



*Solid Waste Management
Financial Report
August 2013*

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

ASSETS	August 31,		Increase
	2013	2012	(Decrease)
Current assets:			
Cash and equity in pooled investments	\$ 23,759,768	\$ 26,889,870	\$ (3,130,102)
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	7,004,961	7,029,637	(24,676)
Allowance for uncollectible accounts	(3,708,993)	(3,733,632)	24,639
Unbilled revenue	3,065,000	2,800,000	265,000
Grant receivable - operating	463,852	-	463,852
Total current assets	35,520,019	37,943,048	(2,423,029)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	4,497,126	4,139,531	357,595
Customer deposits	73,038	64,170	8,868
Construction funds	3,339,081	5,474,902	(2,135,821)
Reserve for landfill closure	2,780,404	2,780,404	-
Total restricted assets	10,689,649	12,459,007	(1,769,358)
Capital assets:			
Land	3,119,781	3,076,911	42,870
Buildings	63,908,815	63,163,343	745,472
Building - Capital lease	7,568,000	7,568,000	-
Landfill infrastructure	62,460,597	62,026,039	434,558
Machinery and equipment	46,253,091	40,786,526	5,466,565
Computer software	4,532,495	4,254,934	277,561
Less accumulated depreciation	(102,461,914)	(96,412,489)	(6,049,425)
Assets in service net of depreciation	85,380,865	84,463,264	917,601
Construction in progress	1,453,570	1,634,772	(181,202)
Total capital assets	86,834,435	86,098,036	736,399
Other noncurrent assets	687,056	687,056	-
Total assets	133,731,159	137,187,147	(3,455,988)
DEFERRED OUTFLOWS			
Unamortized loss on refunding	364,952	632,733	(267,781)
Total deferred outflows	364,952	632,733	(267,781)
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 134,096,111	\$ 137,819,880	\$ (3,723,769)

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)

