



*Solid Waste Management
Financial Report
November 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	November 30,		Increase
	2015	2014	(Decrease)
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 17,022,577	\$ 19,027,315	\$ (2,004,738)
Rate Stabilization Fund	6,000,000	6,000,000	-
Total cash and equity in pooled investments	23,022,577	25,027,315	(2,004,738)
GABS 31 market rate adjustment	19,327	1,078	18,249
Accounts receivable	6,323,038	6,267,323	55,715
Allowance for uncollectible accounts	(3,695,655)	(3,390,837)	(304,818)
Unbilled revenue	2,865,000	3,065,000	(200,000)
Grant receivable - operating	131,101	-	131,101
Total current assets	28,665,388	30,969,879	(2,304,491)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	15,419,452	11,542,283	3,877,169
Customer deposits	95,761	88,297	7,464
Construction funds	16,946,159	-	16,946,159
Total restricted cash and equity in pooled investments	32,461,372	11,630,580	20,830,792
Capital assets:			
Land	3,119,782	3,119,782	-
Buildings	65,418,759	63,874,457	1,544,302
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	50,298,190	47,422,101	2,876,089
Computer software	4,717,718	4,733,056	(15,338)
Less accumulated depreciation	(112,039,801)	(109,884,257)	(2,155,544)
Assets in service, net of depreciation	82,729,711	81,669,497	1,060,214
Construction in progress	2,165,833	2,250,690	(84,857)
Total capital assets	84,895,544	83,920,187	975,357
Other noncurrent assets	687,056	687,056	-
Total assets	146,709,359	127,207,702	19,501,657
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding costs	149,549	224,323	(74,774)
Total deferred outflows of resources	149,549	224,323	(74,774)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 146,858,908	\$ 127,432,025	\$ 19,426,883

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	November 30,		Increase
	2015	2014	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,092,686	\$ 987,363	\$ 105,323
Accrued wages payable and compensated absences	665,474	596,366	69,108
Accrued taxes payable	208,544	202,915	5,629
Customer deposits	19,673	17,839	1,834
Current portion of landfill closure	229,670	238,865	(9,195)
Current portion of capital lease obligation	10,462	12,989	(2,527)
Total current liabilities	<u>2,226,509</u>	<u>2,056,337</u>	170,172
Liabilities payable from restricted assets:			
Deposits payable	92,212	85,970	6,242
Bond interest payable	1,944,540	1,559,297	385,243
Current portion of long-term debt	4,585,000	3,085,000	1,500,000
Total liabilities payable from restricted assets	<u>6,621,752</u>	<u>4,730,267</u>	1,891,485
Noncurrent liabilities:			
Long-term debt - revenue bonds	78,184,695	59,145,515	19,039,180
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	1,108,586	(47,102)
Net OPEB obligation	1,707,246	1,418,399	288,847
Total noncurrent liabilities	<u>110,962,513</u>	<u>94,043,334</u>	16,919,179
Total liabilities	<u>119,810,774</u>	<u>100,829,938</u>	18,980,836
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization	6,000,000	6,000,000	-
Total deferred inflows of resources	<u>6,000,000</u>	<u>6,000,000</u>	-
NET POSITION			
Net investment in capital assets	30,040,538	27,703,358	2,337,180
Restricted for bond reserves	6,780,412	6,897,986	(117,574)
Unrestricted	(15,772,816)	(13,999,257)	(1,773,559)
Total net position	<u>21,048,134</u>	<u>20,602,087</u>	446,047
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 146,858,908</u>	<u>\$ 127,432,025</u>	<u>\$ 19,426,883</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 November		November Year-to-Date		% Chg
	2015	2014	2015	2014	
OPERATING REVENUES					
Residential collection	\$ 1,892,143	\$ 1,852,414	\$ 23,026,079	\$ 22,782,420	1%
Commercial collection	1,633,614	1,570,634	23,071,930	21,898,655	5%
Disposal revenues	535,923	476,814	6,734,096	5,563,438	21%
Salvage revenue	17,358	98,972	438,083	917,705	-52%
Other operating revenue	18,227	83,950	342,920	787,357	-56%
Total operating revenues	<u>4,097,265</u>	<u>4,082,784</u>	<u>53,613,108</u>	<u>51,949,575</u>	3%
OPERATING EXPENSES					
Commercial collection	334,401	334,091	3,717,528	3,862,756	(4%)
Onsite operations	570,524	482,125	6,876,469	7,038,133	(2%)
Residential collection	733,733	693,161	8,102,929	8,491,956	(5%)
Other collection Services	791,746	892,283	11,523,214	10,434,972	10%
Support services	526,155	511,686	6,078,689	5,646,212	8%
Other operating expenses:					
Insurance	16,818	28,896	199,613	332,271	(40%)
Depreciation	558,691	562,784	6,042,508	6,451,374	(6%)
Taxes	60,500	59,425	786,807	601,969	31%
IT services	100,718	78,922	1,170,836	959,943	22%
Customer services	97,385	115,383	1,366,157	1,452,724	(6%)
Subtotal other operating expenses	<u>834,112</u>	<u>845,410</u>	<u>9,565,921</u>	<u>9,798,281</u>	(2%)
Total operating expenses	<u>3,790,671</u>	<u>3,758,756</u>	<u>45,864,750</u>	<u>45,272,310</u>	1%
Net operating income	<u>306,594</u>	<u>324,028</u>	<u>7,748,358</u>	<u>6,677,265</u>	16%
NONOPERATING REVENUES (EXPENSES)					
Investment income	43,095	26,741	415,669	271,684	53%
Rental income	9,999	17,224	112,987	123,296	(8%)
Operating grants	131,101	-	334,506	514,116	(35%)
Proceed sale assets	33,250	-	171,117	1,950	N/A
Interest paid net of capitalized interest	(318,054)	(242,023)	(3,496,256)	(2,784,779)	26%
Interest on capital lease	(23,635)	(30,997)	(259,989)	(340,967)	(24%)
Amort. of premium and refunding costs	61,180	19,688	583,292	216,577	169%
Other expense	-	-	2,070	2,971	(30%)
Total nonoperating expenses	<u>(63,064)</u>	<u>(209,367)</u>	<u>(2,136,604)</u>	<u>(1,995,152)</u>	7%
CHANGE IN NET POSITION					
Net income before transfers	243,530	114,661	5,611,754	4,682,113	20%
Transfers - gross earnings taxes	(330,848)	(329,366)	(4,300,803)	(4,150,379)	4%
CHANGE IN NET POSITION	<u>\$ (87,318)</u>	<u>\$ (214,705)</u>	<u>1,310,951</u>	<u>531,734</u>	147%
NET POSITION - BEGINNING			<u>19,737,183</u>	<u>20,070,353</u>	
NET POSITION - ENDING			<u>\$ 21,048,134</u>	<u>\$ 20,602,087</u>	

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