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**OCTOBER**

***TACOMA RAIL***

**2017**

**FINANCIAL  
REPORT**





# Public Utility Board

MONIQUE TRUDNOWSKI  
Chair

WOODROW JONES  
Vice-Chair

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Secretary

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Member

MARK PATTERSON  
Member

WILLIAM A. GAINES  
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Finance Director

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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SUPPLEMENTAL DATA ..... 8 - 12

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF NET POSITION

<b>ASSETS</b>	OCTOBER 31,	
	2017	2016
<b>CAPITAL ASSETS</b>		
Road and Equipment Property .....	\$43,727,752	\$41,313,215
Less Accumulated Depreciation .....	(19,793,587)	(18,601,988)
Total .....	23,934,165	22,711,227
Construction Work in Progress .....	2,983,039	3,757,671
Net Capital Assets .....	26,917,204	26,468,898
<b>SPECIAL FUNDS</b>		
Cash and Equity in Pooled Investments:		
Debt Service Funds .....	-	21,701
Total Special Funds .....	-	21,701
<b>CURRENT ASSETS</b>		
Cash & Equity in Pooled Investments .....	9,472,826	9,117,792
Customer Accounts Receivable .....	2,625,308	3,184,055
Prepayments .....	1,424,890	1,542,493
Materials and Supplies Inventory.....	1,092,848	1,022,705
Total Current Assets .....	14,615,872	14,867,045
<b>TOTAL ASSETS</b> .....	\$41,533,076	\$41,357,644

*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>OCTOBER 31,</u> 2017	<u>OCTOBER 31,</u> 2016
<b>NET POSITION</b>		
Net Investment in Capital Assets.....	\$20,782,477	\$20,163,383
Restricted for:		
Debt Service .....	-	21,701
Unrestricted .....	9,256,727	9,080,570
<b>TOTAL NET POSITION</b> .....	<u>30,039,204</u>	<u>29,265,654</u>
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>		
State Loans.....	5,314,478	5,525,665
<b>Total Long-Term Liabilities</b> .....	<u>5,314,478</u>	<u>5,525,665</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable .....	481,355	388,605
Customer Deposits .....	-	10,500
Wages Payable .....	517,828	460,788
Unemployment and other Tax Payables .....	193,933	328,643
Volume Incentive Payable .....	-	833,333
Current Portion of Long Term Debt .....	820,250	779,850
Interest Payable .....	-	3,978
Current Portion of Compensated Absences .....	111,516	113,117
<b>Total Current Liabilities</b> .....	<u>2,124,882</u>	<u>2,918,814</u>
<b>LONG-TERM LIABILITIES</b>		
On the Job Injury Reserve .....	809,945	753,098
Long Term Portion of Compensated Absences .....	1,003,644	1,018,056
Other Long-Term Liabilities .....	2,240,923	1,876,357
<b>Total Long-Term Liabilities</b> .....	<u>4,054,512</u>	<u>3,647,511</u>
<b>TOTAL LIABILITIES</b> .....	<u>11,493,872</u>	<u>12,091,990</u>
<b>TOTAL NET POSITION AND LIABILITIES</b> .....	<u><u>\$41,533,076</u></u>	<u><u>\$41,357,644</u></u>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	OCTOBER 2017	OCTOBER 2016
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$1,930,947	\$2,292,222
Demurrage and Other Operating Revenues .....	344,337	269,836
Total Operating Revenues .....	2,275,284	2,562,058
<b>OPERATING EXPENSES</b>		
Maintenance of Way and Structures .....		
Salaries and Wages .....	83,052	79,650
Supplies and Expense .....	108,149	449,176
Mechanical .....		
Salaries and Wages .....	170,340	158,153
Supplies and Expense .....	308,598	188,181
Operations .....		
Salaries and Wages .....	786,705	854,359
Supplies and Expense .....	136,898	126,099
Administration .....		
Salaries and Wages .....	195,200	171,409
Supplies and Expense .....	253,057	415,475
Taxes - State .....	32,058	45,532
Depreciation .....	152,340	122,581
Total Operating Expenses .....	2,226,397	2,610,615
Net Operating Income .....	48,887	(48,557)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	8,398	7,695
Loss from Disposition of Property .....	(649,715)	-
Miscellaneous .....	71,770	98,989
Interest Expense .....	-	(573)
Total Non-Operating Revenues .....	(569,547)	106,111
Contributions - Grants .....	-	-
Contributions - Others .....	-	-
Total Contributions .....	-	-
Transfers		
City of Tacoma Gross Earnings Tax .....	(136,459)	(260,981)
Total Transfers .....	(136,459)	(260,981)
<b>CHANGE IN NET POSITION .....</b>	<b>(\$657,119)</b>	<b>(\$203,427)</b>
<b>TOTAL NET POSITION - JANUARY 1 .....</b>		
<b>TOTAL NET POSITION - OCTOBER 31 .....</b>		

