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**AUGUST**

***TACOMA RAIL***

**2017**

**FINANCIAL  
REPORT**



# Public Utility Board

MONIQUE TRUDNOWSKI  
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Vice-Chair

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DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES, BELT LINE DIVISION  
Doing Business As

# TACOMA RAIL

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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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STATEMENTS OF FINANCIAL POSITION AND CHANGES IN NET POSITION .....

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF NET POSITION

<b>ASSETS</b>	AUGUST 31,	
	2017	2016
<b>CAPITAL ASSETS</b>		
Road and Equipment Property .....	\$44,810,610	\$41,312,878
Less Accumulated Depreciation .....	(19,938,112)	(18,356,815)
Total .....	24,872,498	22,956,063
Construction Work in Progress .....	2,915,560	3,597,157
Net Capital Assets .....	27,788,058	26,553,220
<b>SPECIAL FUNDS</b>		
Cash and Equity in Pooled Investments:		
Debt Service Funds .....	-	43,403
Total Special Funds .....	-	43,403
<b>CURRENT ASSETS</b>		
Cash & Equity in Pooled Investments .....	8,835,059	10,982,232
Customer Accounts Receivable .....	2,842,748	3,198,367
Grants Receivable .....	-	601,949
Prepayments .....	1,509,328	1,625,861
Materials and Supplies Inventory.....	1,055,631	994,189
Total Current Assets .....	14,242,766	17,402,598
<b>TOTAL ASSETS</b> .....	<b>\$42,030,824</b>	<b>\$43,999,221</b>

*These statements should be read in conjunction with the Notes to Financial Statements contained in the 2016 Annual Report.*

<b>NET POSITION AND LIABILITIES</b>	<u>AUGUST 31,</u> <u>2017</u>	<u>AUGUST 31,</u> <u>2016</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets.....	\$21,505,873	\$19,766,618
Restricted for:		
Debt Service .....	-	43,403
Unrestricted .....	<u>9,094,227</u>	<u>9,661,987</u>
<b>TOTAL NET POSITION</b> .....	<u>30,600,100</u>	<u>29,472,008</u>
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>		
2006 Senior Lien Revenue Bond .....	-	471,437
State Loans.....	<u>5,461,935</u>	<u>5,536,171</u>
<b>Total Long-Term Liabilities</b> .....	<u>5,461,935</u>	<u>6,007,608</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable .....	373,392	2,952,682
Wages Payable .....	367,860	311,034
Unemployment and other Tax Payables .....	256,098	311,374
Volume Incentive Payable .....	1	416,667
Current Portion of Long Term Debt .....	820,250	778,996
Interest Payable .....	-	4,271
Current Portion of Compensated Absences .....	<u>111,516</u>	<u>113,117</u>
<b>Total Current Liabilities</b> .....	<u>1,929,117</u>	<u>4,888,141</u>
<b>LONG-TERM LIABILITIES</b>		
On the Job Injury Reserve .....	795,105	737,051
Long Term Portion of Compensated Absences .....	1,003,644	1,018,056
Other Long-Term Liabilities .....	<u>2,240,923</u>	<u>1,876,357</u>
<b>Total Long-Term Liabilities</b> .....	<u>4,039,672</u>	<u>3,631,464</u>
<b>TOTAL LIABILITIES</b> .....	<u>11,430,724</u>	<u>14,527,213</u>
<b>TOTAL NET POSITION AND LIABILITIES</b> .....	<u><u>\$42,030,824</u></u>	<u><u>\$43,999,221</u></u>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	AUGUST 2017	AUGUST 2016
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$2,088,937	\$2,473,388
Demurrage and Other Operating Revenues .....	398,326	363,750
Total Operating Revenues .....	2,487,263	2,837,138
<b>OPERATING EXPENSES</b>		
Maintenance of Way and Structures .....		
Salaries and Wages .....	75,582	92,155
Supplies and Expense .....	221,370	101,562
Mechanical .....		
Salaries and Wages .....	156,769	160,446
Supplies and Expense .....	202,009	269,017
Operations .....		
Salaries and Wages .....	773,572	823,854
Supplies and Expense .....	129,551	128,181
Administration .....		
Salaries and Wages .....	200,167	170,020
Supplies and Expense .....	187,859	407,001
Taxes - State .....	31,377	39,487
Depreciation .....	136,277	122,580
Total Operating Expenses .....	2,114,533	2,314,303
Net Operating Income .....	372,730	522,835
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	8,907	5,436
Miscellaneous .....	120,597	106,858
Interest Expense .....	-	(854)
Total Non-Operating Revenues .....	129,504	111,440
Contributions - Grants .....	-	801,949
Contributions - Others .....	-	4,110
Total Contributions .....	-	806,059
Transfers		
City of Tacoma Gross Earnings Tax .....	(191,102)	(235,997)
<b>CHANGE IN NET POSITION</b> .....	<b>\$311,132</b>	<b>\$1,204,337</b>
<b>TOTAL NET POSITION - JANUARY 1</b> .....		
<b>TOTAL NET POSITION - AUGUST 31</b> .....		

