



*Union Station  
Financial Report  
December 2013*

City of Tacoma  
Public Works  
Prepared by: Michele Tuong

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## *Notification*

These financial statements are unaudited reports prepared primarily for the use of management. Immaterial differences may occur due to rounding.

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# *Management's Discussion and Analysis*

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**City of Tacoma**  
**Public Works Department**  
**Union Station**  
**Management's Discussion and Analysis**  
**December 31, 2013**

The Union Station is composed of two funds: the Renovation Fund, 4450-Renov, and the restricted Operating Fund, 4450. The financial statements are prepared on a full accrual basis of accounting.

The purpose of the Renovation fund is to keep separate any expenses from the Operating Fund. The Operating Fund was established as a restricted fund to account for a thirty year capital lease with the Federal Government who uses the renovated Union Station as a Federal Courthouse. The assets in this fund are also restricted to pay the debt service on the bonds used to finance the renovation.

**Union Station Operating Fund (4450) - Capital Lease and Debt Service**

The Operating Fund has cash and cash equivalents of \$1,902,593 in a debt service Trust with JP Morgan Trust Institution at year-end 2013 compared to \$1,900,988 at year-end 2012.

Cash lease payments received are \$337,631 per month and total \$4,051,569 each year. Debt service payments are made March 15 and September 15 of each year. This year's debt service is \$4,050,151 compared to \$4,046,539 in 2012. In 2013, \$2,242,840 of unearned revenue was realized which is equal to the amount of debt service interest expense accrued; this compares to \$2,398,390 in 2012.

**Union Station Renovation Fund (4450-Renov)**

The Renovation Fund has unrestricted cash and cash equivalents balances of \$88,065 in 2013 compared to \$92,920 in 2012. These funds are used to pay trustee fees and bond registrar fees.

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# *Financial Statements*

**City of Tacoma, Washington**  
**Public Works Department**  
**Union Station**  
**Statement of Net Position (Unaudited)**

	December 31,		Increase
	2013	2012	(Decrease)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 88,065	\$ 92,920	\$ (4,855)
Lease receivable from Federal Government	4,051,569	4,051,569	-
Total current assets	4,139,634	4,144,489	(4,855)
Restricted cash, and cash equivalents	1,902,593	1,900,988	1,605
Noncurrent lease receivable from Federal Government	31,635,981	35,687,549	(4,051,568)
Total assets	<u>\$ 37,678,208</u>	<u>\$ 41,733,026</u>	<u>\$ (4,054,818)</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	\$ -	\$ 981	\$ (981)
Interest Payable	632,210	679,520	(47,310)
Current portion of revenue bonds payable	1,925,000	1,760,000	165,000
Unearned revenue	2,072,420	2,242,840	(170,420)
Total current liabilities	4,629,630	4,683,341	(53,711)
Noncurrent liabilities:			
Revenue bonds payable	21,560,000	23,485,000	(1,925,000)
Unearned lease revenue	10,544,865	12,617,285	(2,072,420)
Total noncurrent liabilities	32,104,865	36,102,285	(3,997,420)
Total liabilities	36,734,495	40,785,626	(4,051,131)
<b>NET POSITION</b>			
Lease agreement with Federal Government, net of related debt	(1,046,945)	(1,045,527)	(1,418)
Restricted cash and cash equivalents	1,902,593	1,900,988	1,605
Unrestricted	88,065	91,939	(3,874)
Total net position	943,713	947,400	(3,687)
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 37,678,208</u>	<u>\$ 41,733,026</u>	<u>\$ (4,054,818)</u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the City of Tacoma's appropriate Comprehensive Annual Financial Report (CAFR).

**City of Tacoma, Washington**  
**Public Works Department**  
**Union Station**  
**Statements of Revenues, Expenses and Changes**  
**in Net Position (Unaudited)**

	Year-to-Date 2013	December 2012	Increase (Decrease)
<b>OPERATING EXPENSES</b>			
Supplies, services and charges	\$ 3,873	\$ 4,375	\$ (502)
Operating (expense)	<u>(3,873)</u>	<u>(4,375)</u>	<u>502</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	186	188	(2)
Lease income	2,242,841	2,398,390	(155,549)
Interest expense	<u>(2,242,841)</u>	<u>(2,398,390)</u>	<u>155,549</u>
Total nonoperating revenue	<u>186</u>	<u>188</u>	<u>(2)</u>
<b>CHANGE IN NET POSITION</b>			
Net income before contributions	(3,687)	(4,187)	500
Contribution from other funds	<u>-</u>	<u>226</u>	<u>(226)</u>
<b>CHANGE IN NET POSITION</b>	<b>(3,687)</b>	<b>(3,961)</b>	<b>274</b>
Total net position - beginning	<u>947,400</u>	<u>951,361</u>	<u>(3,961)</u>
Total net position - ending	<u><u>\$ 943,713</u></u>	<u><u>\$ 947,400</u></u>	<u><u>\$ (3,687)</u></u>

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**City of Tacoma, Washington  
Public Works Department  
Union Station**

	<b>Year-to-Date December</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers	\$ (4,854)	\$ (4,375)
Net cash provided by operating activities	<u>(4,854)</u>	<u>(4,375)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer in/out	-	226
Net cash from noncapital financing activities	<u>0</u>	<u>226</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Lease receivable from Federal Government	4,051,569	4,051,569
Principal paid on capital debt	(1,760,000)	(1,605,000)
Interest paid on capital debt	(2,290,151)	(2,441,539)
Net cash provided (used) by capital and related financing activities	<u>1,418</u>	<u>5,030</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	186	188
Net cash provided (used) by operating activities	<u>186</u>	<u>188</u>
Net increase in cash and cash equivalents	(3,250)	1,069
Cash and cash equivalents - beginning balance	1,993,908	1,992,839
Cash and cash equivalents - ending balance	<u>\$ 1,990,658</u>	<u>\$ 1,993,908</u>
 <b>Reconciliation of cash and equity in pooled investments to balance sheet:</b>		
Renovation Fund	\$ 88,065	\$ 92,920
Operating Fund	1,902,593	1,900,988
	<u>\$ 1,990,658</u>	<u>\$ 1,993,908</u>

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