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**AUGUST**

***TACOMA RAIL***

**2015**

**FINANCIAL  
REPORT**





# Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

MONIQUE TRUDNOWSKI

Secretary

WOODROW JONES

Member

KAREN LARKIN

Member

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Director of Utilities/CEO

DALE KING  
Rail Superintendent

ANDREW CHERULLO  
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>	AUGUST 31,	
	2015	2014
<b>CAPITAL ASSETS</b>		
Road and Equipment Property .....	\$36,611,980	\$33,510,101
Less Accumulated Depreciation .....	(16,967,376)	(15,998,163)
Total .....	19,644,604	17,511,938
Construction Work in Progress .....	3,605,418	2,616,122
Net Capital Assets .....	23,250,022	20,128,060
<b>SPECIAL FUNDS</b>		
Cash and Equity in Pooled Investments:		
Debt Service Funds .....	43,403	43,403
Total Special Funds .....	43,403	43,403
<b>CURRENT ASSETS</b>		
Cash & Equity in Pooled Investments .....	8,473,737	8,395,073
Customer Accounts Receivable .....	3,184,254	3,267,025
Grants Receivable .....	-	200,000
Prepayments .....	1,734,174	2,003,791
Materials and Supplies Inventory.....	942,267	869,473
Total Current Assets .....	14,334,432	14,735,362
<b>TOTAL ASSETS</b> .....	\$37,627,857	\$34,906,825

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

NET POSITION AND LIABILITIES	AUGUST 31,	
	2015	2014
<b>NET POSITION</b>		
Net Investment in Capital Assets.....	\$17,601,542	\$15,549,087
Restricted for:		
Debt Service .....	43,403	43,403
Unrestricted .....	9,278,534	10,350,958
TOTAL NET POSITION .....	<u>26,923,479</u>	<u>25,943,448</u>
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>		
2006 Senior Lien Revenue Bond .....	312,763	548,332
State Loans.....	4,792,676	3,656,257
Total Long-Term Liabilities .....	<u>5,105,439</u>	<u>4,204,589</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable .....	936,215	579,636
Customer Deposits .....	45,900	45,900
Wages Payable .....	244,739	187,942
Unemployment and other Tax Payables .....	253,115	262,383
Volume Incentive Payable .....	541,667	333,333
Current Portion of Long Term Debt .....	543,041	374,384
Interest Payable .....	3,349	5,437
Current Portion of Compensated Absences .....	101,373	77,505
Total Current Liabilities .....	<u>2,669,399</u>	<u>1,866,520</u>
<b>LONG-TERM LIABILITIES</b>		
On the Job Injury Reserve .....	704,297	712,238
Long Term Portion of Compensated Absences .....	912,353	697,546
Other Long-Term Liabilities .....	1,312,890	1,482,484
Total Long-Term Liabilities .....	<u>2,929,540</u>	<u>2,892,268</u>
TOTAL LIABILITIES .....	<u>10,704,378</u>	<u>8,963,377</u>
<b>TOTAL NET POSITION AND LIABILITIES .....</b>	<u><u>\$37,627,857</u></u>	<u><u>\$34,906,825</u></u>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	AUGUST 2015	AUGUST 2014
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$2,515,626	\$2,457,848
Demurrage and Other Operating Revenues .....	208,747	277,782
Total Operating Revenues .....	2,724,373	2,735,630
 <b>OPERATING EXPENSES</b>		
Maintenance of Way and Structures .....		
Salaries and Wages .....	82,068	83,004
Supplies and Expense .....	171,829	162,144
Mechanical .....		
Salaries and Wages .....	163,751	143,919
Supplies and Expense .....	221,138	199,228
Operations .....		
Salaries and Wages .....	847,278	855,876
Supplies and Expense .....	63,393	94,268
Administration .....		
Salaries and Wages .....	173,071	174,774
Supplies and Expense .....	440,893	382,983
Taxes - State .....	39,559	35,582
Depreciation .....	101,740	89,105
Total Operating Expenses .....	2,304,720	2,220,883
 Net Operating Income .....	419,653	514,747
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	5,552	5,762
Miscellaneous .....	31,587	66,673
Interest Expense .....	(1,675)	(2,719)
Total Non-Operating Revenues .....	35,464	69,716
 Contributions - Grants .....	-	-
Contributions - Others .....	-	200,000
Total Contributions .....	-	200,000
 Transfers		
City of Tacoma Gross Earnings Tax .....	(226,589)	(206,984)
 <b>CHANGE IN NET POSITION</b> .....	\$228,528	\$577,479
 <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 2015 Financial Report.*