*These statements should be read in conjunction with the Management Discussion and Analysis in the June 2017 Financial Report.*

YEAR TO DATE			
AUGUST 31, 2017	AUGUST 31, 2016	2017/2016 VARIANCE	PERCENT CHANGE
18,374,832	18,337,221	\$37,611	0.2%
2,726,273	2,395,025	331,248	13.8%
<u>21,101,105</u>	<u>20,732,246</u>	<u>368,859</u>	<u>1.8%</u>
641,578	697,322	(55,744)	-8.0%
828,863	1,174,890	(346,027)	-29.5%
1,306,740	1,339,296	(32,556)	-2.4%
2,079,913	1,802,206	277,707	15.4%
6,675,239	6,274,386	400,853	6.4%
1,098,227	944,386	153,841	16.3%
1,590,111	1,570,629	19,482	1.2%
3,030,169	3,247,989	(217,820)	-6.7%
297,336	294,147	3,189	1.1%
1,090,819	982,478	108,341	11.0%
<u>18,638,995</u>	<u>18,327,729</u>	<u>311,266</u>	<u>1.7%</u>
2,462,110	2,404,517	57,593	2.4%
88,605	81,457	7,148	8.8%
731,586	882,044	(150,458)	-17.1%
(6)	(10,227)	10,221	-99.9%
<u>820,185</u>	<u>953,274</u>	<u>(133,089)</u>	<u>-14.0%</u>
	801,949	(801,949)	-100.0%
36,254	4,110	32,144	782.1%
<u>36,254</u>	<u>806,059</u>	<u>(769,805)</u>	<u>-95.5%</u>
(1,752,347)	(1,733,503)	(18,844)	1.1%
1,566,202	2,430,347	(\$864,145)	-35.6%
<u>29,033,898</u>	<u>27,041,661</u>		
<u><u>\$30,600,100</u></u>	<u><u>\$29,472,008</u></u>		



CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES  
AUGUST 31, 2017 AND AUGUST 31, 2016

