



**CITY OF TACOMA**

**DEPARTMENT OF PUBLIC WORKS**

**TACOMA RAIL MOUNTAIN DIVISION**

**ANNUAL**

**2022**

**FINANCIAL REPORT**



CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC WORKS

TACOMA RAIL MOUNTAIN DIVISION

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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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*Subsequent events*

*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 to be deposited into the Tacoma Rail Mountain Division.*

*The Purchase and Sale Agreement outlines that Rainier Rail, LLC will be assigned federal/state grant encumbrances applicable to the subject railroad, the City will indemnify against claims related to environmental conditions near Lake Kapowsin, and the City will receive 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, 2022 and December 31, 2021

| ASSETS                                    | 2022                | 2021                |
|---|---------------------|---------------------|
| <b>CAPITAL ASSETS</b>                     |                     |                     |
| Land                                      | \$1,007,472         | \$1,007,472         |
| Building                                  | 366,750             | 366,750             |
| Other Improvements                        | 23,234,729          | 23,234,729          |
| Equipment                                 | 2,365,696           | 2,897,431           |
| Less Accumulated Depreciation             | (13,093,017)        | (12,842,024)        |
| Total                                     | 13,881,630          | 14,664,358          |
| Construction in Progress                  | 168,879             | 52,528              |
| Net Fixed Assets                          | 14,050,509          | 14,716,886          |
| <b>CURRENT ASSETS</b>                     |                     |                     |
| Current Fund Cash & Pooled Investments    | 902,320             | 565,035             |
| Accounts Receivable                       | 357,879             | 313,001             |
| Prepayments                               | -                   | 49,590              |
| Total Current and Accrued Assets          | 1,260,199           | 927,626             |
| <b>TOTAL ASSETS</b>                       | <u>\$15,310,708</u> | <u>\$15,644,512</u> |
| <b>NET POSITION AND LIABILITIES</b>       |                     |                     |
| <b>NET POSITION</b>                       |                     |                     |
| Net Investment in Capital Assets          | \$14,050,509        | \$14,716,886        |
| Unrestricted                              | 844,571             | 852,854             |
| Total Net Position                        | 14,895,080          | 15,569,740          |
| <b>CURRENT LIABILITIES</b>                |                     |                     |
| Accounts & Notes Payable                  | 79,744              | 24,715              |
| Deposits Payable                          | 330,000             | 45,000              |
| Taxes Payable                             | 5,884               | 5,057               |
| Total Current and Accrued Liabilities     | 415,628             | 74,772              |
| <b>TOTAL NET POSITION AND LIABILITIES</b> | <u>\$15,310,708</u> | <u>\$15,644,512</u> |

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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, 2022 and December 31, 2021

