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*JULY*

*TACOMA RAIL*

**2015**

**FINANCIAL  
REPORT**





# Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

MONIQUE TRUDNOWSKI

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Rail Superintendent

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Finance Director

DEPARTMENT OF PUBLIC UTILITIES  
CITY OF TACOMA



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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CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF NET POSITION

<b>ASSETS</b>	JULY 31,	
	2015	2014
<b>CAPITAL ASSETS</b>		
Road and Equipment Property .....	\$36,611,980	\$33,510,101
Less Accumulated Depreciation .....	(16,865,636)	(15,909,057)
Total .....	19,746,344	17,601,044
Construction Work in Progress .....	3,005,232	2,414,726
Net Capital Assets .....	22,751,576	20,015,770
<b>SPECIAL FUNDS</b>		
Cash and Equity in Pooled Investments:		
Debt Service Funds .....	21,701	21,701
Total Special Funds .....	21,701	21,701
<b>CURRENT ASSETS</b>		
Cash & Equity in Pooled Investments .....	9,468,019	10,383,046
Customer Accounts Receivable .....	2,948,093	2,614,889
Prepayments .....	1,772,364	2,030,416
Materials and Supplies Inventory.....	902,665	870,423
Total Current Assets .....	15,091,141	15,898,774
<b>TOTAL ASSETS</b> .....	\$37,864,418	\$35,936,245

*These statements should be read in conjunction with the Notes to Financial Statements contained in the 2014 Annual Report.*

NET POSITION AND LIABILITIES	JULY 31,	
	2015	2014
<b>NET POSITION</b>		
Net Investment in Capital Assets.....	\$17,103,096	\$15,786,866
Restricted for:		
Debt Service .....	21,701	21,701
Unrestricted .....	9,570,154	9,557,402
TOTAL NET POSITION .....	26,694,951	25,365,969
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>		
2006 Senior Lien Revenue Bond .....	312,763	548,332
State Loans.....	4,869,983	3,306,437
Total Long-Term Liabilities .....	5,182,746	3,854,769
<b>CURRENT LIABILITIES</b>		
Accounts Payable .....	1,813,171	2,495,011
Customer Deposits .....	45,900	47,250
Wages Payable .....	174,516	459,555
Unemployment and other Tax Payables .....	238,112	254,883
Volume Incentive Payable .....	208,333	125,000
Current Portion of Long Term Debt .....	465,734	374,134
Interest Payable .....	1,675	2,719
Current Portion of Compensated Absences .....	101,373	77,505
Total Current Liabilities .....	3,048,814	3,836,057
<b>LONG-TERM LIABILITIES</b>		
On the Job Injury Reserve .....	712,664	699,422
Long Term Portion of Compensated Absences .....	912,353	697,546
Other Long-Term Liabilities .....	1,312,890	1,482,482
Total Long-Term Liabilities .....	2,937,907	2,879,450
TOTAL LIABILITIES .....	11,169,467	10,570,276
<b>TOTAL NET POSITION AND LIABILITIES .....</b>	<b>\$37,864,418</b>	<b>\$35,936,245</b>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	<u>JULY</u> 2015	<u>JULY</u> 2014
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$2,252,250	\$2,209,179
Demurrage and Other Operating Revenues .....	406,509	278,434
Total Operating Revenues .....	<u>2,658,759</u>	<u>2,487,613</u>
<b>OPERATING EXPENSES</b>		
Maintenance of Way and Structures .....		
Salaries and Wages .....	88,823	89,331
Supplies and Expense .....	142,566	210,618
Mechanical .....		
Salaries and Wages .....	172,087	115,724
Supplies and Expense .....	149,381	217,541
Operations .....		
Salaries and Wages .....	1,059,668	732,295
Supplies and Expense .....	117,363	76,236
Administration .....		
Salaries and Wages .....	191,647	164,501
Supplies and Expense .....	(960,345)	272,918
Taxes - State .....	35,203	35,615
Depreciation .....	101,740	89,105
Total Operating Expenses .....	<u>1,098,133</u>	<u>2,003,884</u>
Net Operating Income .....	1,560,626	483,729
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	6,784	6,679
Miscellaneous .....	76,957	55,701
Interest Expense .....	(1,678)	(2,719)
Total Non-Operating Revenues .....	<u>82,063</u>	<u>59,661</u>
Contributions - Grants .....	-	-
Contributions - Others .....	-	-
Total Contributions .....	<u>-</u>	<u>-</u>
Transfers		
City of Tacoma Gross Earnings Tax .....	(196,113)	(200,690)
Transfers from other funds .....	216,000	-
Total Transfers .....	<u>19,887</u>	<u>(200,690)</u>
<b>CHANGE IN NET POSITION</b> .....	<u>\$1,662,576</u>	<u>\$342,700</u>
<b>TOTAL NET POSITION - JANUARY 1</b> .....		
<b>TOTAL NET POSITION - JULY 31</b> .....		