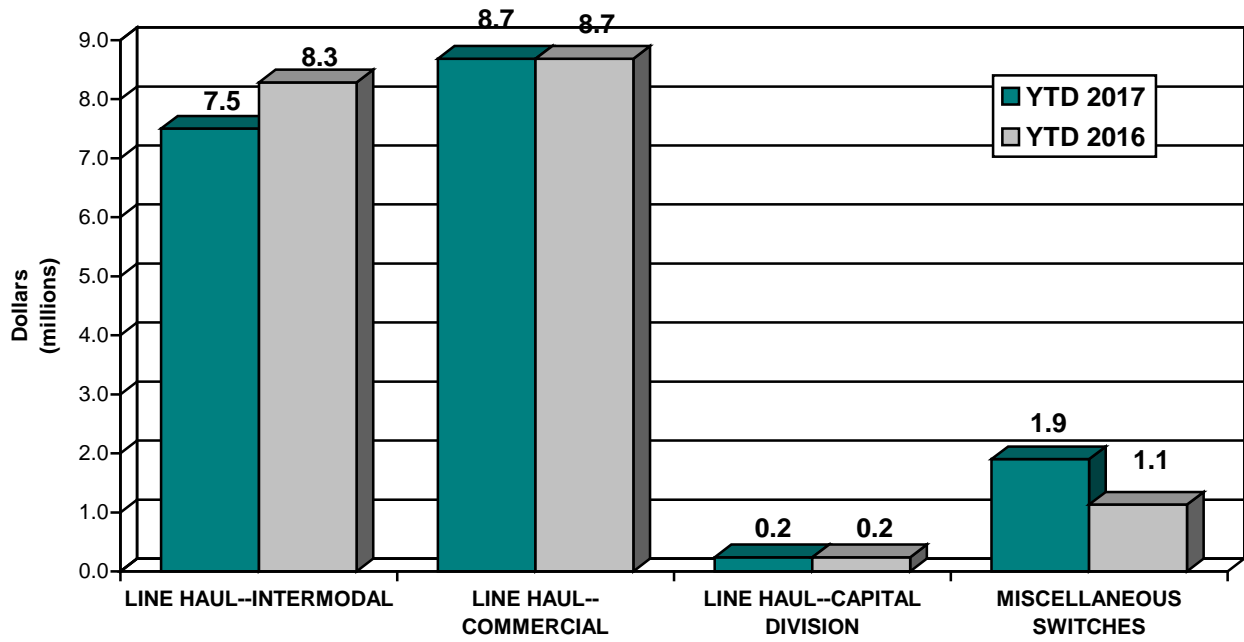
	<u>August 2017</u>	<u>August 2016</u>
<b>SWITCHING REVENUES</b>		
LINE HAULS--INTERMODAL .....	\$805,812	\$1,170,470
LINE HAULS--COMMERCIAL .....	1,037,610	1,055,235
LINE HAULS--CAPITAL DIVISION .....	34,641	19,217
MISCELLANEOUS SWITCHES .....	<u>210,874</u>	<u>228,466</u>
TOTAL SWITCHING REVENUES .....	<u><u>\$2,088,937</u></u>	<u><u>\$2,473,388</u></u>
 <b>SWITCHING ACTIVITIES (CARS)</b>		
LINE HAULS--INTERMODAL .....	4,458	7,072
LINE HAULS--COMMERCIAL .....	2,268	2,357
LINE HAULS--CAPITAL DIVISION .....	83	46
MISCELLANEOUS SWITCHES .....	<u>1,144</u>	<u>449</u>
TOTAL CARS SWITCHED .....	<u><u>7,953</u></u>	<u><u>9,924</u></u>

\* The Summary of Switching Activites (Cars) includes an update to allocations for 2016.

