



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

**ANNUAL 2008**  
**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

COMPARATIVE BALANCE SHEETS - DECEMBER 31, 2008 AND DECEMBER 31, 2007

<b>ASSETS</b>	<u>2008</u>	<u>2007</u>
<b>FIXED</b>		
Land .....	\$1,361,104	\$1,361,104
Building .....	366,750	366,750
Other Improvements .....	10,658,000	10,658,000
Equipment .....	2,405,165	2,404,942
Construction in Progress .....	5,518,364	3,791,512
Total .....	<u>20,309,383</u>	<u>18,582,308</u>
Provision for Depreciation .....	<u>(3,023,815)</u>	<u>(2,623,354)</u>
Net Fixed Assets .....	17,285,568	15,958,954
<b>CURRENT AND ACCRUED ASSETS</b>		
Current Fund Cash & Pooled Investments .....	(141,336)	1,496,039
Debt Service Fund Cash .....	259,098	203,114
Accounts Receivable .....	418,186	548,674
Other Receivables .....	24,005	26,163
Interdivision Receivable .....	3,046	-
Total Current and Accrued Assets .....	<u>562,999</u>	<u>2,273,990</u>
 TOTAL ASSETS .....	 <u><u>\$17,848,567</u></u>	 <u><u>\$18,232,944</u></u>

<b>NET ASSETS AND LIABILITIES</b>	<u>2008</u>	<u>2007</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	\$11,035,568	\$9,708,954
Unrestricted .....	<u>(647,491)</u>	<u>332,302</u>
Total Net Assets .....	10,388,077	10,041,256
<b>LONG-TERM LIABILITIES</b>		
Interfund Loan Payable .....	6,250,000	6,250,000
2004 Line of Credit .....	-	550,000
Total Long-Term Liabilities .....	<u>6,250,000</u>	<u>6,800,000</u>
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Accounts & Notes Payable .....	415,392	546,123
Deposits Payable .....	52,000	52,000
Taxes Payable .....	8,743	4,157
Current Portion of Long Term Debt.....	550,000	733,333
Interest Payable .....	75,175	26,039
Interdivision Payable - Various .....	109,180	30,036
Total Current and Accrued Liabilities ....	<u>1,210,490</u>	<u>1,391,688</u>
 TOTAL NET ASSETS AND LIABILITIES .....	 <u>\$17,848,567</u>	 <u>\$18,232,944</u>

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

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
DECEMBER 31, 2008 AND DECEMBER 31, 2007

	DECEMBER 2008	DECEMBER 2007
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$31,306	\$106,909
Demurrage and Other Operating Revenues .....	18,123	17,909
Total Operating Revenues .....	49,429	124,818
<b>OPERATING EXPENSES</b>		
MAINTENANCE OF WAY AND STRUCTURES		
Salaries and Wages .....	8,744	12,439
Supplies and Expense .....	79,191	143,740
MECHANICAL		
Supplies and Expense .....	105,353	2,482
TRANSPORTATION		
Salaries and Wages .....	33,923	31,695
Supplies and Expense .....	(13,477)	99,335
ADMINISTRATION AND GENERAL EXPENSE		
Salaries and Wages .....	270	130
Supplies and Expense .....	331,838	16,694
TAXES - STATE .....	2,382	2,022
DEPRECIATION .....	33,372	26,496
Total Operating Expenses .....	581,596	335,033
<b>OPERATING LOSS</b> .....	(532,167)	(210,215)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	362	1,174
Other Non-Operating Revenues .....	318,380	300,318
Interest Expense .....	(25,773)	(13,495)
Net Non-Operating Revenues (Expenses) .....	292,969	287,997
Net Income (Loss) Before Capital Contributions and Transfers .....	(239,198)	77,782
Capital Contributions and Transfers		
Grants .....	(64,976)	26,163
Transfers In .....	-	-
<b>NET INCOME (LOSS)</b> .....	(\$304,174)	\$103,945
TOTAL NET ASSETS - JANUARY 1 .....		
PRIOR PERIOD ADJUSTMENT .....		
TOTAL NET ASSETS - DECEMBER 31 .....		