*These statements should be read in conjunction with the Management Discussion and Analysis in the June 2015 Financial Report.*



YEAR TO DATE			
JULY 31, 2015	JULY 31, 2014	2015/2014 VARIANCE	PERCENT CHANGE
\$14,549,135	\$15,278,411	(\$729,276)	-4.8%
2,378,385	1,385,353	993,032	71.7%
16,927,520	16,663,764	263,756	1.6%
645,543	560,994	84,549	15.1%
748,444	807,135	(58,691)	-7.3%
1,191,959	794,217	397,742	50.1%
1,598,339	1,326,563	271,776	20.5%
5,848,171	4,976,680	871,491	17.5%
764,368	666,993	97,375	14.6%
1,305,175	1,210,829	94,346	7.8%
859,312	1,935,729	(1,076,417)	-55.6%
237,182	244,966	(7,784)	-3.2%
712,181	623,738	88,443	14.2%
13,910,674	13,147,844	762,830	5.8%
3,016,846	3,515,920	(499,074)	-14.2%
40,611	39,943	668	1.7%
542,854	484,983	57,871	11.9%
(14,112)	(21,292)	7,180	33.7%
569,353	503,634	65,719	13.0%
34,670	-	34,670	100.0%
-	500,000	(500,000)	-100.0%
34,670	500,000	(465,330)	-93.1%
(1,372,108)	(1,371,764)	(344)	0.0%
216,000	-	216,000	100.0%
(1,156,108)	(1,371,764)	215,656	
2,464,761	3,147,790	(\$683,029)	-21.7%
24,230,190	22,218,179		
\$26,694,951	\$25,365,969		

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES

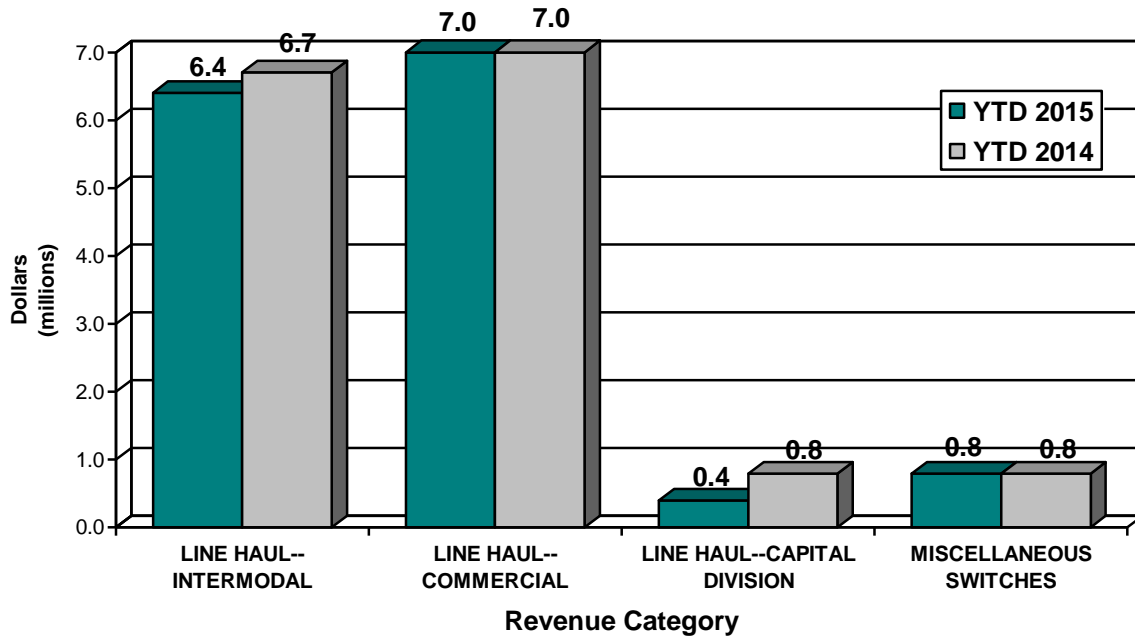
	<u>JULY 2015</u>	<u>JULY 2014</u>
<b>SWITCHING REVENUES</b>		
LINE HAULS--INTERMODAL .....	\$1,043,833	\$1,120,782
LINE HAULS--COMMERCIAL .....	1,044,855	841,140
LINE HAULS--CAPITAL DIVISION .....	55,054	129,221
MISCELLANEOUS SWITCHES .....	<u>108,508</u>	<u>118,036</u>
TOTAL SWITCHING REVENUES .....	<u><u>\$2,252,250</u></u>	<u><u>\$2,209,179</u></u>
 <b>SWITCHING ACTIVITIES (CARS)</b>		
LINE HAULS--INTERMODAL .....	6,267	5,602
LINE HAULS--COMMERCIAL .....	2,594	2,761
LINE HAULS--CAPITAL DIVISION .....	127	288
MISCELLANEOUS SWITCHES .....	<u>254</u>	<u>229</u>
TOTAL CARS SWITCHED .....	<u><u>9,242</u></u>	<u><u>8,880</u></u>