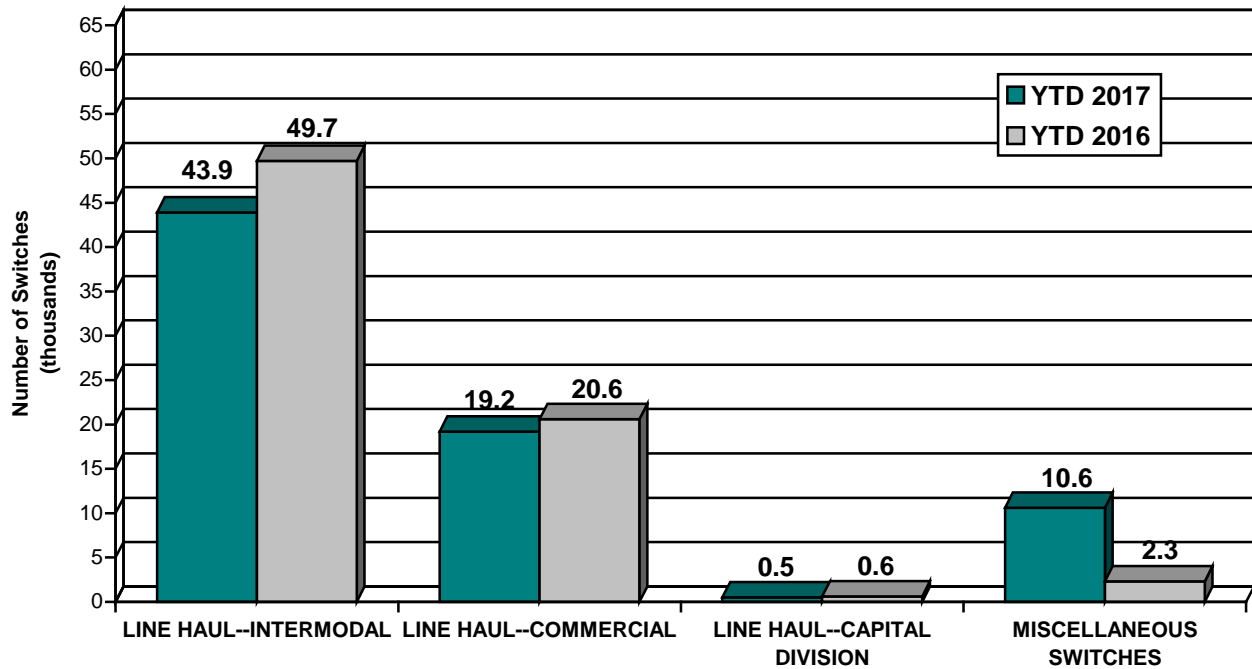
YEAR TO DATE			
August 31, 2017	August 31, 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$7,532,367	\$8,282,494	(\$750,127)	-9.1%
8,735,755	8,685,180	50,575	0.6%
193,238	238,556	(45,318)	-19.0%
1,913,472	1,130,991	782,481	69.2%
<u>\$18,374,832</u>	<u>\$18,337,221</u>	<u>\$37,611</u>	<u>0.2%</u>
43,946	49,667	(5,721)	-11.5%
19,249	20,586	(1,337)	-6.5%
463	561	(98)	-17.5%
10,627	2,324	8,303	357.3%
<u>74,285</u>	<u>73,138</u>	<u>1,147</u>	<u>1.6%</u>

# Supplemental Data

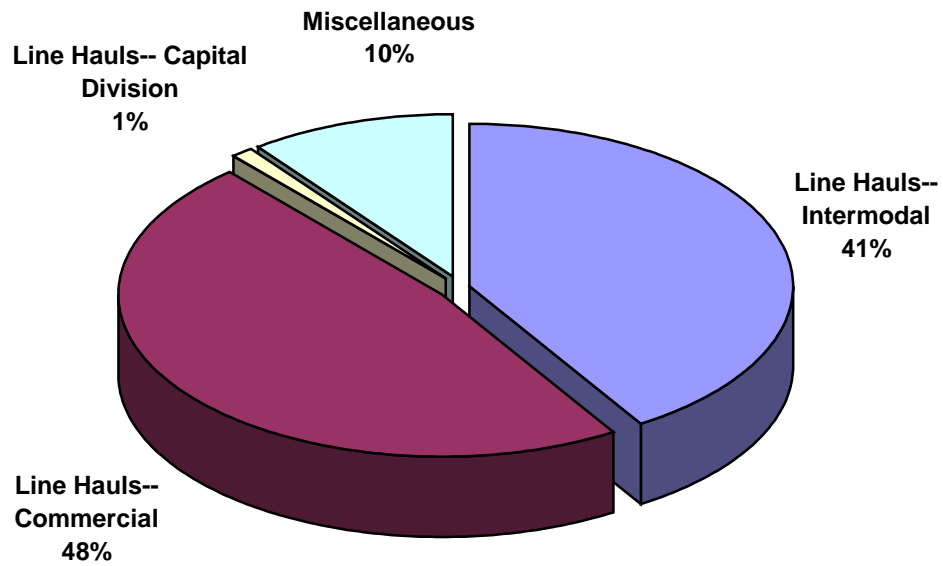
**SWITCHING REVENUES**  
Year to Date - August 2017 & 2016



