



*Solid Waste Management  
Financial Report  
July 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	July 31,		Increase
	2014	2013	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 23,782,081	\$ 25,895,828	\$ (2,113,747)
Rate Stabilization Fund	6,000,000	4,650,000	1,350,000
Total cash and equity in pooled investments	29,782,081	30,545,828	(763,747)
GABS 31 market rate adjustment	1,078	285,431	(284,353)
Accounts receivable	6,881,553	6,705,053	176,500
Allowance for uncollectible accounts	(3,925,054)	(3,703,953)	(221,101)
Unbilled revenue	3,065,000	3,065,000	-
Grant receivable - operating	-	73,363	(73,363)
Other receivables	263,319	-	263,319
Total current assets	36,067,977	36,970,722	(902,745)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	4,304,418	4,008,247	296,171
Customer deposits	92,387	71,179	21,208
Construction funds	-	3,396,605	(3,396,605)
Reserve for landfill closure	-	2,780,404	(2,780,404)
Total restricted cash and equity in pooled investments	4,396,805	10,256,435	(5,859,630)
Capital assets:			
Land	3,119,782	3,119,782	-
Buildings	63,874,457	63,894,257	(19,800)
Building - capital lease	7,568,000	7,568,000	-
Landfill infrastructure	64,836,114	62,460,597	2,375,517
Machinery and equipment	47,189,402	44,921,665	2,267,737
Computer software	4,734,235	4,389,115	345,120
Less accumulated depreciation	(107,747,586)	(101,912,566)	(5,835,020)
Assets in service, net of depreciation	83,574,404	84,440,850	(866,446)
Construction in progress	1,963,310	2,488,764	(525,454)
Total capital assets	85,537,714	86,929,614	(1,391,900)
Other noncurrent assets	687,056	687,056	-
Total assets	126,689,552	134,843,827	(8,154,275)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized bond refunding costs	249,249	386,903	(137,654)
Total deferred outflows of resources	249,249	386,903	(137,654)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 126,938,801</u>	<u>\$ 135,230,730</u>	<u>\$ (8,291,929)</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>	July 31,		<b>Increase</b>
	2014	2013	<b>(Decrease)</b>
Current liabilities:			
Accounts payable	\$ 1,802,297	\$ 3,650,808	\$ (1,848,511)
Accrued wages payable and compensated absences	778,982	745,139	33,843
Accrued taxes payable	245,086	265,658	(20,572)
Accrued low income liabilities	-	(11,275)	11,275
Customer deposits	31,614	21,933	9,681
Current portion of landfill closure	265,722	2,873,223	(2,607,501)
Current portion of long-term debt	1,028,333	868,333	160,000
Current portion of capital lease obligation	62,993	61,174	1,819
Total current liabilities	<u>4,215,027</u>	<u>8,474,993</u>	<u>(4,259,966)</u>
Liabilities payable from restricted assets:			
Deposits payable	90,519	69,301	21,218
Bond interest payable	519,766	543,594	(23,828)
Current portion of long-term debt	2,056,667	1,736,667	320,000
Total liabilities payable from restricted assets	<u>2,666,952</u>	<u>2,349,562</u>	<u>317,390</u>
Noncurrent liabilities:			
Long-term debt - revenue bonds	59,249,195	62,657,414	(3,408,219)
Capital lease obligation	6,861,002	7,011,502	(150,500)
Accrued landfill post closure costs	25,509,832	24,958,013	551,819
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>94,147,014</u>	<u>96,759,639</u>	<u>(2,612,625)</u>
Total liabilities	<u>101,028,993</u>	<u>107,584,194</u>	<u>(6,555,201)</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	27,916,372	26,518,196	1,398,176
Restricted for bond reserves	1,727,986	1,727,986	-
Unrestricted	(9,734,550)	(5,249,646)	(4,484,904)
Total net position	<u>19,909,808</u>	<u>22,996,536</u>	<u>(3,086,728)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 126,938,801</u>	<u>\$ 135,230,730</u>	<u>\$ (8,291,929)</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 July		July Year-to-Date		% Chg
	2014	2013	2014	2013	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,023,084	\$ 2,132,979	\$ 14,652,487	\$ 15,451,487	-5%
Commercial collection	2,052,449	2,137,287	14,091,726	13,844,760	2%
Disposal revenues	554,444	485,539	3,448,140	3,011,062	15%
Salvage revenue	99,124	114,749	579,933	723,196	-20%
Other operating revenue	108,984	147,270	520,890	471,195	11%
Total operating revenues	<u>4,838,085</u>	<u>5,017,824</u>	<u>33,293,176</u>	<u>33,501,700</u>	(1%)
<b>OPERATING EXPENSES</b>					
Commercial collection	347,331	361,396	2,458,819	2,434,977	1%
Onsite operations	2,075,494	1,389,351	11,165,179	8,770,399	27%
Residential collection	885,385	1,084,290	5,682,913	6,990,015	(19%)
Support services	197,715	1,044,161	2,629,531	3,780,824	(30%)
Tacoma cares cleanup	38,109	40,468	275,572	266,205	4%
Nuisance code enforcement	148,082	157,375	983,724	1,019,669	(4%)
Other operating expenses:					
Insurance	42,943	28,896	216,688	202,627	7%
Depreciation	593,199	560,951	4,161,664	3,948,367	5%
Taxes	70,653	95,734	291,493	594,332	(51%)
IT services	89,049	88,133	590,513	611,299	(3%)
Customer services	143,719	149,287	936,310	985,947	(5%)
Subtotal other operating expenses	<u>939,563</u>	<u>923,001</u>	<u>6,196,668</u>	<u>6,342,572</u>	(2%)
Total operating expenses	<u>4,631,679</u>	<u>5,000,042</u>	<u>29,392,406</u>	<u>29,604,661</u>	(1%)
Net operating income	<u>206,406</u>	<u>17,782</u>	<u>3,900,770</u>	<u>3,897,039</u>	0%

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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 July		July Year-to-Date		% Chg
	2014	2013	2014	2013	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	23,983	30,223	178,574	275,816	(35%)
Rental income	14,498	11,189	78,480	77,387	1%
Operating grants	-	-	211,790	155,560	N/A
Proceed sale assets	-	-	-	10,750	N/A
Interest paid net of capitalized interest	(251,999)	(271,796)	(1,779,149)	(1,901,222)	(6%)
Interest on capital lease	(30,997)	(31,477)	(216,979)	(220,225)	(1%)
Amort. of premium and refunding costs	19,690	7,013	137,822	49,097	181%
Other expense	438	(7,555)	2,393	(54,534)	(104%)
Total nonoperating expenses	<u>(224,387)</u>	<u>(262,403)</u>	<u>(1,387,069)</u>	<u>(1,607,371)</u>	(14%)
<b>CHANGE IN NET POSITION</b>					
Net income before transfers	(17,981)	(244,621)	2,513,701	2,289,668	10%
Transfers - gross earnings taxes	<u>(389,376)</u>	<u>(411,829)</u>	<u>(2,674,246)</u>	<u>(2,727,854)</u>	(2%)
<b>CHANGE IN NET POSITION</b>	<u>\$ (407,357)</u>	<u>\$ (656,450)</u>	<u>(160,545)</u>	<u>(438,186)</u>	
<b>NET POSITION - BEGINNING</b>			<u>20,070,353</u>	<u>23,434,722</u>	
<b>NET POSITION - ENDING</b>			<u><u>\$ 19,909,808</u></u>	<u><u>\$ 22,996,536</u></u>	

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