YEAR TO DATE			
JULY 31, 2015	JULY 31, 2014	2015/2014 VARIANCE	PERCENT CHANGE
\$6,356,188	\$6,664,209	(\$308,021)	-4.6%
6,960,204	7,037,466	(77,262)	-1.1%
418,391	796,006	(377,615)	-47.4%
<u>814,352</u>	<u>780,730</u>	<u>33,622</u>	4.3%
<u>\$14,549,135</u>	<u>\$15,278,411</u>	<u>(\$729,276)</u>	-4.8%
38,798	38,871	(73)	-0.2%
17,078	18,778	(1,700)	-9.1%
968	1,775	(807)	-45.5%
<u>1,634</u>	<u>1,589</u>	<u>45</u>	2.8%
<u>58,478</u>	<u>61,013</u>	<u>(2,535)</u>	-4.2%

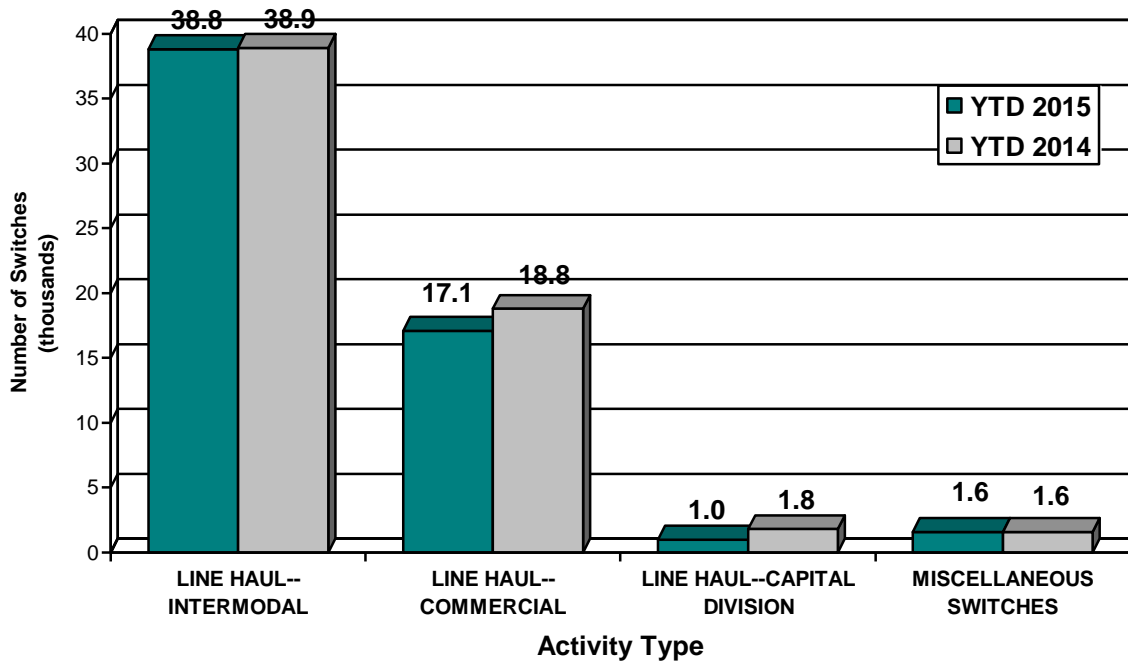
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# Supplemental Data

