



*Solid Waste Management
Financial Report
May 2014*

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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	May 31,		Increase (Decrease)
	2014	2013	
Current assets:			
Cash and equity in pooled investments:			
Operating funds	\$ 23,848,674	\$ 26,969,541	\$ (3,120,867)
Rate Stabilization Fund	6,000,000	4,650,000	1,350,000
Total cash and equity in pooled investments	29,848,674	31,619,541	(1,770,867)
GABS 31 market rate adjustment	1,078	285,431	(284,353)
Accounts receivable	6,920,814	6,333,026	587,788
Allowance for uncollectible accounts	(3,936,249)	(3,651,605)	(284,644)
Unbilled revenue	3,065,000	3,065,000	-
Grant receivable - operating	204,393	-	204,393
Other receivables	263,319	-	263,319
Total current assets	36,367,029	37,651,393	(1,284,364)
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	4,829,783	4,661,265	168,518
Customer deposits	77,105	70,107	6,998
Construction funds	-	3,425,228	(3,425,228)
Reserve for landfill closure	-	2,780,404	(2,780,404)
Total restricted cash and equity in pooled investments	4,906,888	10,937,004	(6,030,116)
Capital assets:			
Land	3,119,781	3,119,781	-
Buildings	63,874,457	63,894,257	(19,800)
Building - capital lease	7,568,000	7,568,000	-
Landfill infrastructure	64,826,573	62,460,597	2,365,976
Machinery and equipment	46,998,666	43,069,667	3,928,999
Computer software	4,699,670	4,389,115	310,555
Less accumulated depreciation	(106,561,206)	(100,828,376)	(5,732,830)
Assets in service, net of depreciation	84,525,941	83,673,041	852,900
Construction in progress	1,598,605	1,055,930	542,675
Total capital assets	86,124,546	84,728,971	1,395,575
Other noncurrent assets	687,056	687,056	-
Total assets	128,085,519	134,004,424	(5,918,905)
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding costs	261,712	430,806	(169,094)
Total deferred outflows of resources	261,712	430,806	(169,094)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 128,347,231	\$ 134,435,230	\$ (6,087,999)

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	May 31,		Increase
	2014	2013	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,541,926	\$ 2,101,201	\$ (559,275)
Accrued wages payable and compensated absences	640,247	632,204	8,043
Accrued taxes payable	253,987	250,338	3,649
Accrued low income liabilities	-	(12,947)	12,947
Customer deposits	32,255	25,638	6,617
Current portion of landfill closure	274,019	2,887,564	(2,613,545)
Current portion of long-term debt	1,542,500	1,302,500	240,000
Current portion of capital lease obligation	87,995	85,176	2,819
Total current liabilities	<u>4,372,929</u>	<u>7,271,674</u>	<u>(2,898,745)</u>
Liabilities payable from restricted assets:			
Deposits payable	76,457	67,162	9,295
Bond interest payable	1,559,297	1,630,779	(71,482)
Current portion of long-term debt	1,542,500	1,302,500	240,000
Total liabilities payable from restricted assets	<u>3,178,254</u>	<u>3,000,441</u>	<u>177,813</u>
Noncurrent liabilities:			
Long-term debt - revenue bonds	59,301,035	62,715,344	(3,414,309)
Capital lease obligation	6,861,002	7,011,502	(150,500)
Accrued landfill post closure costs	25,509,832	24,958,019	551,813
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>94,198,854</u>	<u>96,817,575</u>	<u>(2,618,721)</u>
Total liabilities	<u>101,750,037</u>	<u>107,089,690</u>	<u>(5,339,653)</u>
DEFERRED INFLOWS OF RESOURCES			
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>
NET POSITION			
Net investment in capital assets	27,939,104	21,278,954	6,660,150
Restricted for bond reserves	1,727,986	1,727,986	-
Unrestricted	(9,069,896)	(311,400)	(8,758,496)
Total net position	<u>20,597,194</u>	<u>22,695,540</u>	<u>(2,098,346)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 128,347,231</u>	<u>\$ 134,435,230</u>	<u>\$ (6,087,999)</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 May		May Year-to-Date		% Chg
	2014	2013	2014	2013	
OPERATING REVENUES					
Residential collection	\$ 2,194,244	\$ 2,139,726	\$ 10,520,955	\$ 11,056,416	-5%
Commercial collection	2,122,036	1,679,853	10,033,166	9,547,740	5%
Disposal revenues	569,300	479,848	2,376,459	2,050,433	16%
Salvage revenue	95,046	214,568	388,150	506,389	-23%
Other operating revenue	66,543	76,778	309,108	257,613	20%
Total operating revenues	<u>5,047,169</u>	<u>4,590,773</u>	<u>23,627,838</u>	<u>23,418,591</u>	1%
OPERATING EXPENSES					
Commercial collection	416,554	381,188	1,774,684	1,725,627	3%
Onsite operations	2,501,385	1,927,498	7,039,239	6,542,393	8%
Residential collection	863,592	1,221,180	3,883,089	4,962,580	(22%)
Support services	136,033	318,516	2,317,194	2,324,107	(0%)
Tacoma cares cleanup	31,308	40,232	202,152	190,573	6%
Nuisance code enforcement	159,152	132,856	682,314	715,615	(5%)
Other operating expenses:					
Insurance	28,896	28,896	144,849	144,836	0%
Depreciation	593,252	566,245	2,975,284	2,824,805	5%
Taxes	(122,381)	83,348	150,007	417,798	(64%)
IT services	85,888	84,378	423,829	431,289	(2%)
Customer services	140,686	138,493	671,557	701,996	(4%)
Subtotal other operating expenses	<u>726,341</u>	<u>901,360</u>	<u>4,365,526</u>	<u>4,520,724</u>	(3%)
Total operating expenses	<u>4,834,365</u>	<u>4,922,830</u>	<u>20,264,198</u>	<u>20,981,619</u>	(3%)
Net operating income	<u>212,804</u>	<u>(332,057)</u>	<u>3,363,640</u>	<u>2,436,972</u>	38%

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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 May		May Year-to-Date		% Chg
	2014	2013	2014	2013	
NONOPERATING REVENUES (EXPENSES)					
Investment income	32,404	44,499	129,619	215,094	(40%)
Rental income	14,338	7,884	55,943	55,165	1%
Operating grants	-	(7,819)	204,393	(7,819)	N/A
Proceed sale assets	-	-	-	8,000	N/A
Interest paid net of capitalized interest	(253,131)	(270,530)	(1,275,052)	(1,357,629)	(6%)
Interest on capital lease	(30,997)	(31,477)	(154,985)	(157,271)	(1%)
Amort. of premium and refunding costs	19,689	7,014	98,444	35,069	181%
Other expense	379	(7,742)	1,527	(39,238)	(104%)
Total nonoperating expenses	<u>(217,318)</u>	<u>(258,171)</u>	<u>(940,111)</u>	<u>(1,248,629)</u>	(25%)
CHANGE IN NET POSITION					
Net income before transfers	(4,514)	(590,228)	2,423,529	1,188,343	104%
Transfers - gross earnings taxes	<u>(405,864)</u>	<u>(390,555)</u>	<u>(1,896,688)</u>	<u>(1,927,525)</u>	(2%)
CHANGE IN NET POSITION	<u>\$ (410,378)</u>	<u>\$ (980,783)</u>	<u>526,841</u>	<u>(739,182)</u>	
NET POSITION - BEGINNING			<u>20,070,353</u>	<u>23,434,722</u>	
NET POSITION - ENDING			<u><u>\$ 20,597,194</u></u>	<u><u>\$ 22,695,540</u></u>	

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