YEAR TO DATE			
AUGUST 31, 2015	AUGUST 31, 2014	2015/2014 VARIANCE	PERCENT CHANGE
\$17,064,761	\$17,736,259	(\$671,498)	-3.8%
2,587,131	1,663,134	923,997	55.6%
<u>19,651,892</u>	<u>19,399,393</u>	<u>252,499</u>	<u>1.3%</u>
727,611	643,997	83,614	13.0%
920,273	969,279	(49,006)	-5.1%
1,355,710	938,136	417,574	44.5%
1,819,477	1,525,790	293,687	19.2%
6,695,449	5,832,556	862,893	14.8%
827,762	761,261	66,501	8.7%
1,478,245	1,385,604	92,641	6.7%
1,300,205	2,318,712	(1,018,507)	-43.9%
276,741	280,548	(3,807)	-1.4%
813,921	712,843	101,078	14.2%
<u>16,215,394</u>	<u>15,368,726</u>	<u>846,668</u>	<u>5.5%</u>
3,436,498	4,030,667	(594,169)	-14.7%
46,164	45,705	459	1.0%
574,441	551,657	22,784	4.1%
(15,787)	(24,011)	8,224	-34.3%
<u>604,818</u>	<u>573,351</u>	<u>31,467</u>	<u>5.5%</u>
34,670	-	34,670	100.0%
216,000	700,000	(484,000)	-69.1%
<u>250,670</u>	<u>700,000</u>	<u>(449,330)</u>	<u>-64.2%</u>
(1,598,697)	(1,578,749)	(19,948)	1.3%
2,693,289	3,725,269	(\$1,031,980)	-27.7%
<u>24,230,190</u>	<u>22,218,179</u>		
<u>\$26,923,479</u>	<u>\$25,943,448</u>		

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES

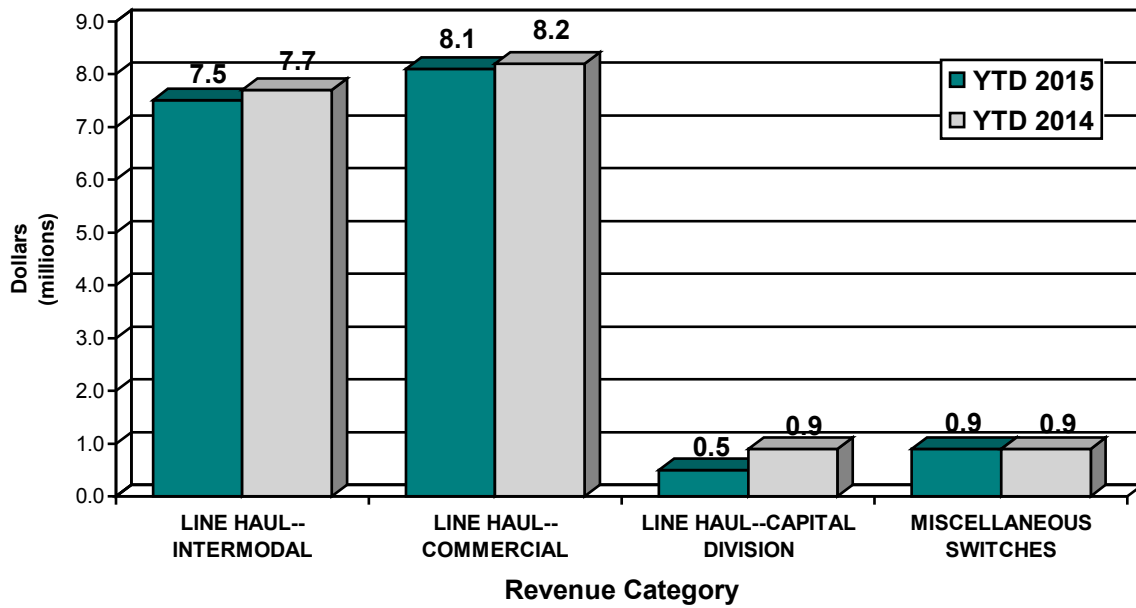
	<u>AUGUST 2015</u>	<u>AUGUST 2014</u>
<b>SWITCHING REVENUES</b>		
LINE HAULS--INTERMODAL .....	\$1,180,273	\$1,007,545
LINE HAULS--COMMERCIAL .....	1,163,618	1,175,534
LINE HAULS--CAPITAL DIVISION .....	70,147	129,028
MISCELLANEOUS SWITCHES .....	<u>101,588</u>	<u>145,741</u>
TOTAL SWITCHING REVENUES .....	<u><u>\$2,515,626</u></u>	<u><u>\$2,457,848</u></u>
 <b>SWITCHING ACTIVITIES (CARS)</b>		
LINE HAULS--INTERMODAL .....	6,728	6,443
LINE HAULS--COMMERCIAL .....	2,753	3,065
LINE HAULS--CAPITAL DIVISION .....	162	287
MISCELLANEOUS SWITCHES .....	<u>262</u>	<u>222</u>
TOTAL CARS SWITCHED .....	<u><u>9,905</u></u>	<u><u>10,017</u></u>