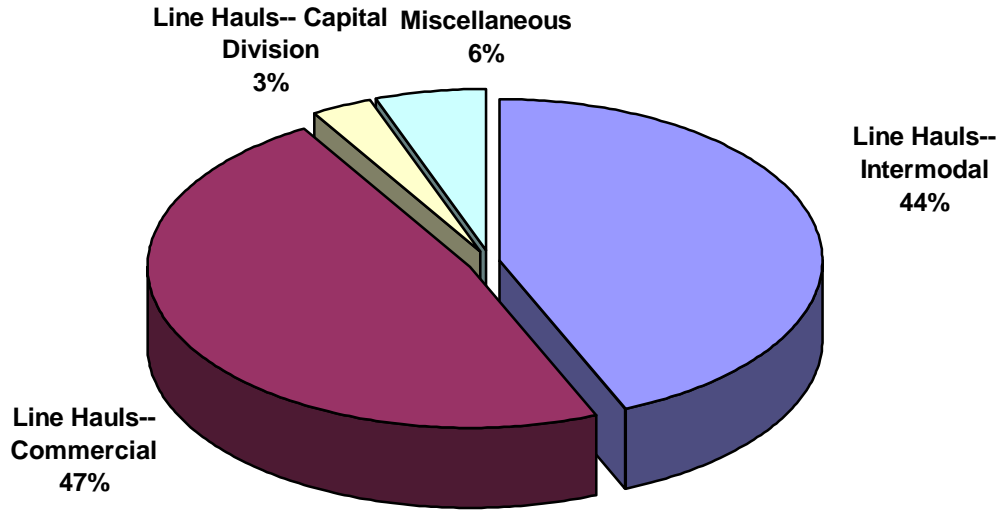
**SWITCHING REVENUES**  
Year to Date - July 2015 & 2014



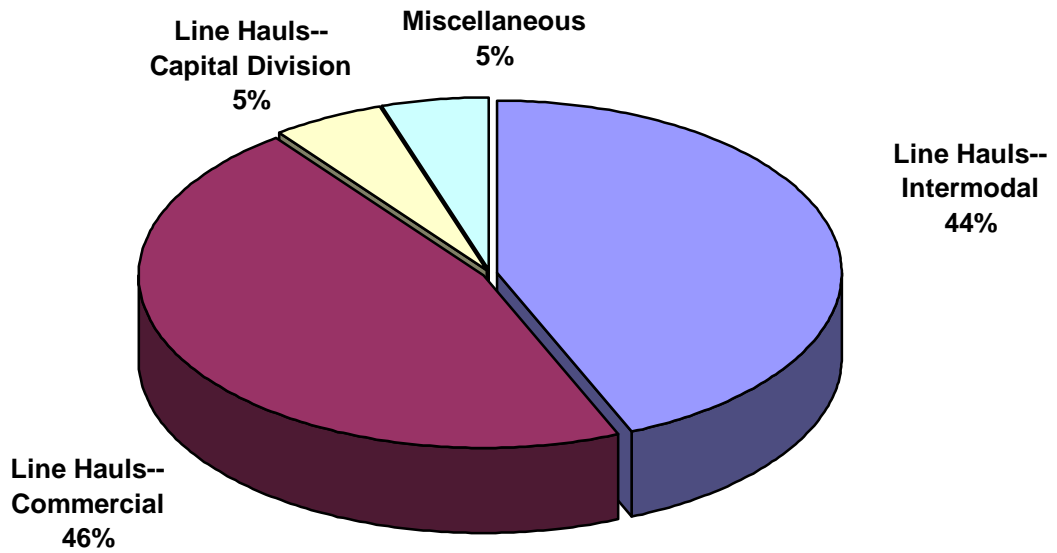
**SWITCHING ACTIVITIES**  
Year to Date - July 2015 & 2014