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



YEAR TO DATE			
OCTOBER 31, 2017	OCTOBER 31, 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$22,275,067	\$22,918,871	(\$643,804)	-2.8%
3,334,625	2,839,344	495,281	17.4%
<u>25,609,692</u>	<u>25,758,215</u>	<u>(148,523)</u>	-0.6%
773,699	855,040	(81,341)	-9.5%
1,071,115	1,718,860	(647,745)	-37.7%
1,627,383	1,653,019	(25,636)	-1.6%
2,640,937	2,238,749	402,188	18.0%
8,173,093	8,034,241	138,852	1.7%
1,359,078	1,220,005	139,073	11.4%
1,969,959	1,908,293	61,666	3.2%
3,544,162	4,073,890	(529,728)	-13.0%
361,082	375,830	(14,748)	-3.9%
1,379,436	1,227,651	151,785	12.4%
<u>22,899,944</u>	<u>23,305,578</u>	<u>(405,634)</u>	-1.7%
2,709,748	2,452,637	257,111	10.5%
105,028	97,142	7,886	8.1%
(649,715)	-	-	-100.0%
878,087	1,079,959	(201,872)	-18.7%
(6)	(11,655)	11,649	-99.9%
<u>333,394</u>	<u>1,165,446</u>	<u>(832,052)</u>	-71.4%
-	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>	-95.5%
(2,074,090)	(2,200,149)	(126,059)	-5.7%
<u>(2,074,090)</u>	<u>(2,200,149)</u>	<u>(126,059)</u>	-5.7%
1,005,306	2,223,993	(\$1,218,687)	-54.8%
<u>29,033,898</u>	<u>27,041,661</u>		
<u>\$30,039,204</u>	<u>\$29,265,654</u>		

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

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

	<u>October 2017</u>	<u>October 2016</u>
<b>SWITCHING REVENUES</b>		
LINE HAULS--INTERMODAL .....	\$691,878	\$1,094,434
LINE HAULS--COMMERCIAL .....	968,025	1,029,675
LINE HAULS--CAPITAL DIVISION .....	17,529	20,889
MISCELLANEOUS SWITCHES .....	<u>253,515</u>	<u>147,224</u>
TOTAL SWITCHING REVENUES .....	<u><u>\$1,930,947</u></u>	<u><u>\$2,292,222</u></u>
 <b>SWITCHING ACTIVITIES (CARS)</b>		
LINE HAULS--INTERMODAL .....	3,844	6,471
LINE HAULS--COMMERCIAL .....	1,889	2,227
LINE HAULS--CAPITAL DIVISION .....	42	50
MISCELLANEOUS SWITCHES .....	<u>1,692</u>	<u>403</u>
TOTAL CARS SWITCHED .....	<u><u>7,467</u></u>	<u><u>9,151</u></u>

