	(13,098)
Accrued landfill postclosure care costs	858,999	946,999	(88,000)
Current portion of long-term debt	567,500	540,000	27,500
Total current liabilities	4,497,701	4,961,970	(464,269)
Current payable from restricted assets:			
Deposits payable	43,721	47,999	(4,278)
Accrued revenue bond interest payable	612,783	639,784	(27,001)
Current portion of long-term debt	1,702,500	1,620,000	82,500
Total liabilities payable from restricted assets	2,359,004	2,307,783	51,221
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	57,027,874	60,010,399	(2,982,525)
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	81,648,523	78,605,906	3,042,617
Total liabilities	88,505,228	85,875,659	2,629,569
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	229,240	318,260	(89,020)
Total deferred inflows of resources	8,369,520	11,175,858	(2,806,338)
NET POSITION			
Net investment in capital assets	33,691,382	30,256,397	3,434,985
Restricted for:			
Debt service	2,176,036	5,516,688	(3,340,652)
Net pension asset	-	2,240,216	(2,240,216)
Unrestricted	23,723,250	13,848,239	9,875,011
Total net position	59,590,668	51,861,540	7,729,128
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 156,465,416</u>	<u>\$148,913,057</u>	<u>\$ 7,552,359</u>

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

	Month of August 2020	2019	Year-to-Date August 2020	2019	% Chg
OPERATING REVENUES					
Residential collection	\$ 2,744,186	\$ 2,263,730	\$21,274,625	\$19,120,017	11%
Commercial collection	2,850,250	2,355,317	21,863,032	21,233,143	3%
Disposal revenues	1,008,092	1,029,034	6,536,263	7,628,808	-14%
Salvage revenues	22,550	17,584	179,435	211,676	-15%
Other operating revenues	57,906	20,149	240,544	242,748	-1%
Total operating revenues	6,682,984	5,685,814	50,093,899	48,436,392	3%
OPERATING EXPENSES					
Commercial collection	367,235	454,735	3,368,677	3,505,101	-4%
Onsite operations	734,331	692,546	5,406,805	5,152,686	5%
Residential collection	739,547	777,929	6,866,466	6,286,453	9%
Other collection services	1,451,108	1,096,999	10,170,785	10,251,460	-1%
Support services	1,214,989	1,177,541	10,586,430	9,540,926	11%
Depreciation	479,668	464,030	3,887,931	3,697,673	5%
Total operating expenses	4,986,878	4,663,780	40,287,094	38,434,299	5%
Net operating income	1,696,106	1,022,034	9,806,805	10,002,093	-2%
NONOPERATING REVENUES (EXPENSES)					
Investment income	77,747	102,180	666,667	771,223	-14%
Rental income	-	-	2,021	20,924	-90%
Operating grant	40,652	-	91,373	-	N/A
Interest expenses and other related costs	(204,262)	(213,262)	(1,634,996)	(1,706,996)	4%
Amortization of premium and refunding gain	65,890	69,631	527,122	557,045	-5%
Other revenues/expenses	3,978	383	10,293	3,198	222%
Gain on sale/disposal of capital assets	-	-	63,451	-	N/A
Total nonoperating revenue (expenses)	(15,995)	(41,068)	(274,069)	(354,606)	23%
Net income before transfers	1,680,111	980,966	9,532,736	9,647,487	-1%
Transfers - to other funds	-	-	-	(1,000)	100%
Transfers - gross earnings taxes	(540,931)	(497,500)	(4,064,749)	(3,934,606)	-3%
CHANGE IN NET POSITION	<u>\$ 1,139,180</u>	<u>\$ 483,466</u>	5,467,987	5,711,881	-4%
NET POSITION - JANUARY 1			54,122,681	46,149,659	
NET POSITION - AUGUST 31			<u>\$59,590,668</u>	<u>\$51,861,540</u>	

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