



*Solid Waste Management
Financial Report
November 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	November 30,		Increase
	2014	2013	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 19,027,315	\$ 21,178,491	\$ (2,151,176)
Rate Stabilization Fund	6,000,000	6,000,000	-
Total cash and equity in pooled investments	25,027,315	27,178,491	(2,151,176)
GABS 31 market rate adjustment	1,078	285,431	(284,353)
Accounts receivable	6,267,323	7,085,222	(817,899)
Allowance for uncollectible accounts	(3,390,837)	(3,827,528)	436,691
Unbilled revenue	3,065,000	3,065,000	-
Total current assets	30,969,879	33,786,616	(2,816,737)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	11,542,283	5,963,764	5,578,519
Customer deposits	88,297	71,885	16,412
Construction funds	-	1,362,085	(1,362,085)
Reserve for landfill closure	-	2,780,404	(2,780,404)
Total restricted cash and equity in pooled investments	11,630,580	10,178,138	1,452,442
Capital assets:			
Land	3,119,781	3,119,781	-
Buildings	63,874,457	63,922,622	(48,165)
Building - capital lease	7,568,000	7,568,000	-
Landfill infrastructure	64,836,358	62,460,597	2,375,761
Machinery and equipment	47,422,101	46,901,600	520,501
Computer software	4,733,056	4,586,208	146,848
Less accumulated depreciation	(109,884,257)	(104,167,881)	(5,716,376)
Assets in service, net of depreciation	81,669,496	84,390,927	(2,721,431)
Construction in progress	2,250,690	3,615,980	(1,365,290)
Total capital assets	83,920,186	88,006,907	(4,086,721)
Other noncurrent assets	687,056	687,056	-
Total assets	127,207,701	132,658,717	(5,451,016)
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding costs	224,324	314,819	(90,495)
Total deferred outflows of resources	224,324	314,819	(90,495)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 127,432,025	\$ 132,973,536	\$ (5,541,511)

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)

LIABILITIES	November 30,		Increase
	2014	2013	(Decrease)
Current liabilities:			
Accounts payable	\$ 987,363	\$ 2,900,999	\$ (1,913,636)
Accrued wages payable and compensated absences	596,366	508,889	87,477
Accrued taxes payable	202,915	331,217	(128,302)
Accrued low income liabilities	-	(14,058)	14,058
Customer deposits	17,839	22,637	(4,798)
Current portion of landfill closure	238,865	496,041	(257,176)
Current portion of capital lease obligation	12,989	13,170	(181)
Total current liabilities	<u>2,056,337</u>	<u>4,258,895</u>	<u>(2,202,558)</u>
Liabilities payable from restricted assets:			
Deposits payable	85,970	72,344	13,626
Bond interest payable	1,559,297	1,630,778	(71,481)
Current portion of long-term debt	3,085,000	2,605,000	480,000
Total liabilities payable from restricted assets	<u>4,730,267</u>	<u>4,308,122</u>	<u>422,145</u>
Noncurrent liabilities:			
Long-term debt - revenue bonds	59,145,515	62,542,055	(3,396,540)
Capital lease obligation	6,861,002	7,011,502	(150,500)
Accrued landfill post closure costs	25,509,832	24,958,018	551,814
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>94,043,334</u>	<u>96,644,285</u>	<u>(2,600,951)</u>
Total liabilities	<u>100,829,938</u>	<u>105,211,302</u>	<u>(4,381,364)</u>
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	6,000,000	6,000,000	-
Total deferred inflows of resources	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	27,703,358	26,544,583	1,158,775
Restricted for bond reserves	6,897,986	1,727,986	5,170,000
Unrestricted	(13,999,257)	(6,510,335)	(7,488,922)
Total net position	<u>20,602,087</u>	<u>21,762,234</u>	<u>(1,160,147)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 127,432,025</u>	<u>\$ 132,973,536</u>	<u>\$ (5,541,511)</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 November		November Year-to-Date		% Chg
	2014	2013	2014	2013	
OPERATING REVENUES					
Residential collection	\$ 1,852,414	\$ 1,326,015	\$ 22,782,420	\$ 23,441,817	-3%
Commercial collection	1,570,634	1,127,205	21,898,655	21,135,470	4%
Disposal revenues	476,814	316,435	5,563,438	4,779,161	16%
Salvage revenue	98,973	215,388	917,705	1,272,565	-28%
Other operating revenue	83,950	52,701	787,357	754,141	4%
Total operating revenues	<u>4,082,785</u>	<u>3,037,744</u>	<u>51,949,575</u>	<u>51,383,154</u>	1%
OPERATING EXPENSES					
Commercial collection	334,091	362,745	3,862,756	3,854,904	0%
Onsite operations	1,203,884	923,083	15,477,616	14,284,362	8%
Residential collection	693,161	925,719	8,491,956	10,985,480	(23%)
Support services	534,001	728,967	5,694,745	5,180,576	10%
Tacoma cares cleanup	37,126	45,946	433,962	433,091	0%
Nuisance code enforcement	111,085	159,645	1,512,994	1,568,174	(4%)
Other operating expenses:					
Insurance	28,896	28,896	332,271	332,147	0%
Depreciation	562,784	577,201	6,451,374	6,243,680	3%
Taxes	59,425	63,906	601,969	851,407	(29%)
IT services	78,922	73,213	959,943	953,857	1%
Customer services	115,384	138,107	1,452,724	1,553,756	(7%)
Subtotal other operating expenses	<u>845,411</u>	<u>881,323</u>	<u>9,798,281</u>	<u>9,934,847</u>	(1%)
Total operating expenses	<u>3,758,759</u>	<u>4,027,428</u>	<u>45,272,310</u>	<u>46,241,434</u>	(2%)
Net operating income	<u>324,026</u>	<u>(989,684)</u>	<u>6,677,265</u>	<u>5,141,720</u>	30%

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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 November		November Year-to-Date		% Chg
	2014	2013	2014	2013	
NONOPERATING REVENUES (EXPENSES)					
Investment income	26,741	28,099	271,684	387,727	(30%)
Rental income	17,224	8,039	123,296	118,992	4%
Operating grants	-	556	514,116	619,968	N/A
Proceed sale assets	-	1,900	1,950	12,650	N/A
Gain/loss disposal assets	-	-	-	(133,521)	(100%)
Interest paid net of capitalized interest	(242,023)	(258,646)	(2,784,779)	(2,951,541)	(6%)
Interest on capital lease	(30,997)	(31,477)	(340,967)	(346,133)	(1%)
Amort. of premium and refunding costs	19,690	7,014	216,577	92,372	134%
Other expense	-	70	2,461	(78,062)	(103%)
Total nonoperating expenses	<u>(209,365)</u>	<u>(244,445)</u>	<u>(1,995,662)</u>	<u>(2,277,548)</u>	(12%)
CHANGE IN NET POSITION					
Net income before transfers	114,661	(1,234,129)	4,681,603	2,864,172	63%
Transfers - from/to other funds	-	-	510	(289,428)	N/A
Transfers - gross earnings taxes	(329,366)	(357,561)	(4,150,379)	(4,247,232)	(2%)
CHANGE IN NET POSITION	<u>\$ (214,705)</u>	<u>\$(1,591,690)</u>	<u>531,734</u>	<u>(1,672,488)</u>	
NET POSITION - BEGINNING			<u>20,070,353</u>	<u>23,434,722</u>	
NET POSITION - ENDING			<u>\$ 20,602,087</u>	<u>\$ 21,762,234</u>	

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