



**CITY OF TACOMA**  
**DEPARTMENT OF PUBLIC WORKS**  
**TACOMA RAIL MOUNTAIN DIVISION**

**SEPTEMBER 2018**  
**FINANCIAL REPORT**

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CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC WORKS

# TACOMA RAIL MOUNTAIN DIVISION

(TACOMA EASTERN RAILROAD)

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*Note: 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.*

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CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC WORKS  
TACOMA RAIL MOUNTAIN DIVISION

STATEMENTS OF NET POSITION

| ASSETS  | SEPTEMBER 30,       |                     |
|---|---------------------|---------------------|
|   | 2018                | 2017                |
| <b>FIXED</b>                                    |                     |                     |
| Land .....                                      | \$1,109,705         | \$1,109,705         |
| Building .....                                  | 366,750             | 366,750             |
| Other Improvements .....                        | 23,234,729          | 23,234,729          |
| Equipment .....                                 | 2,834,035           | 2,834,035           |
| Less Accumulated Depreciation .....             | (10,302,122)        | (9,477,927)         |
| Total .....                                     | 17,243,097          | 18,067,292          |
| Construction in Progress .....                  | 63,396              | -                   |
| Net Fixed Assets .....                          | 17,306,493          | 18,067,292          |
| <b>CURRENT AND ACCRUED ASSETS</b>               |                     |                     |
| Current Fund Cash & Pooled Investments .....    | 331,811             | 1,158,312           |
| Accounts Receivable .....                       | 142,538             | 218,416             |
| Prepayments .....                               | 9,200               | 13,547              |
| Total Current and Accrued Assets .....          | 483,549             | 1,390,275           |
| <b>TOTAL ASSETS</b> .....                       | <b>\$17,790,042</b> | <b>\$19,457,567</b> |
| <b>NET POSITION AND LIABILITIES</b>             |                     |                     |
| <b>NET POSITION</b>                             |                     |                     |
| Net Investment in Capital Assets .....          | \$17,306,493        | \$18,067,292        |
| Unrestricted .....                              | 244,893             | 1,110,210           |
| Total Net Assets .....                          | 17,551,386          | 19,177,502          |
| <b>CURRENT AND ACCRUED LIABILITIES</b>          |                     |                     |
| Accounts & Notes Payable .....                  | 51,886              | 82,970              |
| Deposits Payable .....                          | 185,050             | 195,050             |
| Taxes Payable .....                             | 1,720               | 2,045               |
| Total Current and Accrued Liabilities .....     | 238,656             | 280,065             |
| <b>TOTAL NET POSITION AND LIABILITIES</b> ..... | <b>\$17,790,042</b> | <b>\$19,457,567</b> |

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC WORKS  
TACOMA RAIL MOUNTAIN DIVISION

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

|  | <u>SEPTEMBER</u><br>2018 | <u>SEPTEMBER</u><br>2017 |
|--|--------------------------|--------------------------|
| <b>OPERATING REVENUES</b>                      |                          |                          |
| Switching Revenues .....                       | \$102,323                | \$95,808                 |
| Demurrage and Other Operating Revenues .....   | 22,699                   | 27,893                   |
| Total Operating Revenues .....                 | 125,022                  | 123,701                  |
| <b>OPERATING EXPENSES</b>                      |                          |                          |
| MAINTENANCE OF WAY AND STRUCTURES              |                          |                          |
| Salaries and Wages .....                       | 16,714                   | 29,193                   |
| Supplies and Expense .....                     | 38,962                   | 78,928                   |
| MECHANICAL                                     |                          |                          |
| Supplies and Expense .....                     | 16,510                   | -                        |
| TRANSPORTATION                                 |                          |                          |
| Salaries and Wages .....                       | 41,141                   | 73,737                   |
| Supplies and Expense .....                     | 35,580                   | 36,677                   |
| ADMINISTRATION AND GENERAL EXPENSE             |                          |                          |
| Supplies and Expense .....                     | 29,898                   | 9,222                    |
| TAXES - STATE .....                            | 2,119                    | 2,012                    |
| DEPRECIATION .....                             | 68,683                   | 68,683                   |
| Total Operating Expenses .....                 | 249,607                  | 298,452                  |
| <b>OPERATING INCOME (LOSS) .....</b>           | <b>(124,585)</b>         | <b>(174,751)</b>         |
| NON-OPERATING REVENUES (EXPENSES)              |                          |                          |
| Interest Income .....                          | 516                      | 1,188                    |
| Miscellaneous .....                            | 1,582                    | 33,712                   |
| Interest Expense .....                         | -                        | -                        |
| Net Non-Operating Revenues .....               | 2,098                    | 34,900                   |
| <b>CHANGE IN NET POSITION .....</b>            | <b>(\$122,487)</b>       | <b>(\$139,851)</b>       |
| <b>TOTAL NET POSITION - JANUARY 1 .....</b>    |                          |                          |
| <b>TOTAL NET POSITION - SEPTEMBER 30 .....</b> |                          |                          |

