



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

**MARCH 2015**  
**FINANCIAL REPORT**



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                                          | MARCH 31,    |              |
|-------------------------------------------------|--------------|--------------|
|                                                 | 2015         | 2014         |
| <b>FIXED</b>                                    |              |              |
| Land .....                                      | \$1,361,104  | \$1,361,104  |
| Building .....                                  | 366,750      | 366,750      |
| Other Improvements .....                        | 25,341,411   | 25,341,456   |
| Equipment .....                                 | 2,790,742    | 2,790,742    |
| Provision for Depreciation .....                | (7,543,445)  | (6,657,532)  |
| Total .....                                     | 22,316,562   | 23,202,520   |
| Construction in Progress .....                  | 243,731      | 101,506      |
| Net Fixed Assets .....                          | 22,560,293   | 23,304,026   |
| <b>CURRENT AND ACCRUED ASSETS</b>               |              |              |
| Current Fund Cash & Pooled Investments .....    | 833,683      | 888,792      |
| Debt Service Fund Cash .....                    | 13,750       | 13,438       |
| Accounts Receivable .....                       | 301,382      | 188,405      |
| Grant Receivables .....                         | -            | 5,839        |
| Prepayments .....                               | 29,732       | 45,002       |
| Total Current and Accrued Assets .....          | 1,178,547    | 1,141,476    |
| <b>TOTAL ASSETS</b> .....                       | \$23,738,840 | \$24,445,502 |
| <b>NET POSITION AND LIABILITIES</b>             |              |              |
| <b>NET POSITION</b>                             |              |              |
| Net Investment in Capital Assets .....          | \$20,309,193 | \$17,054,026 |
| Unrestricted .....                              | 996,550      | 926,098      |
| Total Net Assets .....                          | 21,305,743   | 17,980,124   |
| <b>LONG-TERM DEBT</b>                           |              |              |
| Interfund Loan Payable .....                    | 2,251,100    | 6,250,000    |
| Total Long-Term Liabilities .....               | 2,251,100    | 6,250,000    |
| <b>CURRENT AND ACCRUED LIABILITIES</b>          |              |              |
| Accounts & Notes Payable .....                  | 104,758      | 117,765      |
| Deposits Payable .....                          | 45,000       | 65,000       |
| Taxes Payable .....                             | 18,489       | 19,176       |
| Interest Payable .....                          | 13,750       | 13,437       |
| Total Current and Accrued Liabilities .....     | 181,997      | 215,378      |
| <b>TOTAL NET POSITION AND LIABILITIES</b> ..... | \$23,738,840 | \$24,445,502 |

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

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

|                                                               | <u>MARCH</u><br>2015     | <u>MARCH</u><br>2014      |
|---------------------------------------------------------------|--------------------------|---------------------------|
| <b>OPERATING REVENUES</b>                                     |                          |                           |
| Switching Revenues .....                                      | \$78,660                 | \$81,877                  |
| Demurrage and Other Operating Revenues .....                  | 17,940                   | 5,121                     |
| Total Operating Revenues .....                                | <u>96,600</u>            | <u>86,998</u>             |
| <b>OPERATING EXPENSES</b>                                     |                          |                           |
| MAINTENANCE OF WAY AND STRUCTURES                             |                          |                           |
| Salaries and Wages .....                                      | 9,894                    | 12,704                    |
| Supplies and Expense .....                                    | 12,371                   | 60,475                    |
| MECHANICAL                                                    |                          |                           |
| Salaries and Wages .....                                      | -                        | 355                       |
| Supplies and Expense .....                                    | -                        | 2,955                     |
| TRANSPORTATION                                                |                          |                           |
| Salaries and Wages .....                                      | 42,386                   | 35,566                    |
| Supplies and Expense .....                                    | 22,260                   | 29,412                    |
| ADMINISTRATION AND GENERAL EXPENSE                            |                          |                           |
| Salaries and Wages .....                                      | 1,668                    | -                         |
| Supplies and Expense .....                                    | 21,473                   | 30,989                    |
| TAXES - STATE .....                                           | 1,905                    | 1,431                     |
| DEPRECIATION .....                                            | 73,827                   | 73,826                    |
| Total Operating Expenses .....                                | <u>185,784</u>           | <u>247,713</u>            |
| <b>OPERATING INCOME (LOSS) .....</b>                          | <b>(89,184)</b>          | <b>(160,715)</b>          |
| NON-OPERATING REVENUES (EXPENSES)                             |                          |                           |
| Interest Income .....                                         | 1,647                    | 759                       |
| Miscellaneous .....                                           | 62,833                   | 26,179                    |
| Interest Expense .....                                        | <u>(4,583)</u>           | <u>(4,479)</u>            |
| Net Non-Operating Revenues .....                              | 59,897                   | 22,459                    |
| Net Income (Loss) Before Contributions<br>and Transfers ..... | (29,287)                 | (138,256)                 |
| Contributions and Transfers                                   |                          |                           |
| Grants .....                                                  | <u>-</u>                 | <u>-</u>                  |
| <b>CHANGE IN NET POSITION .....</b>                           | <b><u>(\$29,287)</u></b> | <b><u>(\$138,256)</u></b> |
| <b>TOTAL NET POSITION - JANUARY 1 .....</b>                   |                          |                           |
| <b>TOTAL NET POSITION - MARCH 31 .....</b>                    |                          |                           |