YEAR TO DATE			
<u>AUGUST 31,</u> <u>2015</u>	<u>AUGUST 31,</u> <u>2014</u>	<u>2015/2014</u> <u>VARIANCE</u>	<u>PERCENT</u> <u>CHANGE</u>
\$7,536,461	\$7,671,754	(\$135,293)	-1.8%
8,123,822	8,213,000	(89,178)	-1.1%
488,538	925,034	(436,496)	-47.2%
<u>915,940</u>	<u>926,471</u>	<u>(10,531)</u>	-1.1%
<u>\$17,064,761</u>	<u>\$17,736,259</u>	<u>(\$671,498)</u>	-3.8%
45,526	45,316	210	0.5%
19,831	21,844	(2,013)	-9.2%
1,130	2,063	(933)	-45.2%
<u>1,896</u>	<u>1,812</u>	<u>84</u>	4.6%
<u>68,383</u>	<u>71,035</u>	<u>(2,652)</u>	-3.7%

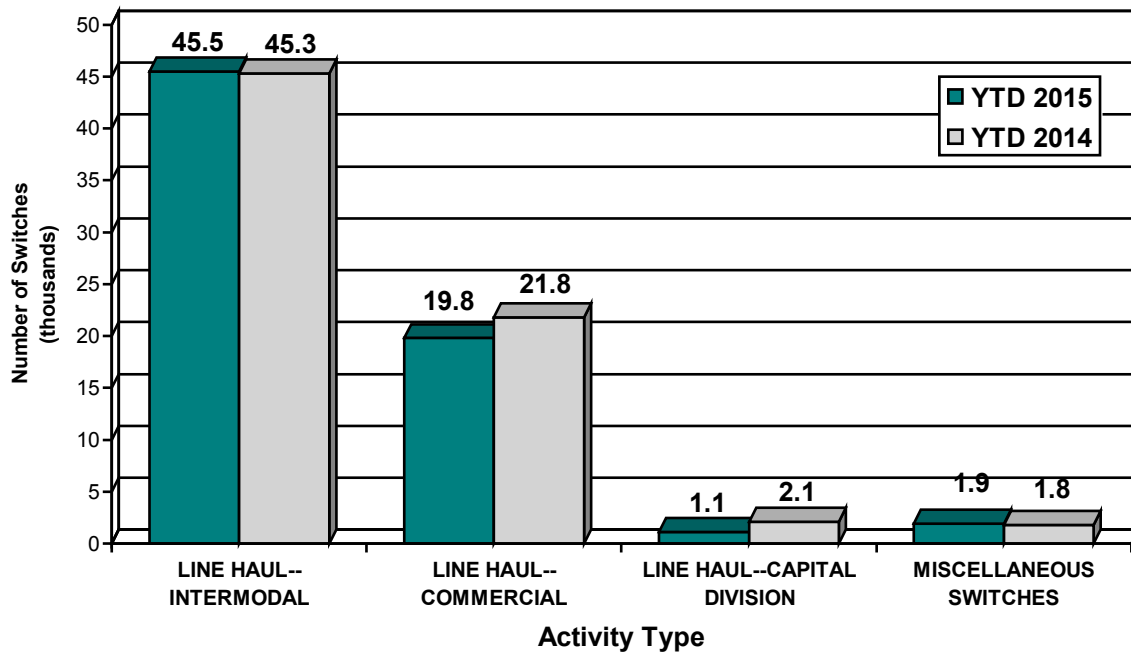
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# Supplemental Data