LIABILITIES	August 31,		Increase
	2013	2012	(Decrease)
Current liabilities:			
Accounts payable	\$ 2,389,253	\$ 1,090,747	\$ 1,298,506
Accrued wages payable	366,559	284,587	81,972
Accrued taxes payable	246,433	297,599	(51,166)
Accrued low income liabilities	(10,100)	10,797	(20,897)
Customer deposits	27,891	16,061	11,830
Current portion of long-term debt	651,250	587,500	63,750
Current portion of capital lease obligation	49,173	46,136	3,037
Environmental liabilities	-	377,058	(377,058)
Total current liabilities	<u>3,720,459</u>	<u>2,710,485</u>	<u>1,009,974</u>
Liabilities payable from restricted assets:			
Deposits payable	71,146	61,953	9,193
Bond interest payable	815,390	850,640	(35,250)
Current portion of long-term debt	1,953,750	1,762,500	191,250
Current portion of landfill closure	2,840,122	1,495,742	1,344,380
Total liabilities payable from restricted assets	<u>5,680,408</u>	<u>4,170,835</u>	<u>1,509,573</u>
Noncurrent liabilities:			
Long-term debt - revenue bonds	61,150,000	63,755,000	(2,605,000)
Unamortized bond premiums	1,478,451	1,826,035	(347,584)
Unamortized bond discounts	-	(1,440)	1,440
Capital lease obligation	7,011,502	7,156,000	(144,498)
Accrued landfill closure and post closure costs	24,958,020	26,955,015	(1,996,995)
Compensated absences	1,032,036	1,087,692	(55,656)
Net OPEB obligation	1,100,674	911,469	189,205
Total noncurrent liabilities	<u>96,730,683</u>	<u>101,689,771</u>	<u>(4,959,088)</u>
Total liabilities	<u>106,131,550</u>	<u>108,571,091</u>	<u>(2,439,541)</u>
DEFERRED INFLOWS			
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>
NET POSITION			
Net investment in capital assets	26,625,593	23,166,055	3,459,538
Restricted for bond reserves	1,727,986	2,811,053	(1,083,067)
Unrestricted	(5,039,018)	(1,378,319)	(3,660,699)
Total net position	<u>23,314,561</u>	<u>24,598,789</u>	<u>(1,284,228)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 134,096,111</u>	<u>\$ 137,819,880</u>	<u>\$ (3,723,769)</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 August		August Year-to-Date		% Chg
	2013	2012	2013	2012	
OPERATING REVENUES					
Residential collection	\$ 2,278,045	\$ 2,428,419	\$ 17,729,532	\$ 18,063,364	-2%
Commercial collection	2,007,408	2,337,973	15,852,168	15,490,545	2%
Disposal revenues	501,766	420,451	3,512,829	3,067,138	15%
Salvage revenue	121,757	115,376	844,954	914,178	-8%
Other operating revenue	83,641	119,396	554,836	543,984	2%
Total operating revenues	<u>4,992,617</u>	<u>5,421,615</u>	<u>38,494,319</u>	<u>38,079,209</u>	1%
OPERATING EXPENSES					
Commercial Collection	325,812	341,425	2,760,789	2,617,287	5%
Onsite Operations	1,416,372	1,522,149	10,186,771	9,004,523	13%
Residential collection	1,041,713	1,151,673	8,031,727	7,560,505	6%
Resource recovery	-	18,702	-	183,260	N/A
Support Services	456,217	338,256	4,237,041	3,719,533	14%
Tacoma cares cleanup	41,332	45,315	307,536	394,524	(22%)
Nuisance code enforcement	131,503	183,153	1,151,172	1,289,622	(11%)
Other operating expenses:					
Insurance	42,833	28,896	245,460	231,490	6%
Depreciation	572,214	558,939	4,520,581	4,611,234	(2%)
Taxes	57,845	100,483	652,176	660,070	(1%)
IT services	94,672	97,266	705,971	746,828	(5%)
Customer services	147,332	160,092	1,133,280	1,122,661	1%
Subtotal other operating expenses	<u>914,896</u>	<u>945,676</u>	<u>7,257,468</u>	<u>7,372,283</u>	(2%)
Total operating expenses	<u>4,327,845</u>	<u>4,546,349</u>	<u>33,932,504</u>	<u>32,141,537</u>	6%
Net operating income	<u>664,772</u>	<u>875,266</u>	<u>4,561,815</u>	<u>5,937,672</u>	(23%)

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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 August		August Year-to-Date		% Chg
	2013	2012	2013	2012	
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ 27,357	\$ 101,258	\$ 303,174	\$ 605,877	(50%)
Rental income	11,189	7,883	88,575	84,359	5%
Operating grants	463,852	-	619,412	55,327	N/A
Disposal of Capital assets	(133,521)	-	(122,771)	23,794	N/A
Interest paid net of capitalized interest	(269,763)	(283,546)	(2,170,985)	(2,245,019)	(3%)
Interest on capital lease	(31,477)	(31,420)	(251,702)	(251,359)	0%
Amortization of premium, discount and refunding costs	7,012	675	56,111	5,384	942%
Other expense	(7,740)	(7,742)	(62,281)	(66,505)	(6%)
Total nonoperating expenses	<u>66,909</u>	<u>(212,892)</u>	<u>(1,540,467)</u>	<u>(1,788,142)</u>	(14%)
CHANGE IN NET POSITION					
Net income before transfers	731,681	662,374	3,021,348	4,149,530	(27%)
Transfers - from other funds		-	-	225,243	N/A
Transfers - gross earnings taxes	(413,655)	(466,139)	(3,141,509)	(3,064,436)	3%
CHANGE IN NET POSITION	<u>\$ 318,026</u>	<u>\$ 196,235</u>	<u>(120,161)</u>	<u>1,310,337</u>	(109%)
TOTAL NET POSITION - BEGINNING			<u>23,434,722</u>	<u>23,288,452</u>	
TOTAL NET POSITION - ENDING			<u>\$ 23,314,561</u>	<u>\$ 24,598,789</u>	

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