



*Solid Waste Management
Financial Report
July 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	July 31,		Increase
	2015	2014	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 18,665,763	\$ 23,782,081	\$ (5,116,318)
Rate Stabilization Fund	6,000,000	6,000,000	-
Total cash and equity in pooled investments	24,665,763	29,782,081	(5,116,318)
GABS 31 market rate adjustment	19,327	1,078	18,249
Accounts receivable	6,433,137	6,881,553	(448,416)
Allowance for uncollectible accounts	(3,613,276)	(3,925,054)	311,778
Unbilled revenue	2,865,000	3,065,000	(200,000)
Grant receivable - operating	127,061	263,319	(136,258)
Total current assets	30,497,012	36,067,977	(5,570,965)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	12,594,759	4,304,418	8,290,341
Customer deposits	103,734	92,387	11,347
Construction funds	17,458,399	-	17,458,399
Total restricted cash and equity in pooled investments	30,156,892	4,396,805	25,760,087
Capital assets:			
Land	3,119,782	3,119,782	-
Buildings	65,386,738	63,874,457	1,512,281
Building - capital lease	6,024,273	7,568,000	(1,543,727)
Landfill infrastructure	65,192,174	64,836,114	356,060
Machinery and equipment	48,369,045	47,189,402	1,179,643
Computer software	4,717,718	4,734,235	(16,517)
Less accumulated depreciation	(110,449,587)	(107,747,586)	(2,702,001)
Assets in service, net of depreciation	82,360,143	83,574,404	(1,214,261)
Construction in progress	1,600,639	1,963,310	(362,671)
Total capital assets	83,960,782	85,537,714	(1,576,932)
Other noncurrent assets	687,056	687,056	-
Total assets	145,301,742	126,689,552	18,612,190
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding costs	174,474	249,249	(74,775)
Total deferred outflows of resources	174,474	249,249	(74,775)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 145,476,216	\$ 126,938,801	\$ 18,537,415

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	July 31,		Increase (Decrease)
	2015	2014	
Current liabilities:			
Accounts payable	\$ 1,905,645	\$ 1,802,297	\$ 103,348
Accrued wages payable and compensated absences	356,922	778,982	(422,060)
Accrued taxes payable	253,234	245,086	8,148
Customer deposits	19,643	31,614	(11,971)
Current portion of landfill closure	640,390	265,722	374,668
Current portion of long-term debt	1,528,333	1,028,333	500,000
Current portion of capital lease obligation	50,762	62,993	(12,231)
Total current liabilities	4,754,929	4,215,027	539,902
Liabilities payable from restricted assets:			
Deposits payable	99,287	90,519	8,768
Bond interest payable	648,180	519,766	128,414
Current portion of long-term debt	3,056,667	2,056,667	1,000,000
Total liabilities payable from restricted assets	3,804,134	2,666,952	1,137,182
Noncurrent liabilities:			
Long-term debt - revenue bonds	78,454,347	59,249,195	19,205,152
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	111,232,165	94,147,014	17,085,151
Total liabilities	119,791,228	101,028,993	18,762,235
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	27,804,657	27,916,372	(111,715)
Restricted for bond reserves	6,780,412	1,727,986	5,052,426
Unrestricted	(14,900,081)	(9,734,550)	(5,165,531)
Total net position	19,684,988	19,909,808	(224,820)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 145,476,216	\$ 126,938,801	\$ 18,537,415

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	
OPERATING REVENUES					
Residential collection	\$ 2,086,681	\$ 2,023,084	\$ 14,720,800	\$ 14,652,487	0%
Commercial collection	2,064,640	2,052,449	14,582,107	14,091,726	3%
Disposal revenues	683,456	554,444	4,286,241	3,448,140	24%
Salvage revenue	45,391	99,124	313,059	579,933	-46%
Other operating revenue	57,867	108,984	164,089	520,890	-68%
Total operating revenues	<u>4,938,035</u>	<u>4,838,085</u>	<u>34,066,296</u>	<u>33,293,176</u>	2%
OPERATING EXPENSES					
Commercial collection	357,391	347,331	2,388,583	2,458,819	(3%)
Onsite operations	725,159	650,615	4,475,643	4,384,222	2%
Residential collection	794,702	885,385	5,367,458	5,682,913	(6%)
Other collection Services	1,219,956	1,611,070	7,680,871	8,040,248	(4%)
Support services	720,888	197,715	3,963,603	2,629,535	51%
Other operating expenses:					
Insurance	31,103	42,943	132,011	216,688	(39%)
Depreciation	553,710	593,199	3,817,644	4,161,664	(8%)
Taxes	72,369	70,653	498,000	291,493	71%
IT services	133,650	89,049	748,790	590,512	27%
Customer services	89,752	143,720	883,165	936,310	(6%)
Subtotal other operating expenses	<u>880,584</u>	<u>939,564</u>	<u>6,079,610</u>	<u>6,196,667</u>	(2%)
Total operating expenses	<u>4,698,680</u>	<u>4,631,680</u>	<u>29,955,768</u>	<u>29,392,404</u>	2%
Net operating income	<u>239,355</u>	<u>206,405</u>	<u>4,110,528</u>	<u>3,900,772</u>	5%
NONOPERATING REVENUES (EXPENSES)					
Investment income	41,534	23,983	241,742	178,574	35%
Rental income	9,999	14,498	72,980	78,480	(7%)
Operating grants	82,695	-	202,831	211,790	N/A
Interest paid net of capitalized interest	(341,876)	(251,999)	(2,225,573)	(1,779,149)	25%
Interest on capital lease	(23,635)	(30,997)	(165,447)	(216,979)	(24%)
Amort. of premium and refunding costs	61,182	19,690	338,564	137,822	146%
Other expense	48,012	439	96,390	2,393	N/A
Total nonoperating expenses	<u>(122,089)</u>	<u>(224,386)</u>	<u>(1,438,513)</u>	<u>(1,387,069)</u>	4%
CHANGE IN NET POSITION					
Net income before transfers	117,266	(17,981)	2,672,015	2,513,703	6%
Transfers - gross earnings taxes	(397,906)	(389,376)	(2,724,210)	(2,674,248)	2%
CHANGE IN NET POSITION	<u>\$ (280,640)</u>	<u>\$ (407,357)</u>	<u>(52,195)</u>	<u>(160,545)</u>	
NET POSITION - BEGINNING			<u>19,737,183</u>	<u>20,070,353</u>	
NET POSITION - ENDING			<u>\$ 19,684,988</u>	<u>\$ 19,909,808</u>	

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