
October 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)
October 31, 2020 and October 31, 2019

ASSETS	October		Increase
	2020	2019	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 51,293,085	\$ 48,820,522	\$ 2,472,563
GASB 31 market rate adjustment	339,831	-	339,831
Accounts receivable, net	4,591,378	3,749,738	841,640
Accrued unbilled revenue	3,555,989	3,592,069	(36,080)
Restricted cash and equity in pooled investments:			
Debt service funds	2,865,019	3,989,838	(1,124,819)
Customer deposits	38,528	43,058	(4,530)
Construction funds	2,645,943	3,196,227	(550,284)
Total restricted cash and equity in pooled investments	5,549,490	7,229,123	(1,679,633)
Total current assets	65,329,773	63,391,452	1,938,321
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	54,752,763	54,519,498	233,265
Computer software	5,137,760	5,135,219	2,541
Less: accumulated depreciation	(118,695,635)	(115,132,932)	(3,562,703)
Construction in progress	6,125,991	3,397,825	2,728,166
Total capital assets, net	82,612,458	80,617,006	1,995,452
Other noncurrent assets:			
Net pension asset	-	2,240,216	(2,240,216)
Total noncurrent assets	84,721,958	84,966,722	(244,764)
Total assets	150,051,731	148,358,174	1,693,557
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	\$ 158,017,606	\$ 151,424,791	\$ 6,592,815

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, 2020 and October 31, 2019

LIABILITIES	October		Increase
	2020	2019	(Decrease)
Current liabilities:			
Accounts payable	\$ 2,217,754	\$ 1,973,275	\$ 244,479
Accrued wages payable and compensated absences	454,812	1,000,048	(545,236)
Accrued taxes payable	388,777	388,060	717
GASB 31 market rate adjustment	-	268,582	(268,582)
Customer deposits	80,757	77,941	2,816
Accrued landfill postclosure care costs	858,999	946,999	(88,000)
Current portion of long-term debt	189,167	180,000	9,167
Total current liabilities	4,190,266	4,834,905	(644,639)
Current payable from restricted assets:			
Deposits payable	53,083	44,340	8,743
Accrued revenue bond interest payable	1,021,307	1,066,308	(45,001)
Current portion of long-term debt	2,080,833	1,980,000	100,833
Total liabilities payable from restricted assets	3,155,223	3,090,648	64,575
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	56,910,930	59,885,975	(2,975,045)
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	81,531,579	78,481,482	3,050,097
Total liabilities	88,877,068	86,407,035	2,470,033
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	214,403	303,423	(89,020)
Total deferred inflows of resources	8,354,683	11,161,021	(2,806,338)
NET POSITION			
Net investment in capital assets	35,135,900	30,635,835	4,500,065
Restricted for:			
Debt service	1,872,379	5,213,030	(3,340,651)
Net pension asset	-	2,240,216	(2,240,216)
Unrestricted	23,777,576	15,767,654	8,009,922
Total net position	60,785,855	53,856,735	6,929,120
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 158,017,606</u>	<u>\$151,424,791</u>	<u>\$ 6,592,815</u>

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

	Month of October		Year-to-Date October		% Chg
	2020	2019	2020	2019	
OPERATING REVENUES					
Residential collection	\$ 2,820,712	\$ 3,160,646	\$26,807,757	\$24,282,092	10%
Commercial collection	3,188,851	3,342,634	27,912,775	27,321,601	2%
Disposal revenues	882,817	917,597	8,264,489	9,506,462	-13%
Salvage revenues	20,823	31,267	220,475	257,948	-15%
Other operating revenues	10,486	19,885	264,426	430,380	-39%
Total operating revenues	6,923,689	7,472,029	63,469,922	61,798,483	3%
OPERATING EXPENSES					
Commercial collection	458,058	624,754	4,240,799	4,550,054	-7%
Onsite operations	895,452	679,742	7,088,383	6,473,456	9%
Residential collection	1,065,901	1,114,030	8,535,284	8,227,884	4%
Other collection services	1,425,438	1,101,840	12,938,155	12,539,840	3%
Support services	1,314,997	1,491,814	13,281,696	12,173,903	9%
Depreciation	465,865	470,354	4,832,919	4,637,069	4%
Total operating expenses	5,625,711	5,482,534	50,917,236	48,602,206	5%
Net operating income	1,297,978	1,989,495	12,552,686	13,196,277	-5%
NONOPERATING REVENUES (EXPENSES)					
Investment income	63,846	104,627	797,928	976,648	-18%
Rental income	-	-	2,021	20,924	-90%
Operating grant	-	-	91,373	-	N/A
Interest expenses and other related costs	(204,262)	(213,262)	(2,043,520)	(2,133,520)	4%
Amortization of premium and refunding gain	65,890	69,631	658,903	696,306	-5%
Other revenues/expenses	396	383	11,077	3,965	179%
Process from sale disposal of capital assets	-	-	157,608	46,500	239%
Loss on sale/disposal of capital assets	-	-	(420,856)	-	N/A
Total nonoperating revenue (expenses)	(74,130)	(38,621)	(745,466)	(389,177)	-92%
Net income before transfers	1,223,848	1,950,874	11,807,220	12,807,100	-8%
Transfers - to other funds	-	(78,000)	-	(79,000)	100%
Transfers - gross earnings taxes	(568,407)	(608,726)	(5,144,046)	(5,021,024)	-2%
CHANGE IN NET POSITION	<u>\$ 655,441</u>	<u>\$ 1,264,148</u>	<u>6,663,174</u>	<u>7,707,076</u>	-14%
NET POSITION - JANUARY 1			54,122,681	46,149,659	
NET POSITION - OCTOBER 31			<u>\$60,785,855</u>	<u>\$53,856,735</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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