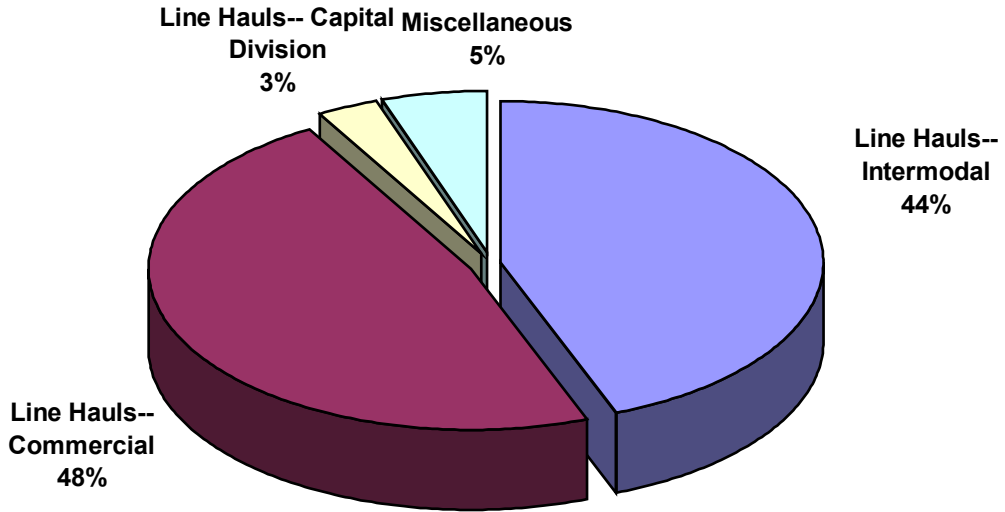
**SWITCHING REVENUES**  
Year to Date - August 2015 & 2014



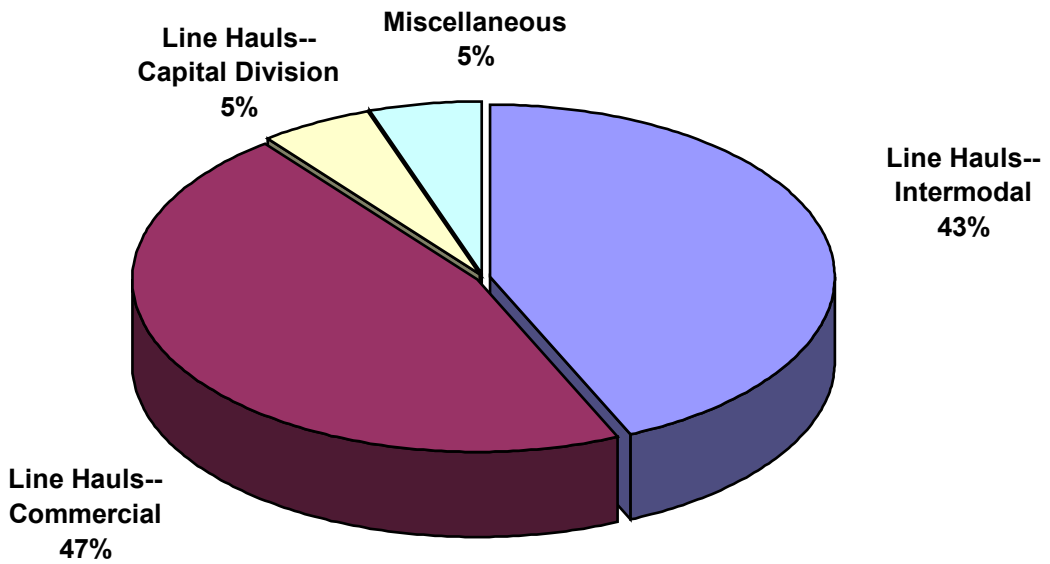
**SWITCHING ACTIVITIES**  
Year to Date - August 2015 & 2014