|  | DECEMBER<br>2022 | DECEMBER<br>2021 | YEAR TO DATE         |                      | 2022/2021<br>VARIANCE | PERCENT<br>CHANGE |
|--|------------------|------------------|----------------------|----------------------|-----------------------|-------------------|
|  |                  |                  | DECEMBER 31,<br>2022 | DECEMBER 31,<br>2021 |                       |                   |
| <b>OPERATING REVENUES</b>                            |                  |                  |                      |                      |                       |                   |
| Switching Revenues                                   | \$75,027         | \$94,888         | \$1,343,196          | \$1,271,944          | \$71,252              | 5.6%              |
| Demurrage and Other Operating Revenues               | 50,340           | 42,300           | 390,568              | 306,381              | 84,187                | 27.5%             |
| Total Operating Revenues                             | 125,367          | 137,188          | 1,733,764            | 1,578,325            | 155,439               | 9.8%              |
| <b>OPERATING EXPENSES</b>                            |                  |                  |                      |                      |                       |                   |
| MAINTENANCE OF WAY AND STRUCTURES                    |                  |                  |                      |                      |                       |                   |
| Salaries and Wages                                   | 2,983            | 13,888           | 157,722              | 168,396              | (10,674)              | -6.3%             |
| Supplies and Expense                                 | 157,685          | 50,429           | 830,503              | 835,069              | (4,566)               | -0.5%             |
| MECHANICAL   |                  |                  |                      |                      |                       |                   |
| Supplies and Expense                                 | 16,927           | 393              | 202,729              | 184,791              | 17,938                | 9.7%              |
| TRANSPORTATION                                       |                  |                  |                      |                      |                       |                   |
| Salaries and Wages                                   | 30,498           | 39,162           | 387,202              | 424,985              | (37,783)              | -8.9%             |
| Supplies and Expense                                 | 33,772           | 34,915           | 495,393              | 382,199              | 113,194               | 29.6%             |
| ADMINISTRATION AND GENERAL EXPENSE                   |                  |                  |                      |                      |                       |                   |
| Supplies and Expense                                 | (67,953)         | (10,754)         | 395,043              | 305,647              | 89,396                | 29.2%             |
| TAXES - STATE  | 4,383            | 4,320            | 34,185               | 30,230               | 3,955                 | 13.1%             |
| DEPRECIATION   | 65,227           | 65,409           | 782,728              | 784,910              | (2,182)               | -0.3%             |
| Total Operating Expenses                             | 243,522          | 197,762          | 3,285,505            | 3,116,227            | 169,278               | 5.4%              |
| <b>OPERATING INCOME (LOSS)</b>                       | (118,155)        | (60,574)         | (1,551,741)          | (1,537,902)          | (13,839)              | -0.9%             |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>             |                  |                  |                      |                      |                       |                   |
| Investment Income (Loss)                             | 1,644            | 240              | 7,651                | 4,599                | 3,052                 | 66.4%             |
| Miscellaneous  | 326,552          | 349,101          | 428,290              | 441,248              | (12,958)              | -2.9%             |
| Net Non-Operating Revenues                           | 328,196          | 349,341          | 435,941              | 445,847              | (9,906)               | -2.2%             |
| Net Income (Loss) Before Contributions and Transfers | 210,041          | 288,767          | (1,115,800)          | (1,092,055)          | (23,745)              | -2.2%             |
| Contributions and Transfers                          |                  |                  |                      |                      |                       |                   |
| Capital Grants                                       | -                | -                | 40,000               | -                    | 40,000                | n/a               |
| Transfers  | -                | 32,589           | 401,140              | 391,074              | 10,066                | 2.6%              |
| <b>CHANGE IN NET POSITION</b>                        | <u>\$210,041</u> | <u>\$321,356</u> | (674,660)            | (700,981)            | \$26,321              | 3.8%              |
| <b>TOTAL NET POSITION - JANUARY 1</b>                |                  |                  | 15,569,740           | 16,270,721           |                       |                   |
| <b>TOTAL NET POSITION - DECEMBER 31</b>              |                  |                  | <u>\$14,895,080</u>  | <u>\$15,569,740</u>  |                       |                   |

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

Statement of Cash Flows (Unaudited)  
December 31, 2022 and December 31, 2021

|   | YEAR TO DATE         |                      |
|---|----------------------|----------------------|
|   | DECEMBER 31,<br>2022 | DECEMBER 31,<br>2021 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                      |                      |
| Cash From Customers   | \$1,688,886          | \$1,566,758          |
| Cash Paid to Suppliers  | (1,534,049)          | (1,736,362)          |
| Cash Paid to Employees  | (544,924)            | (593,381)            |
| Taxes Paid  | (33,358)             | (29,934)             |
| Net Cash From Operating Activities                                  | (423,445)            | (792,919)            |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>             |                      |                      |
| Transfers From Other Funds  | 441,140              | 391,074              |
| Net Cash From Non-Capital<br>Financing Activities                   | 441,140              | 391,074              |
| <b>CASH FLOWS FROM CAPITAL<br/>AND RELATED FINANCING ACTIVITIES</b> |                      |                      |
| Capital Expenditures, Net   | (116,351)            | (4,074)              |
| Proceeds from Leased Property                                       | 428,290              | 441,248              |
| Net Cash From<br>Capital and Related Financing Activities           | 311,939              | 437,174              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                      |                      |
| Investment Income (Loss)  | 7,651                | 4,599                |
| Net Cash From<br>Investing Activities                               | 7,651                | 4,599                |
| Net Change in Cash and Equity<br>in Pooled Investments              | 337,285              | 39,928               |
| <b>Cash &amp; Equity in Pooled Investments at January 1</b>         | 565,035              | 525,107              |
| <b>Cash &amp; Equity in Pooled Investments at December 31</b>       | <u>\$902,320</u>     | <u>\$565,035</u>     |

|   | YEAR TO DATE         |                      |
|---|----------------------|----------------------|
|   | DECEMBER 31,<br>2022 | DECEMBER 31,<br>2021 |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash From Operating Activities:</b> |                      |                      |
| Operating Income (Loss)   | (\$1,551,741)        | (\$1,537,902)        |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash From Operating Activities:  |                      |                      |
| Depreciation  | 782,728              | 784,910              |
| Cash from changes in operating<br>assets and liabilities:                                   |                      |                      |
| Accounts Receivable   | (44,878)             | (11,567)             |
| Accounts Payable  | 55,029               | (27,471)             |
| Prepayments   | 49,590               | (1,185)              |
| Taxes and Other Payables  | 285,827              | 296                  |
| Total Adjustments   | 1,128,296            | 744,983              |
| Net Cash From Operating<br>Activities   | (\$423,445)          | (\$792,919)          |



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