



*Solid Waste Management  
Financial Report  
October 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	October 31,		Increase
	2014	2013	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 18,837,850	\$ 23,333,479	\$ (4,495,629)
Rate Stabilization Fund	6,000,000	4,650,000	1,350,000
Total cash and equity in pooled investments	24,837,850	27,983,479	(3,145,629)
GABS 31 market rate adjustment	1,078	285,431	(284,353)
Accounts receivable	6,394,247	7,161,724	(767,477)
Allowance for uncollectible accounts	(3,366,884)	(3,805,684)	438,800
Unbilled revenue	3,065,000	3,065,000	-
Grant receivable - operating	302,326	148,710	153,616
Total current assets	31,233,617	34,838,660	(3,605,043)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	11,025,317	5,474,886	5,550,431
Customer deposits	90,187	71,253	18,934
Construction funds	-	1,831,336	(1,831,336)
Reserve for landfill closure	-	2,780,404	(2,780,404)
Total restricted cash and equity in pooled investments	11,115,503	10,157,879	957,624
Capital assets:			
Land	3,119,781	3,119,781	-
Buildings	63,874,457	63,908,954	(34,497)
Building - capital lease	7,568,000	7,568,000	-
Landfill infrastructure	64,836,358	62,460,597	2,375,761
Machinery and equipment	47,287,590	46,885,938	401,652
Computer software	4,734,767	4,536,940	197,827
Less accumulated depreciation	(109,321,473)	(103,607,813)	(5,713,660)
Assets in service, net of depreciation	82,099,480	84,872,397	(2,772,917)
Construction in progress	2,068,128	2,382,852	(314,724)
Total capital assets	84,167,608	87,255,249	(3,087,641)
Other noncurrent assets	687,056	687,056	-
Total assets	127,203,784	132,938,844	(5,735,060)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized bond refunding costs	230,556	336,771	(106,215)
Total deferred outflows of resources	230,556	336,771	(106,215)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<b>\$ 127,434,340</b>	<b>\$ 133,275,615</b>	<b>\$ (5,841,275)</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>	October 31,		Increase
	2014	2013	(Decrease)
Current liabilities:			
Accounts payable	\$ 913,340	\$ 2,048,337	\$ (1,134,997)
Accrued wages payable and compensated absences	627,509	586,344	41,165
Accrued taxes payable	248,797	256,953	(8,156)
Accrued low income liabilities	-	(6,660)	6,660
Customer deposits	20,532	22,524	(1,992)
Current portion of landfill closure	240,413	1,632,548	(1,392,135)
Current portion of long-term debt	257,083	217,083	40,000
Current portion of capital lease obligation	25,490	25,173	317
Total current liabilities	<u>2,333,164</u>	<u>4,782,302</u>	<u>(2,449,138)</u>
Liabilities payable from restricted assets:			
Deposits payable	88,079	69,240	18,839
Bond interest payable	1,299,414	1,358,983	(59,569)
Current portion of long-term debt	2,827,917	2,387,917	440,000
Total liabilities payable from restricted assets	<u>4,215,410</u>	<u>3,816,140</u>	<u>399,270</u>
Noncurrent liabilities:			
Long-term debt - revenue bonds	59,171,435	62,571,019	(3,399,584)
Capital lease obligation	6,861,002	7,011,502	(150,500)
Accrued landfill post closure costs	25,509,552	24,958,018	551,534
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>94,068,974</u>	<u>96,673,249</u>	<u>(2,604,275)</u>
Total liabilities	<u>100,617,548</u>	<u>105,271,691</u>	<u>(4,654,143)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization	6,000,000	4,650,000	1,350,000
Total deferred inflows of resources	<u>6,000,000</u>	<u>4,650,000</u>	<u>1,350,000</u>
<b>NET POSITION</b>			
Net investment in capital assets	27,414,085	26,014,079	1,400,006
Restricted for bond reserves	6,897,986	1,727,986	5,170,000
Unrestricted	(13,495,279)	(4,388,141)	(9,107,138)
Total net position	<u>20,816,792</u>	<u>23,353,924</u>	<u>(2,537,132)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 127,434,340</u>	<u>\$ 133,275,615</u>	<u>\$ (5,841,275)</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
	2014	2013	2014	2013	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,153,457	\$ 2,353,982	\$ 20,930,006	\$ 22,115,801	-5%
Commercial collection	2,135,989	2,187,183	20,328,021	20,008,265	2%
Disposal revenues	532,136	492,133	5,086,625	4,462,726	14%
Salvage revenue	76,880	106,786	818,733	1,057,177	-23%
Other operating revenue	22,098	74,260	703,406	701,440	0%
Total operating revenues	<u>4,920,560</u>	<u>5,214,344</u>	<u>47,866,791</u>	<u>48,345,409</u>	(1%)
<b>OPERATING EXPENSES</b>					
Commercial collection	371,537	414,449	3,528,665	3,492,159	1%
Onsite operations	1,474,935	2,325,646	14,273,732	13,361,279	7%
Residential collection	702,228	1,139,728	7,798,796	10,059,761	(22%)
Support services	562,411	(271,522)	5,160,746	4,451,610	16%
Tacoma cares cleanup	47,469	39,089	396,836	387,146	3%
Nuisance code enforcement	126,669	123,046	1,401,909	1,408,528	(0%)
Other operating expenses:					
Insurance	28,896	28,896	303,375	303,252	0%
Depreciation	566,800	572,423	5,888,590	5,666,479	4%
Taxes	114,318	75,850	542,545	787,500	(31%)
IT services	92,915	94,503	881,021	880,643	0%
Customer services	145,497	149,625	1,337,339	1,415,649	(6%)
Subtotal other operating expenses	<u>948,426</u>	<u>921,297</u>	<u>8,952,870</u>	<u>9,053,523</u>	(1%)
Total operating expenses	<u>4,233,675</u>	<u>4,691,733</u>	<u>41,513,554</u>	<u>42,214,006</u>	(2%)
Net operating income	<u>686,885</u>	<u>522,611</u>	<u>6,353,237</u>	<u>6,131,403</u>	4%