\* Year-to-date Interest Income for 2017 includes a reclassification of interest from Miscellaneous.

| YEAR TO DATE          |                       |                       |                   |
|-----------------------|-----------------------|-----------------------|-------------------|
| SEPTEMBER 30,<br>2018 | SEPTEMBER 30,<br>2017 | 2018/2017<br>VARIANCE | PERCENT<br>CHANGE |
| \$857,018             | \$673,818             | \$183,200             | 27.2%             |
| 310,501               | 140,790               | 169,711               | 120.5%            |
| <u>1,167,519</u>      | <u>814,608</u>        | <u>352,911</u>        | 43.3%             |
| 185,579               | 181,795               | 3,784                 | 2.1%              |
| 588,055               | 368,569               | 219,486               | 59.6%             |
| 177,298               | 4,235                 | 173,063               | 4086.5%           |
| 362,775               | 374,503               | (11,728)              | -3.1%             |
| 334,865               | 205,396               | 129,469               | 63.0%             |
| 263,654               | 183,544               | 80,110                | 43.6%             |
| 19,977                | 14,191                | 5,786                 | 40.8%             |
| 618,147               | 618,147               | -                     | 0.0%              |
| <u>2,550,350</u>      | <u>1,950,380</u>      | <u>599,970</u>        | 30.8%             |
| (1,382,831)           | (1,135,772)           | (247,059)             | 21.8%             |
| 6,541                 | 21,730                | (15,189)              | -69.9%            |
| 329,096               | 219,378               | 109,718               | 50.0%             |
| -                     | 580                   | (580)                 | -100.0%           |
| <u>335,637</u>        | <u>241,688</u>        | <u>93,949</u>         | 38.9%             |
| (1,047,194)           | (894,084)             | (153,110)             | 17.1%             |
| <u>18,598,580</u>     | <u>20,071,586</u>     |                       |                   |
| <u>\$17,551,386</u>   | <u>\$19,177,502</u>   |                       |                   |

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC WORKS  
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STATEMENTS OF CASH FLOWS

|   | YEAR TO DATE          |                       |
|---|-----------------------|-----------------------|
|   | SEPTEMBER 30,<br>2018 | SEPTEMBER 30,<br>2017 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                       |                       |
| Cash from Customers .....   | \$1,285,079           | \$911,387             |
| Cash Paid to Suppliers .....  | (1,852,128)           | (942,343)             |
| Cash Paid to Employees .....  | (548,354)             | (556,298)             |
| Taxes Paid .....  | (23,095)              | (96,902)              |
| Net Cash From Operating Activities .....                            | (\$1,138,498)         | (\$684,156)           |
| <b>CASH FLOWS FROM CAPITAL<br/>AND RELATED FINANCING ACTIVITIES</b> |                       |                       |
| Interest Paid .....   | -                     | (5,217)               |
| Proceeds from Leased Property .....                                 | 329,096               | 219,378               |
| Net Cash From<br>Capital and Related Financing Activities .....     | 329,096               | 214,161               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                       |                       |
| Interest on Investments .....                                       | 6,541                 | 21,730                |
| Net Cash From Investing Activities .....                            | 6,541                 | 21,730                |
| Net Change in Cash and Equity<br>in Pooled Investments .....        | (\$802,861)           | (\$448,265)           |
| <b>Cash &amp; Equity in Pooled Investments at January 1</b>         | 1,134,672             | 1,606,577             |
| <b>Cash &amp; Equity in Pooled Investments at September 30</b>      | \$331,811             | \$1,158,312           |



|   | YEAR TO DATE          |                       |
|---|-----------------------|-----------------------|
|   | SEPTEMBER 30,<br>2018 | SEPTEMBER 30,<br>2017 |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash From Operating Activities:</b> |                       |                       |
| Operating Income (Loss) .....   | (1,382,831)           | (1,135,772)           |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash From Operating Activities:  |                       |                       |
| Depreciation .....  | 618,147               | 618,147               |
| Cash provided from changes in operating<br>assets and liabilities:                          |                       |                       |
| Accounts Receivable .....   | 117,560               | 96,779                |
| Materials and Supplies .....  | (355,580)             | (143,242)             |
| Prepayments .....   | 41,400                | (13,547)              |
| Taxes and Other Payables .....  | (13,118)              | (82,711)              |
| Interdivision Payables .....  | (164,076)             | (23,810)              |
| Total Adjustments .....   | 244,333               | 451,616               |
| Net Cash From Operating Activities .....  | <u>(\$1,138,498)</u>  | <u>(\$684,156)</u>    |



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