



*Solid Waste Management  
Financial Report  
August 2014*

City of Tacoma  
Environmental Services Department  
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### *Notification*

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 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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# *Financial Statements*

**City of Tacoma**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statements of Net Position (Unaudited)**

ASSETS	August 31,		Increase
	2014	2013	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 23,165,400	\$ 23,759,768	\$ (594,368)
Rate Stabilization Fund	6,000,000	4,650,000	1,350,000
Total cash and equity in pooled investments	29,165,400	28,409,768	755,632
GABS 31 market rate adjustment	1,078	285,431	(284,353)
Accounts receivable	7,042,429	7,004,961	37,468
Allowance for uncollectible accounts	(3,956,668)	(3,708,993)	(247,675)
Unbilled revenue	3,065,000	3,065,000	-
Grant receivable - operating	302,326	463,852	(161,526)
Other receivables	263,319	-	263,319
Total current assets	35,882,884	35,520,019	362,865
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	4,821,384	4,497,126	324,258
Customer deposits	90,488	73,038	17,450
Construction funds	-	3,339,081	(3,339,081)
Reserve for landfill closure	-	2,780,404	(2,780,404)
Total restricted cash and equity in pooled investments	4,911,872	10,689,649	(5,777,777)
Capital assets:			
Land	3,119,781	3,119,781	-
Buildings	63,874,457	63,908,815	(34,358)
Building - capital lease	7,568,000	7,568,000	-
Landfill infrastructure	64,836,358	62,460,597	2,375,761
Machinery and equipment	47,250,278	46,253,091	997,187
Computer software	4,734,766	4,532,495	202,271
Less accumulated depreciation	(108,186,268)	(102,461,914)	(5,724,354)
Assets in service, net of depreciation	83,197,372	85,380,865	(2,183,493)
Construction in progress	1,874,377	1,453,570	420,807
Total capital assets	85,071,749	86,834,435	(1,762,686)
Other noncurrent assets	687,056	687,056	-
Total assets	126,553,561	133,731,159	(7,177,598)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized bond refunding costs	243,018	364,952	(121,934)
Total deferred outflows of resources	243,018	364,952	(121,934)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 126,796,579</u>	<u>\$ 134,096,111</u>	<u>\$ (7,299,532)</u>

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  
Statements of Net Position (Unaudited)**

<b>LIABILITIES</b>	August 31,		Increase
	2014	2013	(Decrease)
Current liabilities:			
Accounts payable	\$ 890,337	\$ 2,389,253	\$ (1,498,916)
Accrued wages payable and compensated absences	376,926	366,559	10,367
Accrued taxes payable	245,660	246,433	(773)
Accrued low income liabilities	-	(10,100)	10,100
Customer deposits	19,794	27,891	(8,097)
Current portion of landfill closure	244,784	2,840,122	(2,595,338)
Current portion of long-term debt	771,250	651,250	120,000
Current portion of capital lease obligation	50,492	49,173	1,319
Total current liabilities	<u>2,599,243</u>	<u>6,560,581</u>	<u>(3,961,338)</u>
Liabilities payable from restricted assets:			
Deposits payable	86,862	71,146	15,716
Bond interest payable	779,648	815,390	(35,742)
Current portion of long-term debt	2,313,750	1,953,750	360,000
Total liabilities payable from restricted assets	<u>3,180,260</u>	<u>2,840,286</u>	<u>339,974</u>
Noncurrent liabilities:			
Long-term debt - revenue bonds	59,223,275	62,628,451	(3,405,176)
Capital lease obligation	6,861,002	7,011,502	(150,500)
Accrued landfill post closure costs	25,509,832	24,958,020	551,812
Compensated absences	1,108,586	1,032,036	76,550
Net OPEB obligation	1,418,399	1,100,674	317,725
Total noncurrent liabilities	<u>94,121,094</u>	<u>96,730,683</u>	<u>(2,609,589)</u>
Total liabilities	<u>99,900,597</u>	<u>106,131,550</u>	<u>(6,230,953)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization	6,000,000	4,650,000	1,350,000
Total deferred inflows of resources	<u>6,000,000</u>	<u>4,650,000</u>	<u>1,350,000</u>
<b>NET POSITION</b>			
Net investment in capital assets	27,739,680	26,625,593	1,114,087
Restricted for bond reserves	1,727,986	1,727,986	-
Unrestricted	(8,571,684)	(5,039,018)	(3,532,666)
Total net position	<u>20,895,982</u>	<u>23,314,561</u>	<u>(2,418,579)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 126,796,579</u>	<u>\$ 134,096,111</u>	<u>\$ (7,299,532)</u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the previous year-end Financial Report.