YEAR TO DATE			
DECEMBER 31, 2008	DECEMBER 31, 2007	2008/2007 VARIANCE	PERCENT CHANGE
\$711,028	\$917,127	(\$206,099)	-22.5%
308,750	485,851	(177,101)	-36.5%
<u>1,019,778</u>	<u>1,402,978</u>	<u>(383,200)</u>	-27.3%
163,627	226,672	(63,045)	-27.8%
429,624	534,727	(105,103)	-19.7%
135,119	45,029	90,090	-
419,453	550,723	(131,270)	-23.8%
564,015	766,890	(202,875)	-26.5%
2,569	4,870	(2,301)	-47.2%
612,335	252,773	359,562	-
25,948	30,608	(4,660)	-15.2%
400,461	317,947	82,514	26.0%
<u>2,753,151</u>	<u>2,730,239</u>	<u>22,912</u>	0.8%
(1,733,373)	(1,327,261)	(406,112)	-30.6%
31,207	20,983	10,224	-48.7%
628,848	541,522	87,326	16.1%
(349,614)	(111,852)	(237,762)	-
<u>310,441</u>	<u>450,653</u>	<u>(140,212)</u>	-31.1%
(1,422,932)	(876,608)	(546,324)	-62.3%
1,116,595	3,725,866	(2,609,271)	70.0%
<u>440,000</u>	<u>-</u>	<u>440,000</u>	-
133,663	2,849,258	(2,715,595)	95.3%
10,041,256	7,191,998		
<u>213,158</u>	<u>-</u>		
<u>\$10,388,077</u>	<u>\$10,041,256</u>		

CITY OF TACOMA, WASHINGTON  
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STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from Customers .....	\$1,147,220	\$1,238,761
Cash Paid to Suppliers .....	(1,579,522)	(1,525,560)
Cash Paid to Employees .....	(585,649)	(782,572)
Taxes Paid .....	(21,362)	(30,872)
Net Cash Used in Operating Activities .....	<u>(1,039,313)</u>	<u>(1,100,243)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Expenditures, Net .....	(1,727,075)	(3,731,282)
Principal Payments on Long-Term Debt .....	(733,333)	(5,283,333)
Interest Paid, Net of AFUDC .....	(300,478)	(116,820)
Proceeds from Sale of Long-Term Debt .....	-	6,250,000
Transfers from Other Funds .....	440,000	-
Proceeds from Capital Contributions .....	1,118,753	3,699,703
Proceeds from Leased Property .....	<u>628,848</u>	<u>541,522</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities .....	(573,285)	1,359,790
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments .....	<u>31,207</u>	<u>20,983</u>
Net Cash Provided by Investing Activities .....	<u>31,207</u>	<u>20,983</u>
Net Increase (Decrease) in Cash and Equity in Pooled Investments .....	(1,581,391)	280,530
Cash & Equity in Pooled Investments at January 1 ..	<u>1,699,153</u>	<u>1,418,623</u>
Cash & Equity in Pooled Investments at December 31	<u><u>\$117,762</u></u>	<u><u>\$1,699,153</u></u>

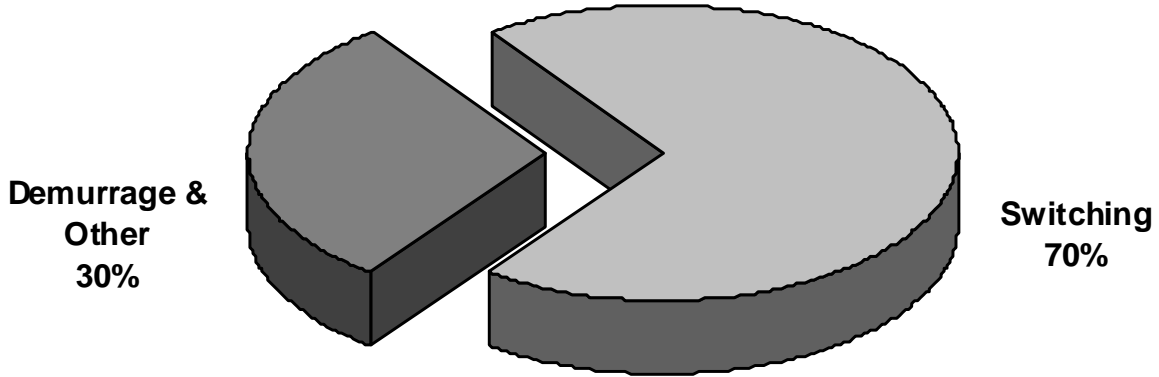
	YEAR ENDED DECEMBER 31,	
	<u>2008</u>	<u>2007</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Loss.....	(\$1,733,373)	(\$1,327,261)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization .....	400,461	317,947
Accounts Receivable .....	130,488	(203,481)
Receivable from Affiliates .....	(3,046)	9,264
Materials and Supplies .....	82,427	202,692
Taxes and Other Payables .....	4,586	29,736
Salaries, Wages and Fringe Benefits .....	-	(307)
Payables to Affiliates .....	<u>79,144</u>	<u>(128,833)</u>
Total Adjustments .....	<u>694,060</u>	<u>227,018</u>
Net Cash Used in Operating Activities .....	<u><u>(\$1,039,313)</u></u>	<u><u>(\$1,100,243)</u></u>