| YEAR TO DATE        |                     |                       |                   |
|---------------------|---------------------|-----------------------|-------------------|
| MARCH 31,<br>2015   | MARCH 31,<br>2014   | 2015/2014<br>VARIANCE | PERCENT<br>CHANGE |
| \$216,354           | \$211,377           | \$4,977               | 2.4%              |
| 51,345              | 20,157              | 31,188                | 154.7%            |
| <u>267,699</u>      | <u>231,534</u>      | <u>36,165</u>         | 15.6%             |
| 30,872              | 41,610              | (10,738)              | -25.8%            |
| 68,508              | 128,543             | (60,035)              | -46.7%            |
| -                   | 4,650               | (4,650)               | -100.0%           |
| 33                  | 8,051               | (8,018)               | -99.6%            |
| 119,748             | 90,301              | 29,447                | 32.6%             |
| 60,214              | 77,513              | (17,299)              | -22.3%            |
| 6,999               | -                   | -                     | 100.0%            |
| 67,884              | 103,280             | (35,396)              | -34.3%            |
| 3,540               | 2,775               | 765                   | 27.6%             |
| 221,481             | 221,477             | 4                     | 0.0%              |
| <u>579,279</u>      | <u>678,200</u>      | <u>(105,920)</u>      | -15.6%            |
| (311,580)           | (446,666)           | 142,085               | -31.8%            |
| 6,259               | 2,179               | 4,080                 | 187.2%            |
| 4,144,218           | 133,978             | 4,010,240             | 2993.2%           |
| (13,750)            | (13,438)            | (312)                 | 2.3%              |
| <u>4,136,727</u>    | <u>122,719</u>      | <u>4,014,008</u>      | 3270.9%           |
| 3,825,147           | (323,947)           | 4,149,094             | 1280.8%           |
| -                   | 5,839               | (5,839)               | -100.0%           |
| 3,825,147           | (318,108)           | \$4,143,255           | 1302.5%           |
| <u>17,480,596</u>   | <u>18,298,232</u>   |                       |                   |
| <u>\$21,305,743</u> | <u>\$17,980,124</u> |                       |                   |

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

STATEMENTS OF CASH FLOWS

|                                                                           | YEAR TO DATE      |                   |
|---------------------------------------------------------------------------|-------------------|-------------------|
|                                                                           | MARCH 31,<br>2015 | MARCH 31,<br>2014 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |                   |                   |
| Cash from Customers .....                                                 | \$323,500         | \$278,839         |
| Cash Paid to Suppliers .....                                              | (327,098)         | (435,544)         |
| Cash Paid to Employees .....                                              | (157,619)         | (136,561)         |
| Taxes Paid .....                                                          | (3,275)           | 2,550             |
| Net Cash Provided by (Used in) Operating<br>Activities .....              | (\$164,492)       | (\$290,716)       |
| <b>CASH FLOWS FROM CAPITAL<br/>AND RELATED FINANCING ACTIVITIES</b>       |                   |                   |
| Capital Expenditures, Net .....                                           | 468               | (10,438)          |
| Principal Payments on Long-Term Debt .....                                | (3,998,900)       | -                 |
| Interest Paid .....                                                       | (12,609)          | (13,079)          |
| Proceeds from Capital Contributions .....                                 | -                 | 127,839           |
| Gain (Loss) from Sale of Plant .....                                      | 3,998,900         | -                 |
| Proceeds from Leased Property .....                                       | 145,318           | 181,283           |
| Net Cash Provided by<br>Capital and Related Financing Activities .....    | 133,177           | 285,605           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |                   |                   |
| Interest on Investments .....                                             | 6,259             | 2,179             |
| Net Cash Provided by<br>Investing Activities .....                        | 6,259             | 2,179             |
| Net Increase (Decrease) in Cash and<br>Equity in Pooled Investments ..... | (\$25,056)        | (\$2,932)         |
| <b>Cash &amp; Equity in Pooled Investments at January 1</b>               | 872,489           | 905,162           |
| <b>Cash &amp; Equity in Pooled Investments at March 31</b>                | \$847,433         | \$902,230         |



|                                                                                            | YEAR TO DATE      |                   |
|--------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                            | MARCH 31,<br>2015 | MARCH 31,<br>2014 |
| <b>Reconciliation of Operating Loss to<br/>Net Cash Provided by Operating Activities:</b>  |                   |                   |
| Operating Loss .....                                                                       | (\$311,580)       | (\$446,666)       |
| Adjustments to Reconcile Operating Income to Net<br>Cash Provided by Operating Activities: |                   |                   |
| Depreciation .....                                                                         | 221,481           | 221,477           |
| Cash provided from changes in operating<br>assets and liabilities:                         |                   |                   |
| Accounts Receivable .....                                                                  | 55,800            | 47,305            |
| Interdivision Receivable .....                                                             | 1                 | -                 |
| Materials and Supplies .....                                                               | (69,401)          | (93,621)          |
| Prepayments .....                                                                          | (29,732)          | 16,876            |
| Taxes and Other Payables .....                                                             | 265               | 3,325             |
| Interdivision Payables .....                                                               | (31,326)          | (39,412)          |
| Total Adjustments .....                                                                    | 147,088           | 155,950           |
| Net Cash Used in Operating<br>Activities .....                                             | (\$164,492)       | (\$290,716)       |



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