



*Solid Waste Management  
Interim Financial Report  
April 2016*

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	April 30,		Increase
	2016	2015	(Decrease)
Current assets:			
Cash and cash equivalents	\$ 23,238,278	\$ 23,937,181	\$ (698,903)
GASB 31 market rate adjustment	-	19,327	(19,327)
Accounts receivable	6,608,992	6,779,860	(170,868)
Allowance for uncollectible accounts	(3,478,189)	(3,559,517)	81,328
Unbilled revenue	2,790,000	2,865,000	(75,000)
Grant receivable - operating	131,101	19,009	112,092
Total current assets	<u>29,290,182</u>	<u>30,060,860</u>	<u>(770,678)</u>
Restricted cash and equity in pooled investments:			
Bond reserve and debt service accounts	12,421,373	12,141,925	279,448
Customer deposits	88,662	94,898	(6,236)
Construction funds	14,136,643	18,273,939	(4,137,297)
Total restricted cash and cash equivalents	<u>26,646,677</u>	<u>30,510,762</u>	<u>(3,864,085)</u>
Capital assets:			
Land	3,119,782	3,119,782	-
Buildings	65,420,534	65,376,959	43,575
Building - capital lease	6,024,273	6,024,273	-
Landfill infrastructure	66,449,017	65,187,303	1,261,714
Machinery and equipment	52,315,231	49,336,023	2,979,208
Computer software	4,771,064	4,717,718	53,346
Less accumulated depreciation	(113,577,021)	(110,280,871)	(3,296,150)
Assets in service, net of depreciation	<u>84,522,880</u>	<u>83,481,187</u>	<u>1,041,693</u>
Construction in progress	1,000,105	1,349,050	(348,945)
Total capital assets	<u>85,522,985</u>	<u>84,830,237</u>	<u>692,748</u>
Other noncurrent assets:			
Building lease deferred	687,056	687,056	-
Net pension asset	529,445	-	529,445
Total other noncurrent assets	<u>1,216,501</u>	<u>687,056</u>	<u>529,445</u>
Total assets	<u>142,676,345</u>	<u>146,088,915</u>	<u>(3,412,570)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	118,393	193,168	(74,775)
Deferred outflows-pensions	1,256,991	-	1,256,991
Total deferred outflows of resources	<u>1,375,384</u>	<u>193,168</u>	<u>1,182,216</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 144,051,729</u></u>	<u><u>\$ 146,282,083</u></u>	<u><u>\$ (2,230,354)</u></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**  
**Environmental Services Department**  
**Solid Waste Management**  
**Statements of Net Position (Unaudited)**