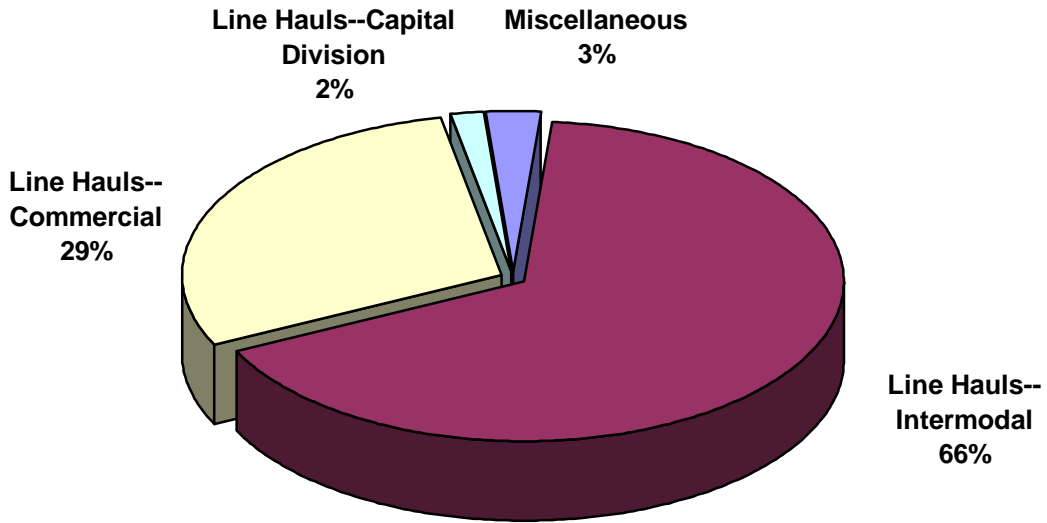
**SWITCHING REVENUES**  
Year to Date - July 2015 (\$14,459,135)



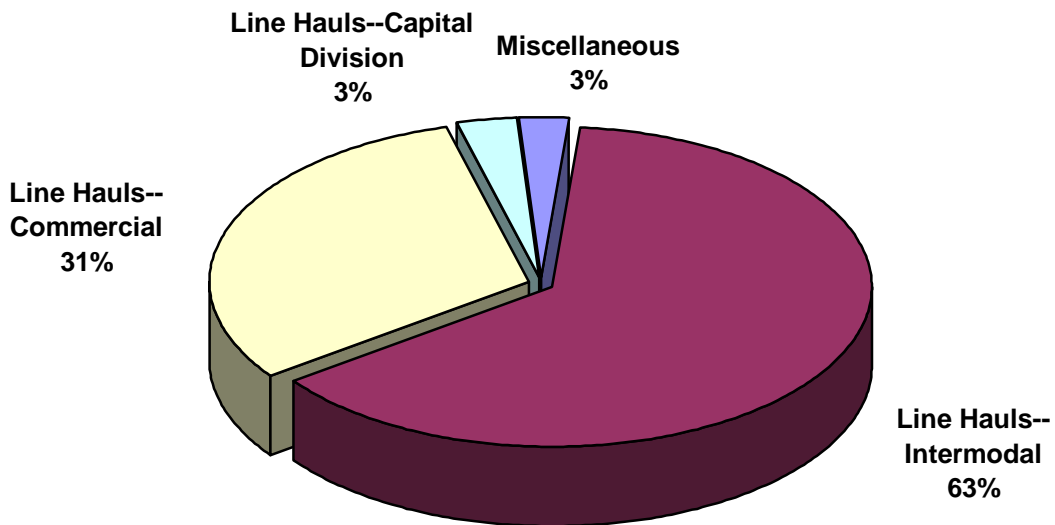
**SWITCHING REVENUES**  
Year to Date - July 2014 (\$15,278,411)



