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***November 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)**  
**November 30, 2020 and November 30, 2019**

<b>ASSETS</b>	<b>November</b>		<b>Increase</b>
	<b>2020</b>	<b>2019</b>	<b>(Decrease)</b>
Current assets:			
Cash and equity in pooled investments	\$ 50,879,528	\$ 48,496,787	\$ 2,382,741
GASB 31 market rate adjustment	339,831	-	339,831
Accounts receivable, net	3,832,368	3,309,666	522,702
Accrued unbilled revenue	3,555,989	3,592,069	(36,080)
Restricted cash and equity in pooled investments:			
Debt service funds	3,106,619	4,231,271	(1,124,652)
Customer deposits	37,160	42,446	(5,286)
Construction funds	2,648,629	3,201,575	(552,946)
Total restricted cash and equity in pooled investments	5,792,408	7,475,292	(1,682,884)
Total current assets	64,400,124	62,873,814	1,526,310
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	70,672,539	68,074,220	2,598,319
Machinery and equipment	55,649,552	54,676,982	972,570
Computer software	5,137,760	5,135,219	2,541
Less: accumulated depreciation	(119,161,627)	(115,603,965)	(3,557,662)
Construction in progress	5,657,475	3,549,010	2,108,465
Total capital assets, net	82,578,875	80,454,642	2,124,233
Other noncurrent assets:			
Net pension asset	-	2,240,216	(2,240,216)
Total noncurrent assets	84,688,375	84,804,358	(115,983)
Total assets	149,088,499	147,678,172	1,410,327
<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>\$ 157,054,374</b>	<b>\$ 150,744,789</b>	<b>\$ 6,309,585</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)**  
**November 30, 2020 and November 30, 2019**

<b>LIABILITIES</b>	<b>November</b>		<b>Increase</b>
	<b>2020</b>	<b>2019</b>	<b>(Decrease)</b>
Current liabilities:			
Accounts payable	\$ 1,343,540	\$ 1,830,895	\$ (487,355)
Accrued wages payable and compensated absences	499,456	134,038	365,418
Accrued taxes payable	293,519	293,968	(449)
GASB 31 market rate adjustment	-	268,582	(268,582)
Customer deposits	73,344	72,738	606
Accrued landfill postclosure care costs	858,999	946,999	(88,000)
Total current liabilities	3,068,858	3,547,220	(478,362)
Current payable from restricted assets:			
Deposits payable	39,554	44,149	(4,595)
Accrued revenue bond interest payable	1,225,569	1,279,570	(54,001)
Current portion of long-term debt	2,270,000	2,160,000	110,000
Total liabilities payable from restricted assets	3,535,123	3,483,719	51,404
Noncurrent liabilities:			
Long-term debt - revenue bonds, net	56,852,458	59,823,762	(2,971,304)
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	81,473,107	78,419,269	3,053,838
Total liabilities	88,077,088	85,450,208	2,626,880
<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	206,985	296,005	(89,020)
Total deferred inflows of resources	8,347,265	11,153,603	(2,806,338)
<b>NET POSITION</b>			
Net investment in capital assets	35,360,061	30,728,450	4,631,611
Restricted for:			
Debt service	1,720,550	5,061,201	(3,340,651)
Net pension asset	-	2,240,216	(2,240,216)
Unrestricted	23,549,410	16,111,111	7,438,299
Total net position	60,630,021	54,140,978	6,489,043
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 157,054,374</b>	<b>\$150,744,789</b>	<b>\$ 6,309,585</b>

**City of Tacoma**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statement of Revenues, Expenses, and change in Net Position (Unaudited)**  
**November 30, 2020 and November 30, 2019**

	Month of November 2020	2019	Year-to-Date November 2020	2019	% Chg
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,282,255	\$ 2,279,401	\$29,090,012	\$26,561,492	10%
Commercial collection	2,105,842	2,334,632	30,018,617	29,656,233	1%
Disposal revenues	762,866	852,318	9,027,355	10,358,779	-13%
Salvage revenues	30,158	14,431	250,634	272,380	-8%
Other operating revenues	8,832	103,782	273,258	534,162	-49%
Total operating revenues	5,189,953	5,584,564	68,659,876	67,383,046	2%
<b>OPERATING EXPENSES</b>					
Commercial collection	428,771	430,537	4,669,570	4,980,591	-6%
Onsite operations	625,202	691,068	7,713,585	7,164,524	8%
Residential collection	805,452	884,537	9,340,735	9,112,421	3%
Other collection services	1,276,925	1,081,006	14,215,080	13,620,846	4%
Support services	1,269,556	1,250,124	14,551,253	13,424,026	8%
Depreciation	465,991	471,033	5,298,910	5,108,102	4%
Total operating expenses	4,871,897	4,808,305	55,789,133	53,410,510	4%
Net operating income	318,056	776,259	12,870,743	13,972,536	-8%
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	61,200	97,756	859,128	1,074,404	-20%
Rental income	-	-	2,021	20,924	-90%
Operating grant	26,747	-	118,120	-	N/A
Interest expenses and other related costs	(204,262)	(213,262)	(2,247,782)	(2,346,782)	4%
Amortization of premium and refunding gain	65,890	69,631	724,793	765,936	-5%
Other revenues/expenses	382	425	11,456	4,391	161%
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)	(50,043)	(45,450)	(795,512)	(434,627)	-83%
Net income before transfers	268,013	730,809	12,075,231	13,537,909	-11%
Transfers - to other funds	-	-	-	(79,000)	100%
Transfers - gross earnings taxes	(423,845)	(446,566)	(5,567,891)	(5,467,590)	-2%
<b>CHANGE IN NET POSITION</b>	<u>\$ (155,832)</u>	<u>\$ 284,243</u>	6,507,340	7,991,319	-19%
<b>NET POSITION - JANUARY 1</b>			54,122,681	46,149,659	
<b>NET POSITION - NOVEMBER 30</b>			<u>\$60,630,021</u>	<u>\$54,140,978</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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