



*Solid Waste Management
Financial Report
October 2015*

City of Tacoma
Environmental Services Department
Prepared by: Louis Nguyen

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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.

Financial Statements

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

ASSETS	October 31,		Increase
	2015	2014	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 18,149,968	\$ 18,837,850	\$ (687,882)
Rate Stabilization Fund	6,000,000	6,000,000	-
Total cash and equity in pooled investments	24,149,968	24,837,850	(687,882)
GABS 31 market rate adjustment	19,327	1,078	18,249
Accounts receivable	6,841,778	6,394,247	447,531
Allowance for uncollectible accounts	(3,686,945)	(3,366,884)	(320,061)
Unbilled revenue	2,865,000	3,065,000	(200,000)
Grant receivable - operating	-	302,326	(302,326)
Total current assets	30,189,128	31,233,617	(1,044,489)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	14,713,279	11,025,317	3,687,962
Customer deposits	99,178	90,186	8,992
Construction funds	17,499,447	-	17,499,447
Total restricted cash and equity in pooled investments	32,311,904	11,115,503	21,196,401
Capital assets:			
Land	3,119,782	3,119,782	-
Buildings	65,412,538	63,874,457	1,538,081
Building - capital lease	6,024,273	7,568,000	(1,543,727)
Landfill infrastructure	65,190,790	64,836,358	354,432
Machinery and equipment	49,166,182	47,287,590	1,878,592
Computer software	4,717,718	4,734,766	(17,048)
Less accumulated depreciation	(111,677,704)	(109,321,473)	(2,356,231)
Assets in service, net of depreciation	81,953,579	82,099,480	(145,901)
Construction in progress	2,375,049	2,068,128	306,921
Total capital assets	84,328,628	84,167,608	161,020
Other noncurrent assets	687,056	687,056	-
Total assets	147,516,716	127,203,784	20,312,932
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding costs	155,780	230,556	(74,776)
Total deferred outflows of resources	155,780	230,556	(74,776)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 147,672,496	\$ 127,434,340	\$ 20,238,156

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	October 31,		Increase
	2015	2014	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,854,197	\$ 913,340	\$ 940,857
Accrued wages payable and compensated absences	649,428	627,509	21,919
Accrued taxes payable	269,609	248,797	20,812
Customer deposits	23,410	20,532	2,878
Current portion of landfill closure	389,793	240,413	149,380
Current portion of long-term debt	382,083	257,083	125,000
Current portion of capital lease obligation	20,537	25,490	(4,953)
Total current liabilities	3,589,057	2,333,164	1,255,893
Liabilities payable from restricted assets:			
Deposits payable	94,695	88,079	6,616
Bond interest payable	1,620,450	1,299,414	321,036
Current portion of long-term debt	4,202,917	2,827,917	1,375,000
Total liabilities payable from restricted assets	5,918,062	4,215,410	1,702,652
Noncurrent liabilities:			
Long-term debt - revenue bonds	78,252,109	59,171,435	19,080,674
Capital lease obligation	5,195,988	6,861,002	(1,665,014)
Accrued landfill post closure costs	24,813,100	25,509,552	(696,452)
Compensated absences	1,061,484	1,108,585	(47,101)
Net OPEB obligation	1,707,246	1,418,400	288,846
Total noncurrent liabilities	111,029,927	94,068,974	16,960,953
Total liabilities	120,537,046	100,617,548	19,919,498
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	6,000,000	6,000,000	-
Total deferred inflows of resources	6,000,000	6,000,000	-
NET POSITION			
Net investment in capital assets	29,573,572	27,414,085	2,159,487
Restricted for bond reserves	6,780,412	6,897,986	(117,574)
Unrestricted	(15,218,534)	(13,495,279)	(1,723,255)
Total net position	21,135,450	20,816,792	318,658
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 147,672,496	\$ 127,434,340	\$ 20,238,156

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 October		October Year-to-Date		% Chg
	2015	2014	2015	2014	
OPERATING REVENUES					
Residential collection	\$ 2,235,724	\$ 2,153,457	\$ 21,133,935	\$ 20,930,006	1%
Commercial collection	2,442,471	2,135,989	21,438,316	20,328,021	5%
Disposal revenues	588,075	532,136	6,198,172	5,086,625	22%
Salvage revenue	47,768	76,880	420,726	818,733	-49%
Other operating revenue	23,910	22,098	324,695	703,406	-54%
Total operating revenues	<u>5,337,948</u>	<u>4,920,560</u>	<u>49,515,844</u>	<u>47,866,791</u>	3%
OPERATING EXPENSES					
Commercial collection	342,579	371,537	3,383,127	3,528,665	(4%)
Onsite operations	628,605	747,405	6,305,944	6,556,008	(4%)
Residential collection	671,895	702,228	7,369,196	7,798,796	(6%)
Other collection Services	1,378,521	(1,046,017)	10,731,467	9,542,690	12%
Support services	503,547	2,510,096	5,552,534	5,134,525	8%
Other operating expenses:					
Insurance	16,818	28,896	182,795	303,375	(40%)
Depreciation	556,301	566,800	5,483,816	5,888,590	(7%)
Taxes	81,006	114,318	726,307	542,545	34%
IT services	108,840	92,915	1,070,118	881,021	21%
Customer services	142,961	145,497	1,268,775	1,337,339	(5%)
Subtotal other operating expenses	<u>905,926</u>	<u>948,426</u>	<u>8,731,811</u>	<u>8,952,870</u>	(2%)
Total operating expenses	<u>4,431,073</u>	<u>4,233,675</u>	<u>42,074,079</u>	<u>41,513,554</u>	1%
Net operating income	<u>906,875</u>	<u>686,885</u>	<u>7,441,765</u>	<u>6,353,237</u>	17%
NONOPERATING REVENUES (EXPENSES)					
Investment income	50,197	14,823	372,574	244,943	52%
Rental income	9,999	8,583	102,989	106,072	(3%)
Operating grants	1,085	-	203,405	514,116	N/A
Proceed sale assets	-	-	137,867	-	N/A
Interest paid net of capitalized interest	(309,846)	(259,883)	(3,178,202)	(2,542,757)	25%
Interest on capital lease	(23,635)	(30,997)	(236,353)	(309,970)	(24%)
Amort. of premium and refunding costs	61,182	19,688	522,109	196,888	165%
Other expense	1,447	510	2,067	4,922	N/A
Total nonoperating expenses	<u>(209,571)</u>	<u>(247,276)</u>	<u>(2,073,544)</u>	<u>(1,785,786)</u>	16%
CHANGE IN NET POSITION					
Net income before transfers	697,304	439,609	5,368,221	4,567,451	18%
Transfers - gross earnings taxes	(439,240)	(395,434)	(3,969,954)	(3,821,012)	4%
CHANGE IN NET POSITION	<u>\$ 258,064</u>	<u>\$ 44,175</u>	<u>1,398,267</u>	<u>746,439</u>	
NET POSITION - BEGINNING			<u>19,737,183</u>	<u>20,070,353</u>	
NET POSITION - ENDING			<u>\$ 21,135,450</u>	<u>\$ 20,816,792</u>	

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