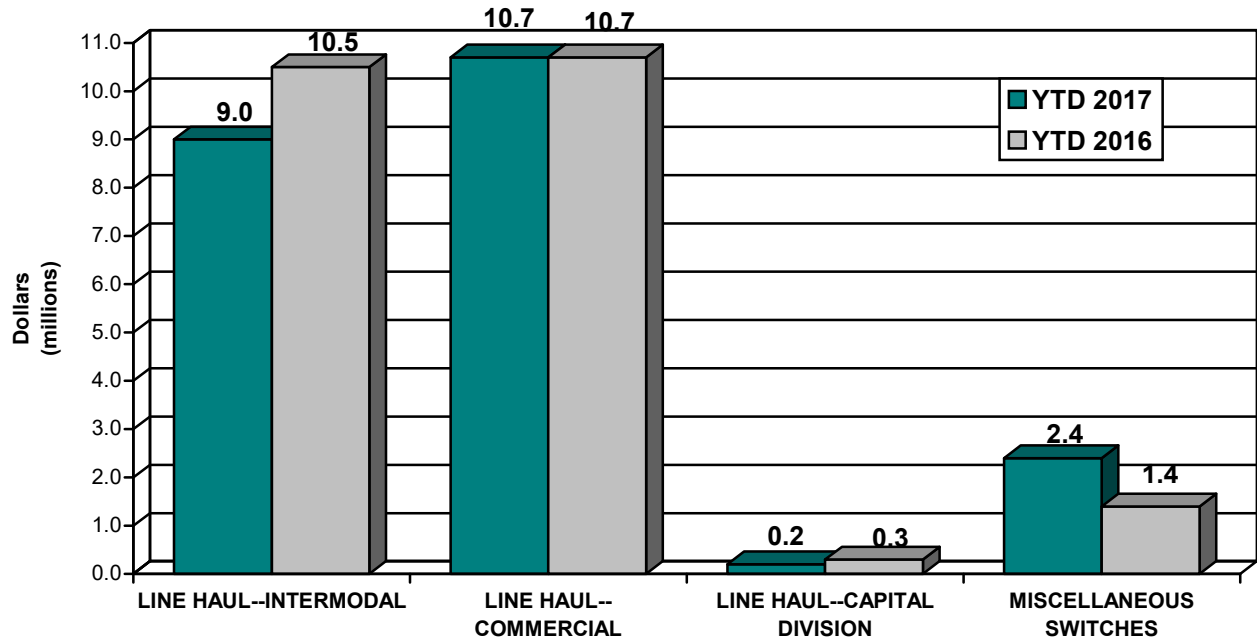
\* The Summary of Switching Activites (Cars) includes an update to allocations for 2016.

YEAR TO DATE			
October 31, 2017	October 31, 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$8,968,221	\$10,529,503	(\$1,561,282)	-14.8%
10,689,230	10,722,585	(33,355)	-0.3%
234,974	282,422	(47,448)	-16.8%
<u>2,382,642</u>	<u>1,384,361</u>	<u>998,281</u>	<u>72.1%</u>
<u>\$22,275,067</u>	<u>\$22,918,871</u>	<u>(\$643,804)</u>	<u>-2.8%</u>
51,823	63,047	(11,224)	-17.8%
23,302	25,312	(2,010)	-7.9%
563	666	(103)	-15.5%
<u>13,762</u>	<u>3,066</u>	<u>10,696</u>	<u>348.9%</u>
<u>89,450</u>	<u>92,091</u>	<u>(2,641)</u>	<u>-2.9%</u>

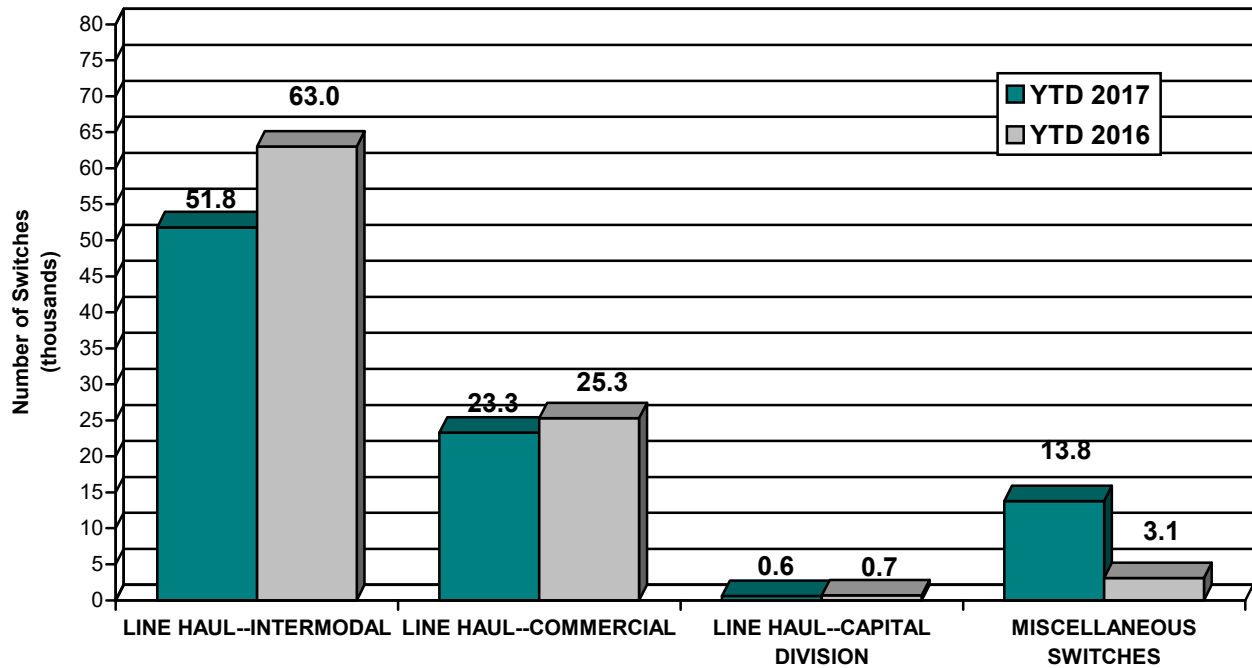
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# Supplemental Data