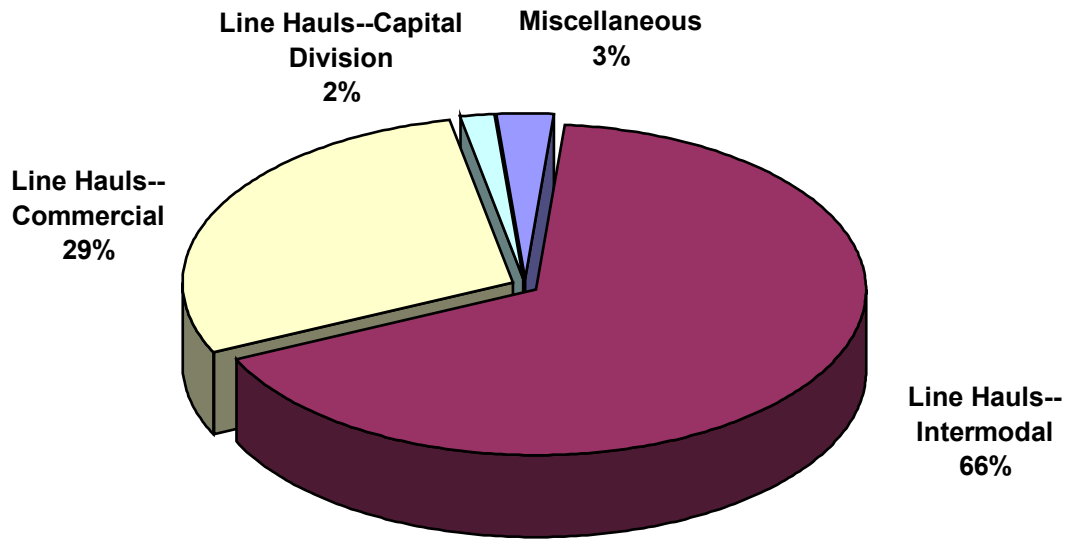
**SWITCHING REVENUES**  
Year to Date - August 2015 (\$17,064,761)



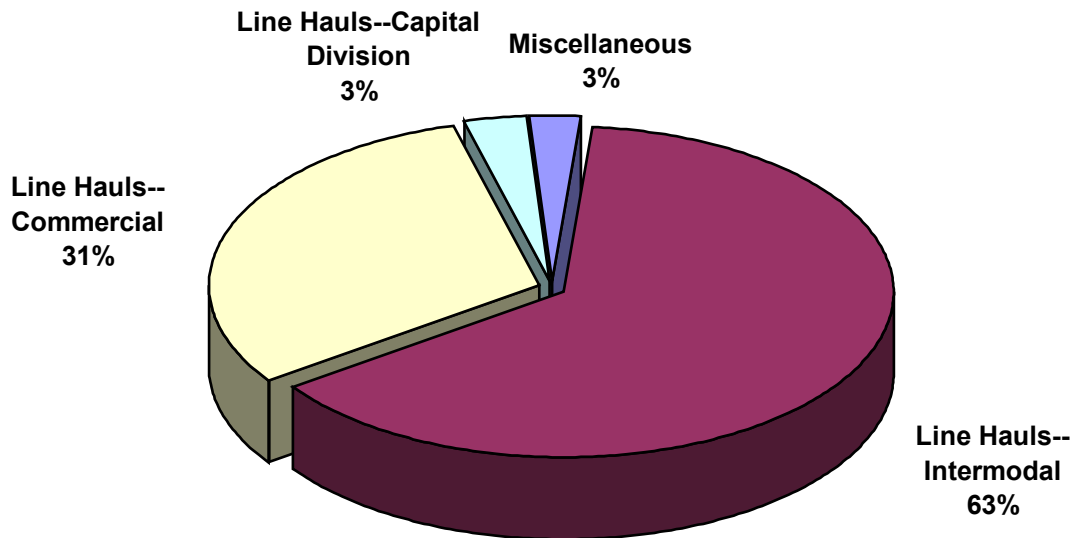
**SWITCHING REVENUES**  
Year to Date - August 2014 (\$17,736,259)