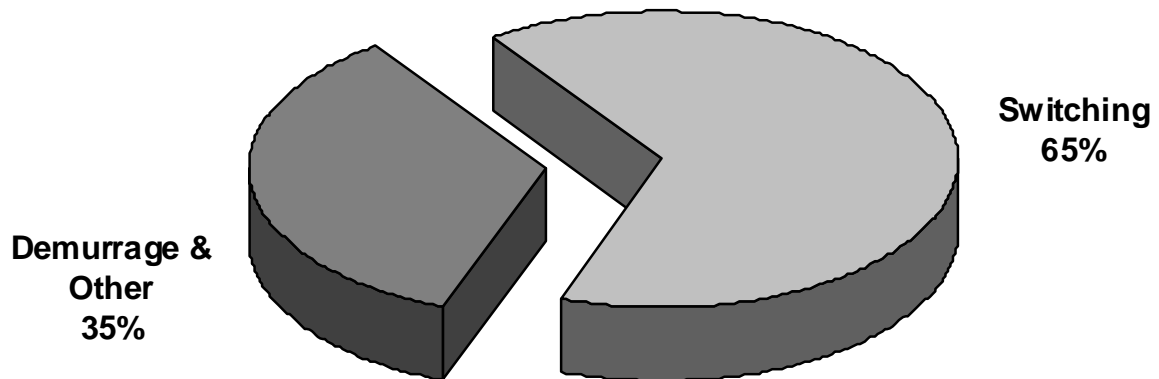
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# Supplemental Data

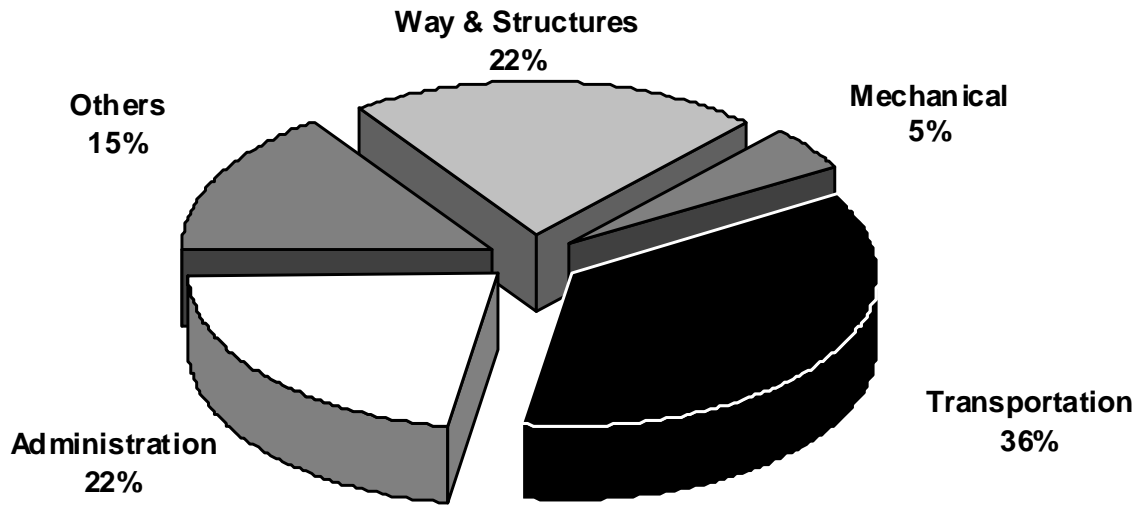
**OPERATING REVENUES**  
Year to Date - December 2008 (\$1,019,778)