**SWITCHING ACTIVITY**  
Year to Date - July 2015 (58,478 cars)

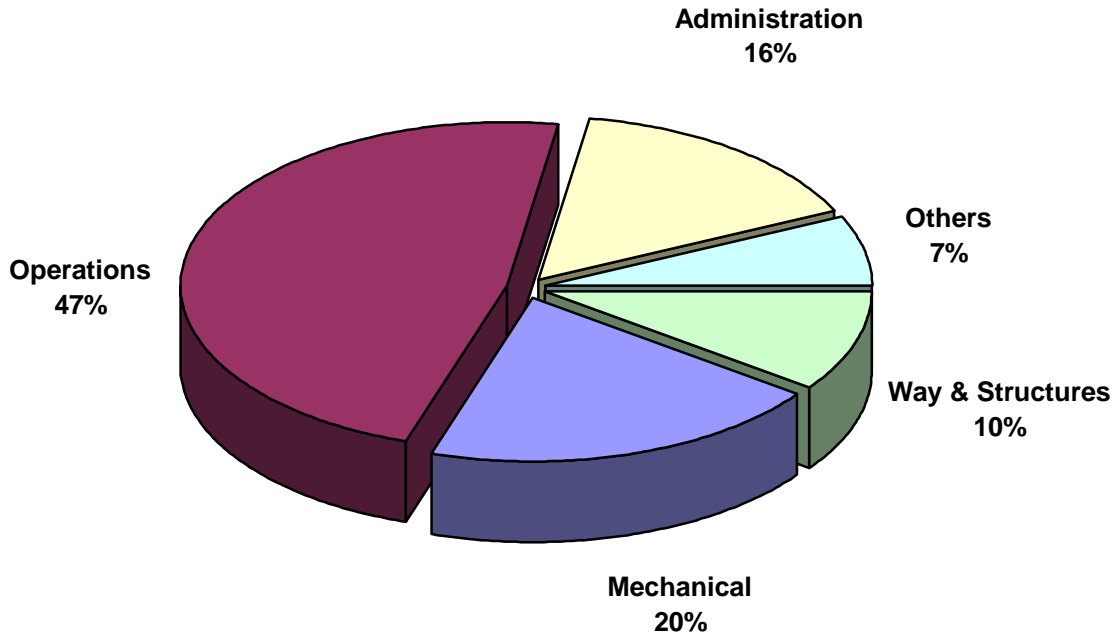


**SWITCHING ACTIVITY**  
Year to Date - July 2014 (61,013 cars)

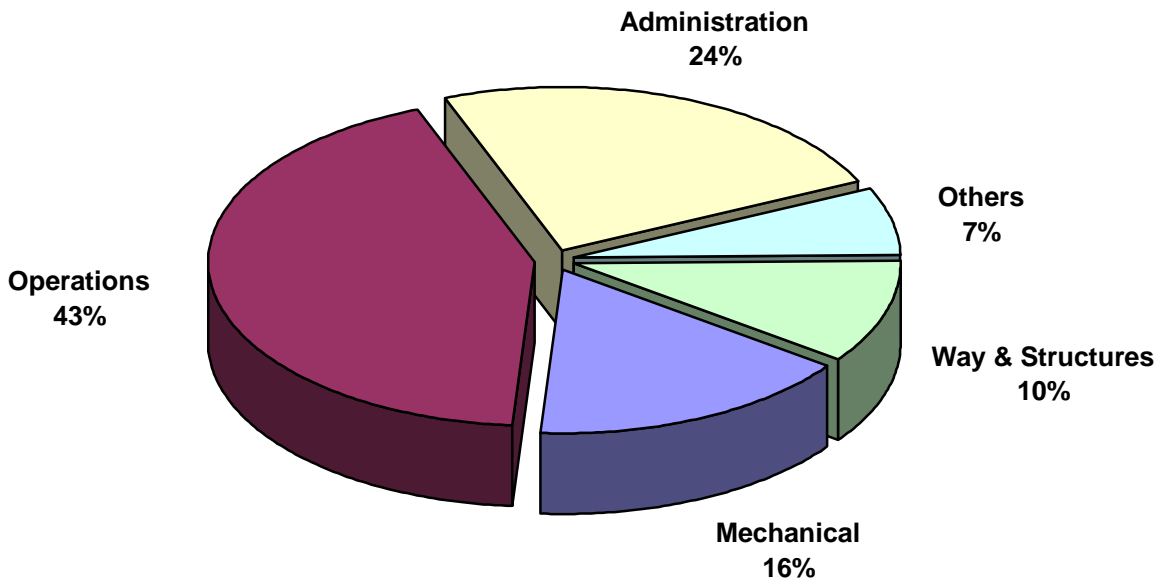




**TOTAL OPERATING EXPENSES**  
Year to Date - July 2015 (\$13,910,674)



**TOTAL OPERATING EXPENSES**  
Year to Date - July 2014 (\$13,147,844)





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