**City of Tacoma, Washington  
Environmental Services Department  
Solid Waste Management**

**Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)**

	Month of August		August Year-to-Date		% Chg
	2014	2013	2014	2013	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,121,604	\$ 2,278,045	\$ 16,774,091	\$ 17,729,532	-5%
Commercial collection	2,050,238	2,007,408	16,141,964	15,852,168	2%
Disposal revenues	532,650	501,766	3,980,791	3,512,829	13%
Salvage revenue	78,744	121,757	658,677	844,954	-22%
Other operating revenue	70,804	83,641	591,694	554,836	7%
Total operating revenues	<u>4,854,040</u>	<u>4,992,617</u>	<u>38,147,217</u>	<u>38,494,319</u>	(1%)
<b>OPERATING EXPENSES</b>					
Commercial collection	353,646	325,812	2,812,465	2,760,789	2%
Onsite operations	898,046	1,416,372	12,063,225	10,186,771	18%
Residential collection	708,378	1,041,713	6,391,291	8,031,727	(20%)
Support services	461,239	456,217	3,090,770	4,237,041	(27%)
Tacoma cares cleanup	33,021	41,332	308,593	307,536	0%
Nuisance code enforcement	156,600	131,503	1,140,324	1,151,172	(1%)
Other operating expenses:					
Insurance	28,896	42,833	245,584	245,460	0%
Depreciation	591,722	572,214	4,753,386	4,520,581	5%
Taxes	71,064	57,845	362,557	652,176	(44%)
IT services	110,965	94,672	701,479	705,971	(1%)
Customer services	134,159	147,332	1,070,468	1,133,280	(6%)
Subtotal other operating expenses	<u>936,806</u>	<u>914,896</u>	<u>7,133,474</u>	<u>7,257,468</u>	(2%)
Total operating expenses	<u>3,547,736</u>	<u>4,327,845</u>	<u>32,940,142</u>	<u>33,932,504</u>	(3%)
Net operating income	<u>1,306,304</u>	<u>664,772</u>	<u>5,207,075</u>	<u>4,561,815</u>	14%

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**City of Tacoma, Washington  
Environmental Services Department  
Solid Waste Management**

**Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)**

	Month of August		August Year-to-Date		% Chg
	2014	2013	2014	2013	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	24,986	27,357	203,560	303,174	(33%)
Rental income	1,401	11,189	79,882	88,575	(10%)
Operating grants	302,326	463,852	514,116	619,412	N/A
Proceed sale assets	1,950	-	1,950	10,750	N/A
Gain/loss disposal assets	-	(133,521)	-	(133,521)	(100%)
Interest paid net of capitalized interest	(251,917)	(269,763)	(2,031,066)	(2,170,985)	(6%)
Interest on capital lease	(30,997)	(31,477)	(247,976)	(251,702)	(1%)
Amort. of premium and refunding costs	19,690	7,012	157,510	56,111	181%
Other expense	69	(7,740)	2,461	(62,281)	(104%)
Total nonoperating expenses	<u>67,508</u>	<u>66,909</u>	<u>(1,319,563)</u>	<u>(1,540,467)</u>	(14%)
<b>CHANGE IN NET POSITION</b>					
Net income before transfers	1,373,812	731,681	3,887,512	3,021,348	29%
Transfers - gross earnings taxes	<u>(387,637)</u>	<u>(413,655)</u>	<u>(3,061,883)</u>	<u>(3,141,509)</u>	(3%)
<b>CHANGE IN NET POSITION</b>	<u>\$ 986,175</u>	<u>\$ 318,026</u>	<u>825,629</u>	<u>(120,161)</u>	
<b>NET POSITION - BEGINNING</b>			<u>20,070,353</u>	<u>23,434,722</u>	
<b>NET POSITION - ENDING</b>			<u>\$ 20,895,982</u>	<u>\$ 23,314,561</u>	

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