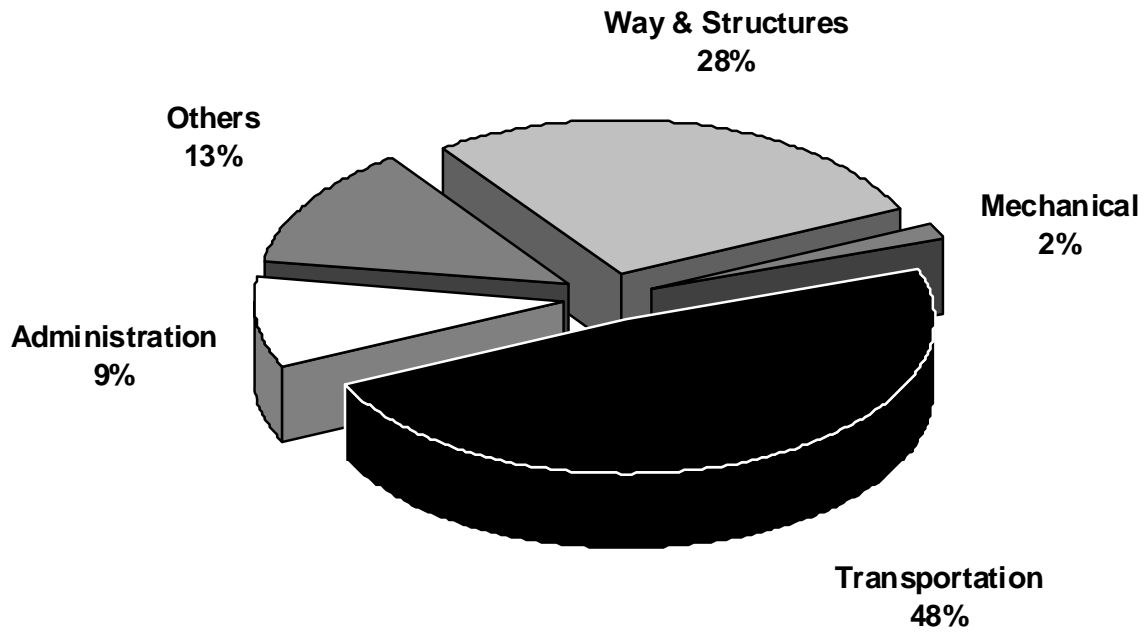
**OPERATING REVENUES**  
Year to Date - December 2007 (\$1,402,978)



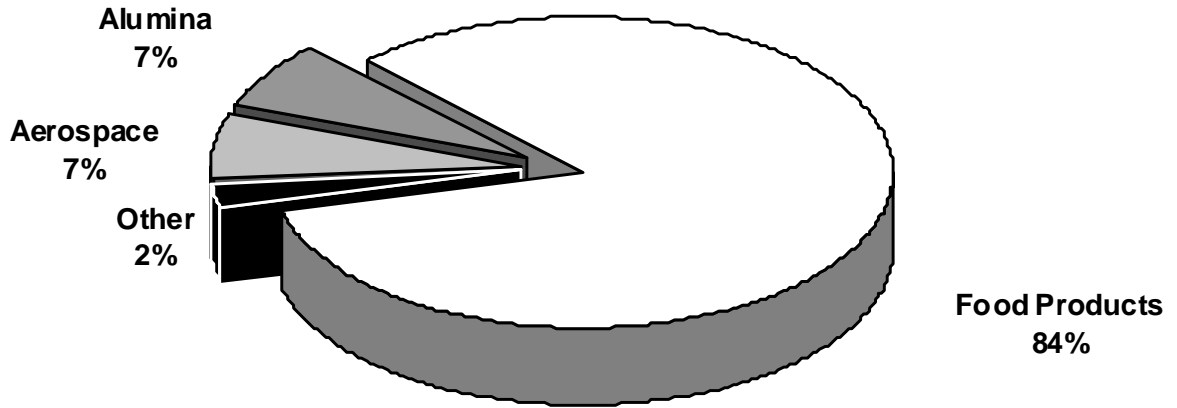
**OPERATING EXPENSES**  
Year to Date - December 2008 (\$2,753,151)



**OPERATING EXPENSES**  
Year to Date - December 2007 (\$2,730,239)



**SWITCHING ACTIVITY**  
Year to Date December 2008 (2,618 cars)



**SWITCHING ACTIVITY**  
Year to Date December 2007 (4,037 cars)

