



CITY OF TACOMA

DEPARTMENT OF PUBLIC WORKS

TACOMA RAIL MOUNTAIN DIVISION

ANNUAL

2023

FINANCIAL REPORT

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC WORKS

TACOMA RAIL MOUNTAIN DIVISION

TABLE OF CONTENTS

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.

Statement of Net Position (Unaudited).....	1
Statement of Revenue, Expenses and Changes in Net Position (Unaudited)	3
Statement of Cash Flows (Unaudited).....	4

Capital assets:

In February 2023 Resolution 41130 was approved to authorize the execution of a Quit Claim Deed and Master Utility Easement Agreement for sale of the remaining available Tacoma Rail Mountain Division (TRMW) right-of-way and operations situated outside of the City limits to Rainier Rail, LLC., a Class III Common Carrier railroad, transference of associated common carrier obligations consistent with Surface Transportation Board protocols, and approval of Purchase and Sale Agreement No. 3323 for consideration of \$2,210,000.

The Purchase and Sale Agreement outlines that Rainier Rail, LLC is assigned federal/state grant encumbrances applicable to the subject railroad, the City indemnifies against claims related to environmental conditions near Lake Kapowsin, and the City has received a Master Utilities Easement Agreement for existing and future City utilities in the subject railroad right-of-way.

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City of Tacoma, Washington
Department of Public Works
Tacoma Rail Mountain Division

Statement of Net Position (Unaudited)
December 31, 2023 and December 31, 2022

ASSETS	2023	2022
CAPITAL ASSETS		
Land	\$ -	\$ 1,007,472
Building	-	366,750
Other Improvements	7,541,527	23,234,729
Equipment	422,915	2,365,696
Less Accumulated Depreciation	(3,512,933)	(13,093,017)
Total	4,451,509	13,881,630
Construction in Progress	-	168,879
Net Capital Assets	4,451,509	14,050,509
CURRENT ASSETS		
Current Fund Cash & Pooled Investments	2,958,234	902,320
Accounts Receivable	675	357,879
Prepayments	41,810	-
Total Current and Accrued Assets	3,000,719	1,260,199
TOTAL ASSETS	\$7,452,228	\$15,310,708
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$4,451,509	\$14,050,509
Unrestricted	2,929,985	844,571
Total Net Position	7,381,494	14,895,080
CURRENT LIABILITIES		
Accounts & Notes Payable	60,478	79,744
Deposits Payable	10,000	330,000
Taxes Payable	256	5,884
Total Current and Accrued Liabilities	70,734	415,628
TOTAL NET POSITION AND LIABILITIES	\$7,452,228	\$15,310,708

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City of Tacoma, Washington
Department of Public Works
Tacoma Rail Mountain Division

Statement of Revenue, Expenses and Changes in Net Position (Unaudited)
December 31, 2023 and December 31, 2022

			YEAR TO DATE			
	DECEMBER 2023	DECEMBER 2022	DECEMBER 31, 2023	DECEMBER 31, 2022	2023/2022 VARIANCE	PERCENT CHANGE
OPERATING REVENUES						
Switching Revenues	\$0	\$75,027	\$291,731	\$1,343,196	(\$1,051,465)	-78.3%
Demurrage and Other Operating Revenues	12	50,340	453,077	390,568	62,509	16.0%
Total Operating Revenues	12	125,367	744,808	1,733,764	(988,956)	-57.0%
OPERATING EXPENSES						
MAINTENANCE OF WAY AND STRUCTURES						
Salaries and Wages	-	2,983	31,508	157,722	(126,214)	-80.0%
Supplies and Expense	31,074	157,685	312,960	830,503	(517,543)	-62.3%
MECHANICAL						
Supplies and Expense	(53,214)	16,927	121,406	202,729	(81,323)	-40.1%
TRANSPORTATION						
Salaries and Wages	-	30,498	115,235	387,202	(271,967)	-70.2%
Supplies and Expense	18,249	33,772	107,792	495,393	(387,601)	-78.2%
ADMINISTRATION AND GENERAL EXPENSE						
Salaries and Wages	261	-	30,255	-	30,255	n/a
Supplies and Expense	(57,377)	(67,953)	311,675	395,043	(83,368)	-21.1%
TAXES - STATE	(2,312)	4,383	14,712	34,185	(19,473)	-57.0%
DEPRECIATION	18,740	65,227	781,091	782,728	(1,637)	-0.2%
Total Operating Expenses	(44,579)	243,522	1,826,634	3,285,505	(1,458,871)	-44.4%
OPERATING INCOME (LOSS)	44,591	(118,155)	(1,081,826)	(1,551,741)	469,915	30.3%
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	8,098	1,644	64,830	7,651	57,179	747.3%
Loss on Disposition of Assets	-	-	(6,607,908)	-	(6,607,908)	n/a
Miscellaneous	75,417	326,552	111,318	428,290	(316,972)	-74.0%
Net Non-Operating Revenues (Expenses)	83,515	328,196	(6,431,760)	435,941	(6,867,701)	-1575.4%
Net Income (Loss) Before Contributions and Transfers	128,106	210,041	(7,513,586)	(1,115,800)	(6,397,786)	-573.4%
Contributions and Transfers						
Capital Grants	-	-	-	40,000	(40,000)	n/a
Transfers	-	-	-	401,140	(401,140)	-100.0%
CHANGE IN NET POSITION	<u>\$128,106</u>	<u>\$210,041</u>	(7,513,586)	(674,660)	(\$6,838,926)	-1013.7%
TOTAL NET POSITION - JANUARY 1			<u>14,895,080</u>	<u>15,569,740</u>		
TOTAL NET POSITION - DECEMBER 31			<u>\$7,381,494</u>	<u>\$14,895,080</u>		

City of Tacoma, Washington
Department of Public Works
Tacoma Rail Mountain Division

Statement of Cash Flows (Unaudited)
December 31, 2023 and December 31, 2022

	YEAR TO DATE	
	DECEMBER 31, 2023	DECEMBER 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$1,102,012	\$1,688,886
Cash Paid to Suppliers	(1,234,908)	(1,534,049)
Cash Paid to Employees	(176,998)	(544,924)
Taxes Paid	(20,340)	(33,358)
Net Cash From Operating Activities	(330,234)	(423,445)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	-	441,140
Net Cash From Non-Capital Financing Activities	-	441,140
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	-	(116,351)
Proceeds from Sale of Capital Assets	2,210,000	-
Proceeds from Leased Property	111,318	428,290
Net Cash From Capital and Related Financing Activities	2,321,318	311,939
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	64,830	7,651
Net Cash From Investing Activities	64,830	7,651
Net Change in Cash and Equity in Pooled Investments	2,055,914	337,285
Cash & Equity in Pooled Investments at January 1	902,320	565,035
Cash & Equity in Pooled Investments at December 31	\$2,958,234	\$902,320

	YEAR TO DATE	
	DECEMBER 31, 2023	DECEMBER 31, 2022
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Loss	(\$1,081,826)	(\$1,551,741)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities:		
Depreciation	781,091	782,728
Cash from changes in operating assets and liabilities:		
Accounts Receivable	357,204	(44,878)
Accounts Payable	(19,265)	55,029
Prepayments	(41,810)	49,590
Taxes and Other Payables	(325,628)	285,827
Total Adjustments	751,592	1,128,296
Net Cash From Operating Activities	(\$330,234)	(\$423,445)



The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.