



*Solid Waste Management  
Financial Report  
August 2015*

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.

# *Financial Statements*

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

ASSETS	August 31,		Increase
	2015	2014	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 18,436,070	\$ 23,165,400	\$ (4,729,330)
Rate Stabilization Fund	6,000,000	6,000,000	-
Total cash and equity in pooled investments	24,436,070	29,165,400	(4,729,330)
GABS 31 market rate adjustment	19,327	1,078	18,249
Accounts receivable	6,562,601	7,042,429	(479,828)
Allowance for uncollectible accounts	(3,647,659)	(3,956,668)	309,009
Unbilled revenue	2,865,000	3,065,000	(200,000)
Grant receivable - operating	85,325	565,645	(480,320)
Total current assets	30,320,664	35,882,884	(5,562,220)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	13,300,932	4,821,384	8,479,548
Customer deposits	99,122	90,488	8,634
Construction funds	17,470,201	-	17,470,201
Total restricted cash and equity in pooled investments	30,870,255	4,911,872	25,958,383
Capital assets:			
Land	3,119,782	3,119,782	-
Buildings	65,394,127	63,874,457	1,519,670
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	48,487,153	47,250,278	1,236,875
Computer software	4,717,718	4,734,766	(17,048)
Less accumulated depreciation	(110,564,868)	(108,186,268)	(2,378,600)
Assets in service, net of depreciation	82,368,975	83,197,373	(828,398)
Construction in progress	1,697,319	1,874,376	(177,057)
Total capital assets	84,066,294	85,071,749	(1,005,455)
Other noncurrent assets	687,056	687,056	-
Total assets	145,944,269	126,553,561	19,390,708
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized bond refunding costs	168,243	243,018	(74,775)
Total deferred outflows of resources	168,243	243,018	(74,775)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 146,112,512</b>	<b>\$ 126,796,579</b>	<b>\$ 19,315,933</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  
Statements of Net Position (Unaudited)**

<b>LIABILITIES</b>	August 31,		Increase
	2015	2014	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,773,281	\$ 890,337	\$ 882,944
Accrued wages payable and compensated absences	429,244	376,926	52,318
Accrued taxes payable	260,023	245,660	14,363
Customer deposits	25,980	19,794	6,186
Current portion of landfill closure	615,252	244,784	370,468
Current portion of long-term debt	1,146,250	771,250	375,000
Current portion of capital lease obligation	40,687	50,492	(9,805)
Total current liabilities	<u>4,290,717</u>	<u>2,599,243</u>	1,691,474
Liabilities payable from restricted assets:			
Deposits payable	96,460	86,862	9,598
Bond interest payable	972,270	779,648	192,622
Current portion of long-term debt	3,438,750	2,313,750	1,125,000
Total liabilities payable from restricted assets	<u>4,507,480</u>	<u>3,180,260</u>	1,327,220
Noncurrent liabilities:			
Long-term debt - revenue bonds	78,386,934	59,223,275	19,163,659
Capital lease obligation	5,195,988	6,861,002	(1,665,014)
Accrued landfill post closure costs	24,813,100	25,509,832	(696,732)
Compensated absences	1,061,484	1,108,585	(47,101)
Net OPEB obligation	1,707,246	1,418,400	288,846
Total noncurrent liabilities	<u>111,164,752</u>	<u>94,121,094</u>	17,043,658
Total liabilities	<u>119,962,949</u>	<u>99,900,597</u>	20,062,352
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization	6,000,000	6,000,000	-
Total deferred inflows of resources	<u>6,000,000</u>	<u>6,000,000</u>	-
<b>NET POSITION</b>			
Net investment in capital assets	28,375,312	27,739,680	635,632
Restricted for bond reserves	6,780,412	1,727,986	5,052,426
Unrestricted	(15,006,161)	(8,571,684)	(6,434,477)
Total net position	<u>20,149,563</u>	<u>20,895,982</u>	(746,419)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 146,112,512</u>	<u>\$ 126,796,579</u>	<u>\$ 19,315,933</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
	2015	2014	2015	2014	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,107,524	\$ 2,121,604	\$ 16,828,324	\$ 16,774,091	0%
Commercial collection	2,249,065	2,050,238	16,831,172	16,141,964	4%
Disposal revenues	653,611	532,650	4,939,852	3,980,791	24%
Salvage revenue	33,087	78,744	346,146	658,677	-47%
Other operating revenue	79,398	70,804	243,487	591,692	-59%
Total operating revenues	<u>5,122,685</u>	<u>4,854,040</u>	<u>39,188,981</u>	<u>38,147,215</u>	3%
<b>OPERATING EXPENSES</b>					
Commercial collection	307,231	353,646	2,695,814	2,812,465	(4%)
Onsite operations	575,409	679,321	5,051,052	5,063,544	(0%)
Residential collection	658,657	708,378	6,026,116	6,391,291	(6%)
Other collection Services	1,113,797	979,854	8,794,667	9,020,102	(2%)
Support services	529,381	(110,270)	4,492,984	2,519,265	78%
Other operating expenses:					
Insurance	17,148	28,896	149,159	245,584	(39%)
Depreciation	553,336	591,722	4,370,980	4,753,386	(8%)
Taxes	75,602	71,064	573,601	362,557	58%
IT services	104,335	110,965	853,125	701,479	22%
Customer services	117,818	134,159	1,000,982	1,070,468	(6%)
Subtotal other operating expenses	<u>868,239</u>	<u>936,806</u>	<u>6,947,847</u>	<u>7,133,474</u>	(3%)
Total operating expenses	<u>4,052,714</u>	<u>3,547,735</u>	<u>34,008,480</u>	<u>32,940,141</u>	3%
Net operating income	<u>1,069,971</u>	<u>1,306,305</u>	<u>5,180,501</u>	<u>5,207,074</u>	(1%)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	37,156	24,986	278,898	203,560	37%
Rental income	9,999	1,401	82,978	79,882	4%
Operating grants	-	302,326	202,320	514,116	N/A
Interest paid net of capitalized interest	(318,693)	(251,917)	(2,544,266)	(2,031,066)	25%
Interest on capital lease	(23,635)	(30,997)	(189,083)	(247,976)	(24%)
Amort. of premium and refunding costs	61,181	19,689	399,746	157,510	154%
Other expense	41,600	2,020	138,500	4,412	N/A
Total nonoperating expenses	<u>(192,392)</u>	<u>67,508</u>	<u>(1,630,907)</u>	<u>(1,319,562)</u>	24%
<b>CHANGE IN NET POSITION</b>					
Net income before transfers	877,579	1,373,813	3,549,594	3,887,512	(9%)
Transfers - gross earnings taxes	(413,004)	(387,638)	(3,137,214)	(3,061,883)	2%
<b>CHANGE IN NET POSITION</b>	<u>\$ 464,575</u>	<u>\$ 986,175</u>	<u>412,380</u>	<u>825,629</u>	
<b>NET POSITION - BEGINNING</b>			<u>19,737,183</u>	<u>20,070,353</u>	
<b>NET POSITION - ENDING</b>			<u>\$ 20,149,563</u>	<u>\$ 20,895,982</u>	

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