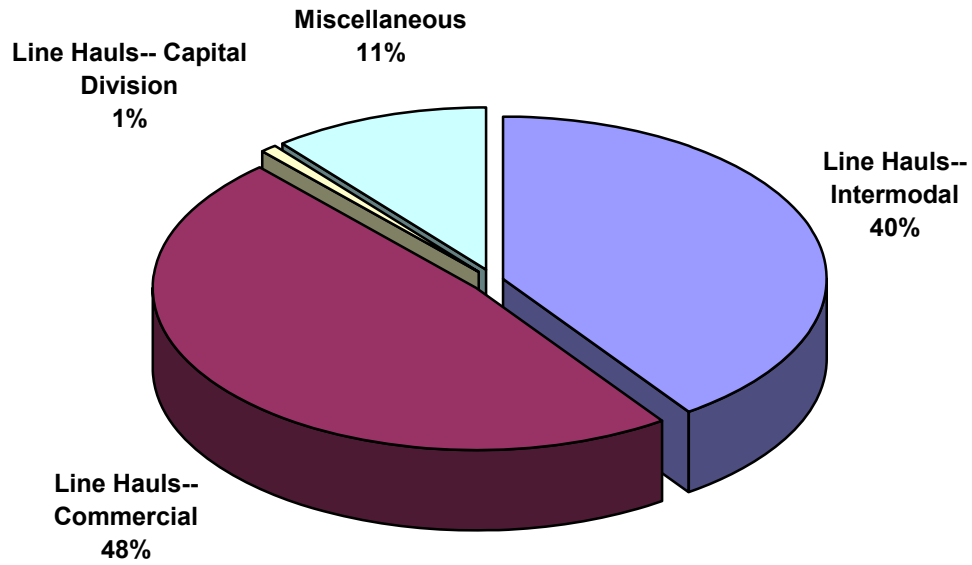
**SWITCHING REVENUES**  
Year to Date - October 2017 & 2016



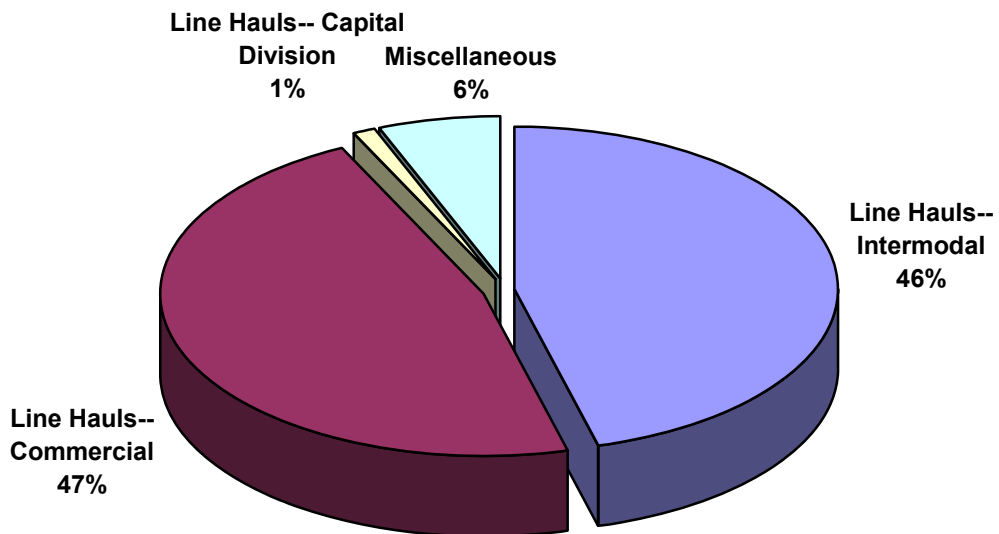
**SWITCHING ACTIVITIES**  
Year to Date - October 2017 & 2016