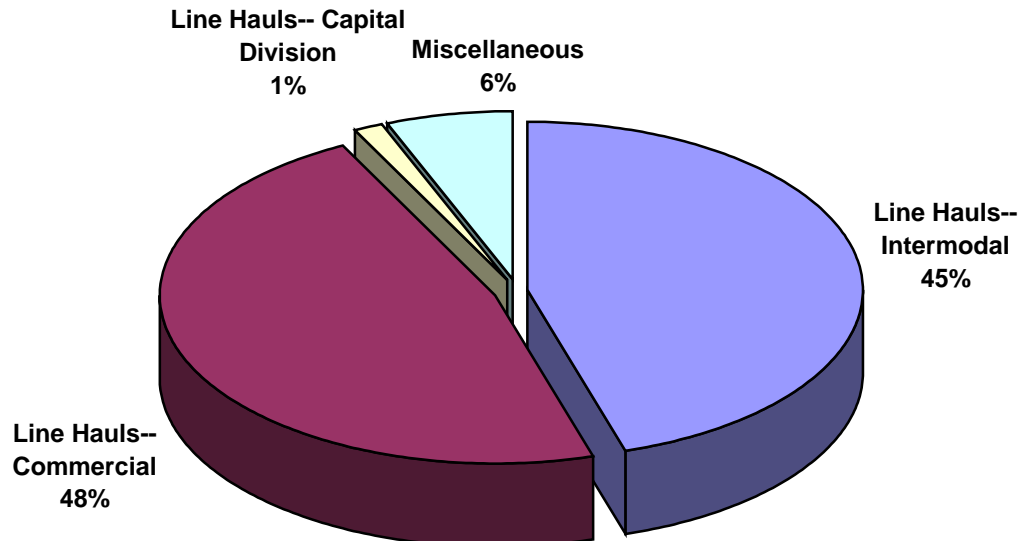
**SWITCHING ACTIVITIES**  
Year to Date - August 2017 & 2016



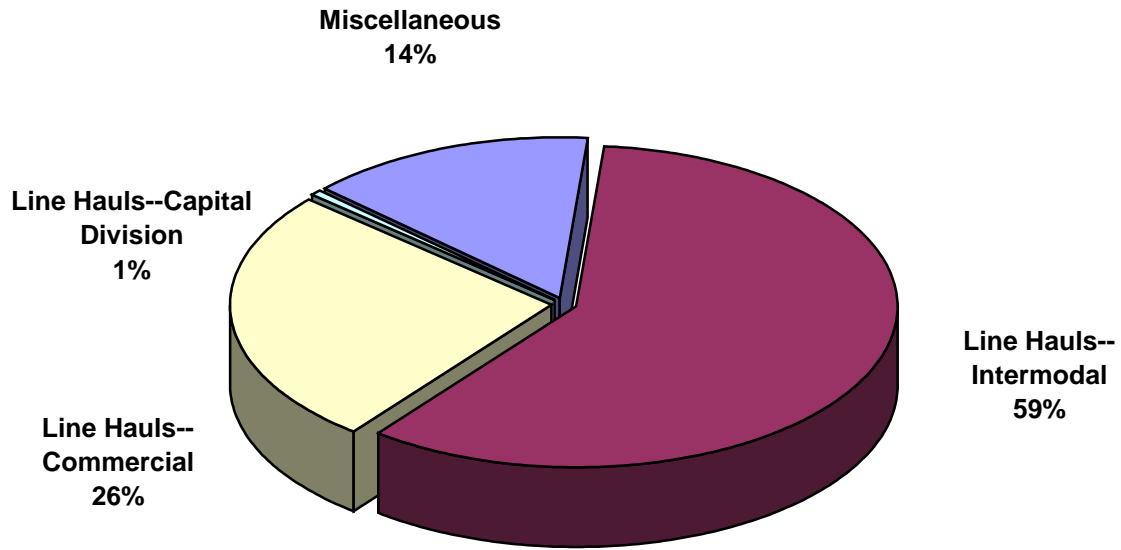
**SWITCHING REVENUES**  
Year to Date - August 2017 (\$18,374,832)