<b>LIABILITIES</b>	April 30,		Increase
	2016	2015	(Decrease)
Current liabilities:			
Accounts payable	\$ 1,373,733	\$ 1,351,521	\$ 22,212
Accrued wages payable and compensated absences	653,556	594,782	58,774
Accrued taxes payable	264,445	297,005	(32,560)
GASB 31 adjustment	142,165	-	142,165
Customer deposits	32,571	22,642	9,929
Current portion of landfill post closure costs	401,170	659,677	(258,507)
Current portion of long-term debt	2,817,500	2,674,583	142,917
Current portion of capital lease obligation	84,001	80,987	3,014
Total current liabilities	<u>5,769,141</u>	<u>5,681,197</u>	87,944
Liabilities payable from restricted assets:			
Deposits payable	84,171	92,359	(8,188)
Bond interest payable	1,518,961	1,341,596	177,365
Current portion of long-term debt	2,012,500	1,910,417	102,083
Total liabilities payable from restricted assets	<u>3,615,632</u>	<u>3,344,372</u>	271,260
Noncurrent liabilities:			
Long-term debt - revenue bonds (net)	73,079,006	78,656,586	(5,577,580)
Capital lease obligation	5,069,986	5,195,988	(126,002)
Accrued landfill post closure costs	18,245,893	24,813,100	(6,567,207)
Compensated absences	994,360	1,061,484	(67,124)
Net OPEB obligation	1,922,060	1,707,246	214,814
Total noncurrent liabilities	<u>99,311,305</u>	<u>111,434,404</u>	(12,123,099)
Total liabilities	<u>108,696,078</u>	<u>120,459,973</u>	(11,763,895)
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization	6,000,000	6,000,000	-
Deferred inflows pension	558,927	-	558,927
Total deferred inflows of resources	<u>6,558,927</u>	<u>6,000,000</u>	558,927
<b>NET POSITION</b>			
Net investment in capital assets	33,157,460	28,129,631	5,027,829
Restricted for:			-
Debt service	7,084,204	8,889,912	(1,805,708)
Net pension asset	529,445	-	529,445
Unrestricted	(11,974,385)	(17,197,433)	5,223,048
Total net position	<u>28,796,724</u>	<u>19,822,110</u>	8,974,614
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 144,051,729</u>	<u>\$ 146,282,083</u>	<u>\$ (2,230,354)</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 April		April Year-to-Date		% Chg
	2016	2015	2016	2015	
<b>OPERATING REVENUES</b>					
Residential collection	\$ 2,249,945	\$ 2,264,279	\$ 8,725,955	\$ 8,359,380	4%
Commercial collection	2,175,325	2,233,435	8,892,407	8,111,646	10%
Disposal revenues	808,420	625,159	2,732,630	2,333,773	17%
Salvage revenue	27,806	(17,323)	83,506	137,279	-39%
Other operating revenue	22,538	15,547	78,179	79,102	-1%
Total operating revenues	<u>5,284,034</u>	<u>5,121,097</u>	<u>20,512,677</u>	<u>19,021,180</u>	8%
<b>OPERATING EXPENSES</b>					
Commercial collection	326,586	319,417	1,400,263	1,352,368	4%
Onsite operations	703,360	578,123	2,523,526	2,503,441	1%
Residential collection	768,027	879,066	2,893,007	2,966,545	(2%)
Other collection Services	1,531,332	1,201,792	4,553,132	4,133,908	10%
Support services	887,713	897,685	3,566,372	3,372,152	6%
Depreciation	544,106	556,074	2,188,092	2,134,366	3%
Total operating expenses	<u>4,761,124</u>	<u>4,432,157</u>	<u>17,124,392</u>	<u>16,462,780</u>	4%
Net operating income	<u>522,910</u>	<u>688,940</u>	<u>3,388,285</u>	<u>2,558,400</u>	32%
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	37,995	41,484	156,433	117,948	33%
Rental income	10,526	9,871	40,767	43,112	(5%)
Operating grants	-	-	-	19,009	N/A
Proceeds from the sale of capital assets	-	-	146,700	29,750	393%
Gain/loss disposal assets	-	-	(60,527)	-	N/A
Interest paid net of capitalized interest	(303,792)	(315,277)	(1,210,066)	(1,226,706)	(1%)
Interest on capital lease	(23,197)	(23,635)	(92,790)	(94,542)	(2%)
Amortization of premium and refunding loss	48,906	61,180	195,623	155,019	26%
Other expenses	-	(2)	-	508	N/A
Total nonoperating revenues (expenses)	<u>(229,562)</u>	<u>(226,379)</u>	<u>(823,860)</u>	<u>(955,902)</u>	(14%)
Net income before transfers	293,348	462,561	2,564,425	1,602,498	60%
Transfers - gross earnings taxes	(423,843)	(413,700)	(1,645,617)	(1,517,571)	8%
<b>CHANGE IN NET POSITION</b>	<u>\$ (130,495)</u>	<u>\$ 48,861</u>	<u>918,808</u>	<u>84,927</u>	982%
<b>NET POSITION - JANUARY 1</b>			<u>27,877,916</u>	<u>19,737,183</u>	
<b>NET POSITION - APRIL 30</b>			<u>\$ 28,796,724</u>	<u>\$ 19,822,110</u>	

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