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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 October		October Year-to-Date		% Chg
	2014	2013	2014	2013	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	14,823	27,274	244,943	359,628	(32%)
Rental income	8,583	14,338	106,072	110,953	(4%)
Operating grants	-	-	514,116	619,412	N/A
Proceed sale assets	-	-	1,950	10,750	N/A
Gain/loss disposal assets	-	-	-	(133,521)	(100%)
Interest paid net of capitalized interest	(259,883)	(262,407)	(2,542,757)	(2,692,895)	(6%)
Interest on capital lease	(30,997)	(31,477)	(309,970)	(314,656)	(1%)
Amort. of premium and refunding costs	19,688	7,013	196,888	85,358	131%
Other expense	-	(7,740)	2,462	(78,131)	(103%)
Total nonoperating expenses	<u>(247,786)</u>	<u>(252,999)</u>	<u>(1,786,296)</u>	<u>(2,033,102)</u>	(12%)
<b>CHANGE IN NET POSITION</b>					
Net income before transfers	439,099	269,612	4,566,941	4,098,301	11%
Transfers - from/to other funds	510	-	510	(289,428)	N/A
Transfers - gross earnings taxes	(395,434)	(418,966)	(3,821,012)	(3,889,671)	(2%)
<b>CHANGE IN NET POSITION</b>	<u>\$ 44,175</u>	<u>\$ (149,354)</u>	<u>746,439</u>	<u>(80,798)</u>	
<b>NET POSITION - BEGINNING</b>			<u>20,070,353</u>	<u>23,434,722</u>	
<b>NET POSITION - ENDING</b>			<u>\$ 20,816,792</u>	<u>\$ 23,353,924</u>	

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