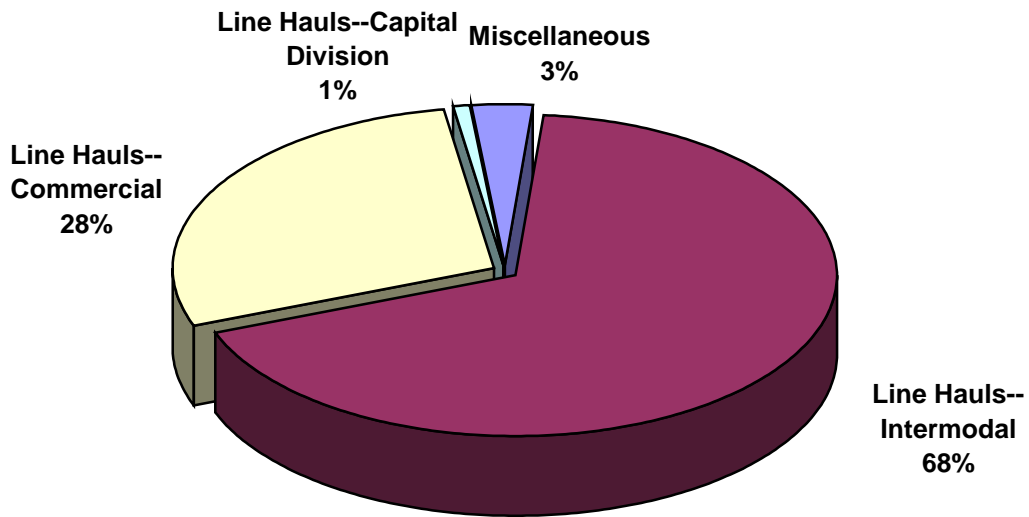
**SWITCHING REVENUES**  
Year to Date - August 2016 (\$18,337,221)



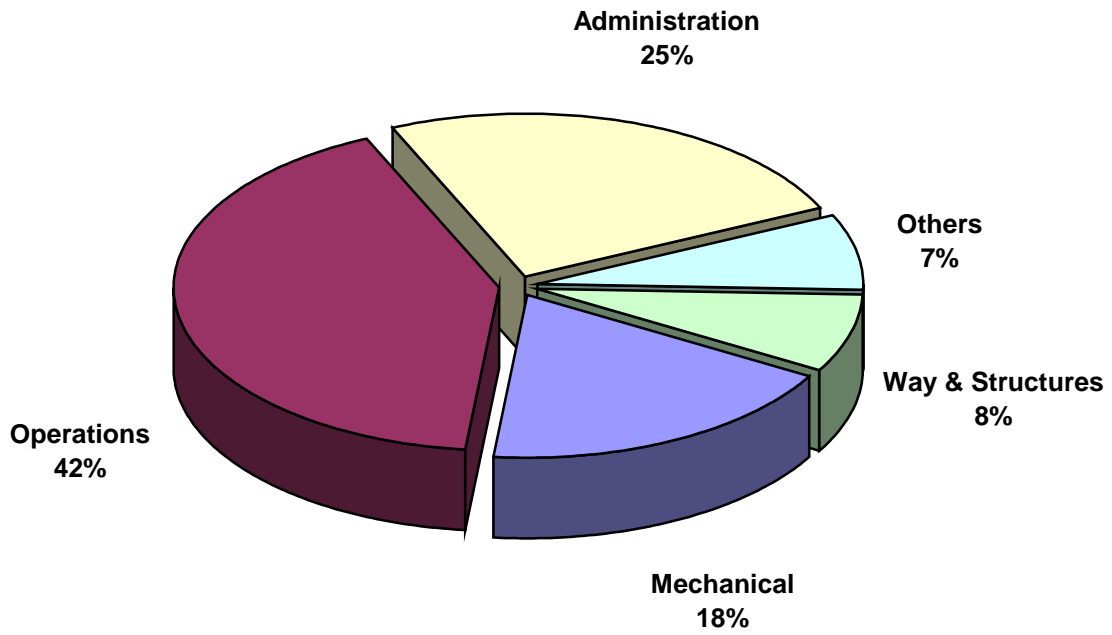
**SWITCHING ACTIVITY**  
**Year to Date - August 2017 (74,285 cars)**