**SWITCHING ACTIVITY**  
**Year to Date - August 2015 (68,383 cars)**

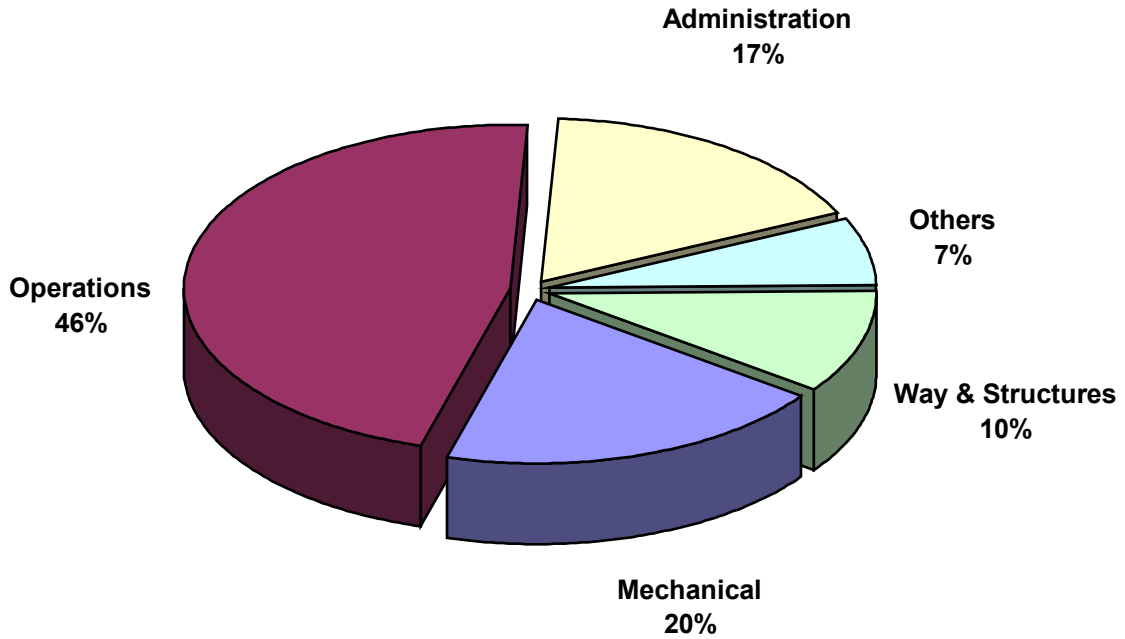


**SWITCHING ACTIVITY**  
**Year to Date - August 2014 (71,035 cars)**

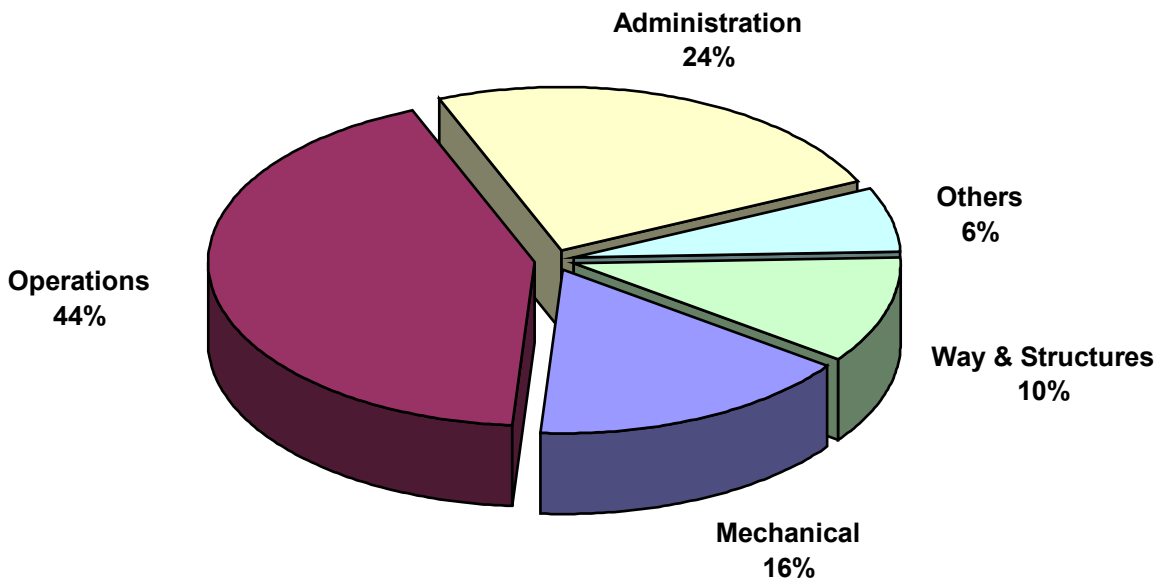




**TOTAL OPERATING EXPENSES**  
Year to Date - August 2015 (\$16,215,394)



**TOTAL OPERATING EXPENSES**  
Year to Date - August 2014 (\$15,368,726)





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