
***October
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)
October 31, 2019 and October 31, 2018

ASSETS	October		Increase
	2019	2018	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 48,820,522	\$ 41,900,609	\$ 6,919,913
Accounts receivable, net	3,749,738	3,605,250	144,488
Accrued unbilled revenue	3,592,069	3,329,619	262,450
Restricted cash and equity in pooled investments:			
Debt service funds	3,989,838	2,997,563	992,275
Customer deposits	43,058	64,523	(21,465)
Construction funds	3,196,227	4,133,437	(937,210)
Total restricted cash and equity in pooled investments	7,229,123	7,195,523	33,600
Total current assets	63,391,452	56,031,001	7,360,451
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	61,767,413	-
Landfill infrastructure	68,074,220	67,541,082	533,138
Machinery and equipment	54,519,498	52,783,361	1,736,137
Computer software	5,135,219	5,051,881	83,338
Less: accumulated depreciation	(115,132,932)	(111,285,750)	(3,847,182)
Construction in progress	3,397,825	1,387,866	2,009,959
Total capital assets, net	80,617,006	80,101,616	515,390
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	84,966,722	84,824,766	141,956
Total assets	148,358,174	140,855,767	7,502,407
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - other post employment benefits	193,712	-	193,712
Deferred outflows - pensions	2,872,905	5,406,673	(2,533,768)
Total deferred outflows of resources	3,066,617	5,406,673	(2,340,056)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 151,424,791	\$ 146,262,440	\$ 5,162,351

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)
October 31, 2019 and October 31, 2018

	October		Increase
LIABILITIES	2019	2018	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,973,275	\$ 1,244,892	\$ 728,383
Accrued wages payable and compensated absences	1,000,048	904,352	95,696
Accrued taxes payable	388,060	319,728	68,332
GASB 31 market rate adjustment	268,582	285,726	(17,144)
Customer deposits	77,941	62,627	15,314
Accrued landfill postclosure care costs	946,999	875,997	71,002
Current portion of long-term debt	180,000	171,666	8,334
Total current liabilities	4,834,905	3,864,988	969,917
Current payable from restricted assets:			
Deposits payable	44,340	61,731	(17,391)
Accrued revenue bond interest payable	1,066,308	1,109,230	(42,922)
Current portion of long-term debt	1,980,000	1,888,334	91,666
Total liabilities payable from restricted assets	3,090,648	3,059,295	31,353
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	59,885,975	62,795,748	(2,909,773)
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	78,481,482	86,778,245	(8,296,763)
Total liabilities	86,407,035	93,702,528	(7,295,493)
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	303,423	392,443	(89,020)
Total deferred inflows of resources	11,161,021	8,504,664	2,656,357
NET POSITION			
Net investment in capital assets	30,635,835	28,067,195	2,568,640
Restricted for:			
Debt service	5,213,030	4,723,150	489,880
Net pension asset	2,240,216	-	2,240,216
Unrestricted	15,767,654	11,264,903	4,502,751
Total net position	53,856,735	44,055,248	9,801,487
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 151,424,791</u>	<u>\$ 146,262,440</u>	<u>\$ 5,162,351</u>

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

	Month of October		Year-to-Date October		% Chg
	2019	2018	2019	2018	
OPERATING REVENUES					
Residential collection	\$3,160,646	\$2,426,380	\$ 24,282,092	\$ 22,876,523	6%
Commercial collection	3,342,634	3,303,167	27,321,601	25,524,239	7%
Disposal revenues	917,597	925,978	9,506,462	9,245,765	3%
Salvage revenues	31,267	26,723	257,948	320,633	-20%
Other operating revenues	19,885	19,291	430,380	351,884	22%
Total operating revenues	7,472,029	6,701,539	61,798,483	58,319,044	6%
OPERATING EXPENSES					
Commercial collection	624,754	460,747	4,550,054	3,994,194	14%
Onsite operations	679,742	654,942	6,473,456	6,674,435	-3%
Residential collection	1,114,030	781,742	8,227,884	7,763,521	6%
Other collection services	1,101,840	1,036,876	12,539,840	12,253,682	2%
Support services	1,491,814	1,169,560	12,173,903	10,928,053	11%
Depreciation	470,354	472,535	4,637,069	4,724,856	-2%
Total operating expenses	5,482,534	4,576,402	48,602,206	46,338,741	5%
Net operating income	1,989,495	2,125,137	13,196,277	11,980,303	10%
NONOPERATING REVENUES (EXPENSES)					
Investment income	104,627	80,025	976,648	643,634	52%
Rental income	-	4,043	20,924	44,564	-53%
Operating grant	-	118,310	-	118,310	-100%
Interest expenses and other related costs	(213,262)	(221,846)	(2,133,520)	(2,207,372)	3%
Amortization of premium and refunding gain	69,631	73,199	696,306	731,985	-5%
Other revenues/expenses	383	384	3,965	146,509	-97%
Gain on sale/disposal of capital assets	-	-	46,500	268,590	-83%
Total nonoperating revenue (expenses)	(38,621)	54,115	(389,177)	(253,780)	-53%
Net income before transfers	1,950,874	2,179,252	12,807,100	11,726,523	9%
Transfers - to other funds	(78,000)	-	(79,000)	-	N/A
Transfers - gross earnings taxes	(608,726)	(493,409)	(5,021,024)	(4,715,181)	-6%
CHANGE IN NET POSITION	<u>1,264,148</u>	<u>1,685,843</u>	<u>7,707,076</u>	<u>7,011,342</u>	10%
NET POSITION - JANUARY 1			46,149,659	37,043,906	
NET POSITION - OCTOBER 31			<u>\$ 53,856,735</u>	<u>\$ 44,055,248</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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