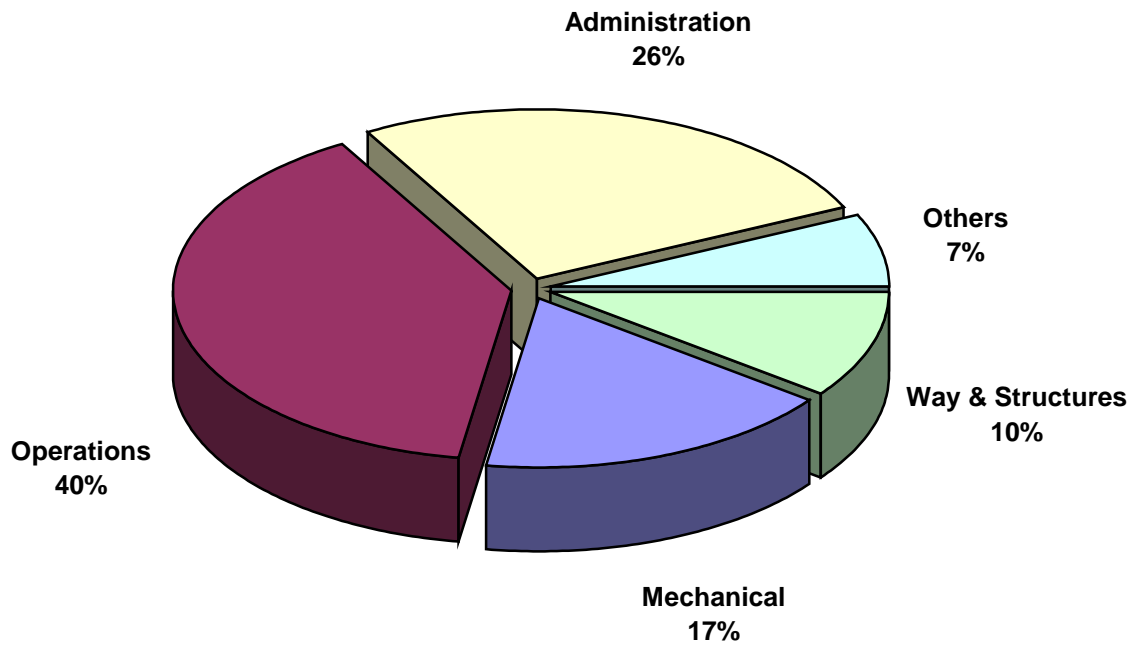
**SWITCHING ACTIVITY**  
**Year to Date - August 2016 (73,138 cars)**



**TOTAL OPERATING EXPENSES**  
Year to Date - August 2017 (\$18,638,995)



**TOTAL OPERATING EXPENSES**  
Year to Date - August 2016 (\$18,327,729)





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