



*Solid Waste Management  
Financial Report  
October 2013*

**City of Tacoma  
Environmental Services Department  
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## *Table of Contents*

Management Discussion and Analysis.....	3
Financial Statements.....	5

### *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, Washington**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statements of Net Position (Unaudited)**

<b>ASSETS</b>	October 31,		Increase
	2013	2012	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 23,333,479	\$ 28,188,843	\$ (4,855,364)
Rate stabilization cash in pooled investments	4,650,000	4,650,000	-
GASB 31 market rate adjustment	285,431	307,173	(21,742)
Accounts receivable	7,161,724	6,940,276	221,448
Allowance for uncollectible accounts	(3,805,684)	(3,761,329)	(44,355)
Unbilled revenue	3,065,000	2,800,000	265,000
Grant receivable - operating	148,710	-	148,710
Total current assets	34,838,660	39,124,963	(4,286,303)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	5,474,886	5,098,291	376,595
Customer deposits	71,253	63,195	8,058
Construction funds	1,831,336	4,077,306	(2,245,970)
Reserve for landfill closure	2,780,404	2,780,404	-
Total restricted assets	10,157,879	12,019,196	(1,861,317)
Capital assets:			
Land	3,119,781	3,079,454	40,327
Buildings	63,908,954	63,165,464	743,490
Building - capital lease	7,568,000	7,568,000	-
Landfill infrastructure	62,460,597	62,026,363	434,234
Machinery and equipment	46,885,938	40,865,533	6,020,405
Computer software	4,536,940	4,328,251	208,689
Less accumulated depreciation	(103,607,813)	(97,531,575)	(6,076,238)
Assets in service net of depreciation	84,872,397	83,501,490	1,370,907
Construction in progress	2,382,852	1,460,198	922,654
Total capital assets	87,255,249	84,961,688	2,293,561
Other noncurrent assets	687,056	687,056	-
Total assets	132,938,844	136,792,903	(3,854,059)
<b>DEFERRED OUTFLOWS</b>			
Unamortized loss on refunding	336,771	577,102	(240,331)
Total deferred outflows	336,771	577,102	(240,331)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 133,275,615</b>	<b>\$ 137,370,005</b>	<b>\$ (4,094,390)</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, Washington**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statements of Net Position (Unaudited)**

<b>LIABILITIES</b>	October 31,		Increase
	2013	2012	(Decrease)
<b>Current liabilities:</b>			
Accounts payable	\$ 2,048,337	\$ 847,514	\$ 1,200,823
Accrued wages payable	586,344	432,205	154,139
Accrued taxes payable	256,953	246,756	10,197
Accrued low income liabilities	(6,660)	747	(7,407)
Customer deposits	22,524	17,208	5,316
Current portion of long-term debt	217,083	195,833	21,250
Current portion of capital lease obligation	25,172	22,816	2,356
Environmental liabilities	-	165,122	(165,122)
Total current liabilities	<u>3,149,753</u>	<u>1,928,201</u>	<u>1,221,552</u>
<b>Liabilities payable from restricted assets:</b>			
Deposits payable	69,240	59,851	9,389
Bond interest payable	1,358,983	1,417,733	(58,750)
Current portion of long-term debt	2,387,917	2,154,167	233,750
Current portion of landfill closure	1,632,548	15,243	1,617,305
Total liabilities payable from restricted assets	<u>5,448,688</u>	<u>3,646,994</u>	<u>1,801,694</u>
<b>Noncurrent liabilities:</b>			
Long-term debt - revenue bonds	61,150,000	63,755,000	(2,605,000)
Unamortized bond premiums	1,421,019	1,768,105	(347,086)
Unamortized bond discounts	-	(485)	485
Capital lease obligation	7,011,502	7,156,000	(144,498)
Accrued landfill closure and post closure costs	24,958,018	26,955,015	(1,996,997)
Compensated absences	1,032,037	1,087,692	(55,655)
Net OPEB obligation	1,100,674	911,469	189,205
Total noncurrent liabilities	<u>96,673,250</u>	<u>101,632,796</u>	<u>(4,959,546)</u>
Total liabilities	<u>105,271,691</u>	<u>107,207,991</u>	<u>(1,936,300)</u>
<b>DEFERRED INFLOWS</b>			
Deferred credit - rate stabilization	4,650,000	4,650,000	-
Total deferred inflows	<u>4,650,000</u>	<u>4,650,000</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	26,014,079	17,264,083	8,749,996
Restricted for bond reserves	1,727,986	4,291,552	(2,563,566)
Unrestricted	(4,388,141)	3,956,379	(8,344,520)
Total net position	<u>23,353,924</u>	<u>25,512,014</u>	<u>(2,158,090)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 133,275,615</u>	<u>\$ 137,370,005</u>	<u>\$ (4,094,390)</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 October		October Year-to-Date		% Chg
	2013	2012	2013	2012	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,353,982	\$ 2,400,271	\$ 22,115,801	\$ 22,534,544	-2%
Commercial collection	2,187,183	2,230,657	20,008,265	19,413,762	3%
Disposal revenues	492,133	385,655	4,462,726	3,844,127	16%
Salvage revenue	106,786	63,850	1,057,177	1,059,763	0%
Other operating revenue	74,260	82,632	701,440	678,749	3%
Total operating revenues	<u>5,214,344</u>	<u>5,163,065</u>	<u>48,345,409</u>	<u>47,530,945</u>	2%
<b>OPERATING EXPENSES</b>					
Commercial collection	414,449	343,498	3,492,159	3,290,635	6%
Onsite operations	2,325,646	1,724,501	13,361,279	11,651,706	15%
Residential collection	1,139,728	960,650	10,059,761	9,445,060	7%
Resource recovery	-	14,291	-	233,412	N/A
Support services	(271,522)	423,376	4,451,610	4,265,652	4%
Tacoma cares cleanup	39,089	47,879	387,146	490,542	(21%)
Nuisance code enforcement	123,046	129,141	1,408,528	1,573,464	(10%)
Other operating expenses:			-		
Insurance	28,896	29,344	303,252	301,449	1%
Depreciation	572,423	559,529	5,666,479	5,730,320	(1%)
Taxes	75,850	90,997	787,500	826,377	(5%)
IT services	94,503	104,679	880,643	934,407	(6%)
Customer services	149,625	171,034	1,415,649	1,423,506	(1%)
Subtotal other operating expenses	<u>921,297</u>	<u>955,583</u>	<u>9,053,523</u>	<u>9,216,059</u>	(2%)
Total operating expenses	<u>4,691,733</u>	<u>4,598,919</u>	<u>42,214,006</u>	<u>40,166,530</u>	5%
Net operating income	<u>522,611</u>	<u>564,146</u>	<u>6,131,403</u>	<u>7,364,415</u>	(17%)

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**Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)**

	Month of October		October Year-to-Date		% Chg
	2013	2012	2013	2012	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	\$ 27,274	\$ 53,329	\$ 359,628	\$ 721,428	(50%)
Rental income	14,338	7,884	110,953	106,425	4%
Operating grants	-	53,117	619,412	108,444	N/A
Disposal of capital assets	-	-	(122,771)	23,794	N/A
Interest paid net of capitalized interest	(262,407)	(280,069)	(2,692,895)	(2,798,938)	(4%)
Interest on capital lease	(31,477)	(31,420)	(314,656)	(314,198)	0%
Amortization of premium, discount and refunding costs	7,014	673	85,358	6,731	1,168%
Other expense	(7,741)	383	(78,131)	(65,744)	19%
Total nonoperating expenses	<u>(252,999)</u>	<u>(196,103)</u>	<u>(2,033,102)</u>	<u>(2,212,058)</u>	(8%)
<b>CHANGE IN NET POSITION</b>					
Net income before transfers	269,612	368,043	4,098,301	5,152,357	(20%)
Transfers - from/to other funds	-	-	(289,428)	900,630	N/A
Transfers - gross earnings taxes	(418,966)	(417,100)	(3,889,671)	(3,829,425)	2%
<b>CHANGE IN NET POSITION</b>	<u>\$ (149,354)</u>	<u>\$ (49,057)</u>	<u>(80,798)</u>	<u>2,223,562</u>	(104%)
<b>TOTAL NET POSITION - BEGINNING</b>			<u>23,434,722</u>	<u>23,288,452</u>	
<b>TOTAL NET POSITION - ENDING</b>			<u>\$ 23,353,924</u>	<u>\$ 25,512,014</u>	

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