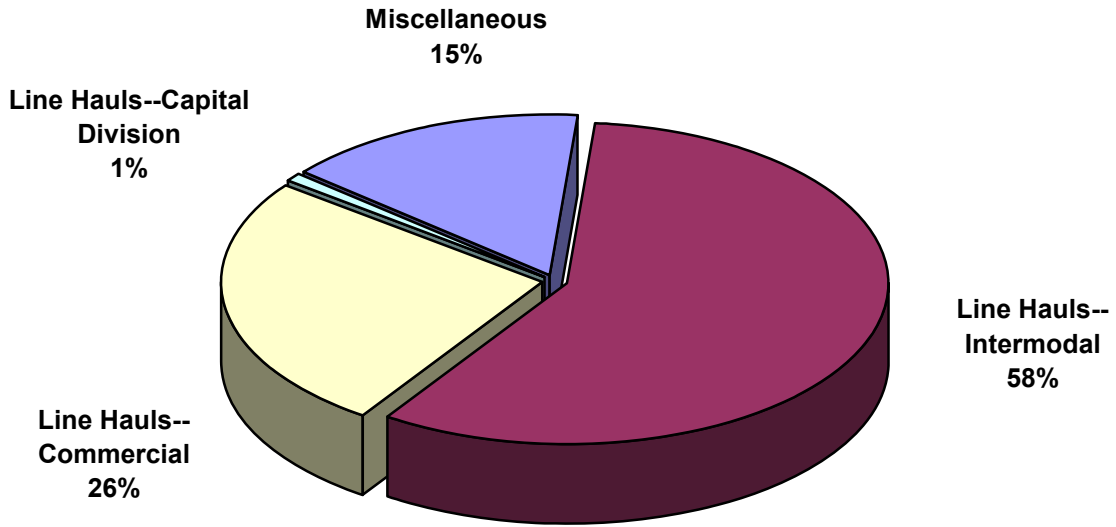
**SWITCHING REVENUES**  
Year to Date - October 2017 (\$22,275,067)



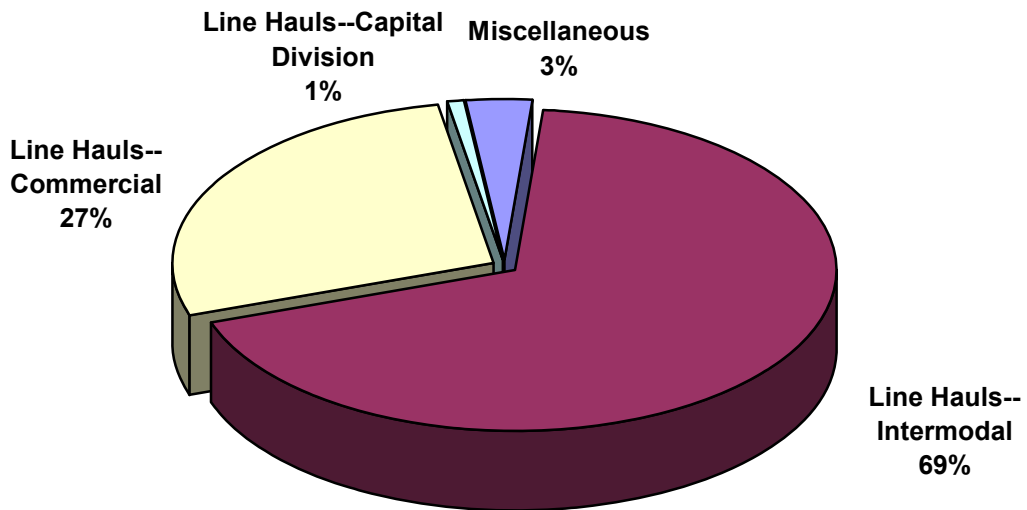
**SWITCHING REVENUES**  
Year to Date - October 2016 (\$22,918,871)



**SWITCHING ACTIVITY**  
Year to Date - October 2017 (89,450 cars)

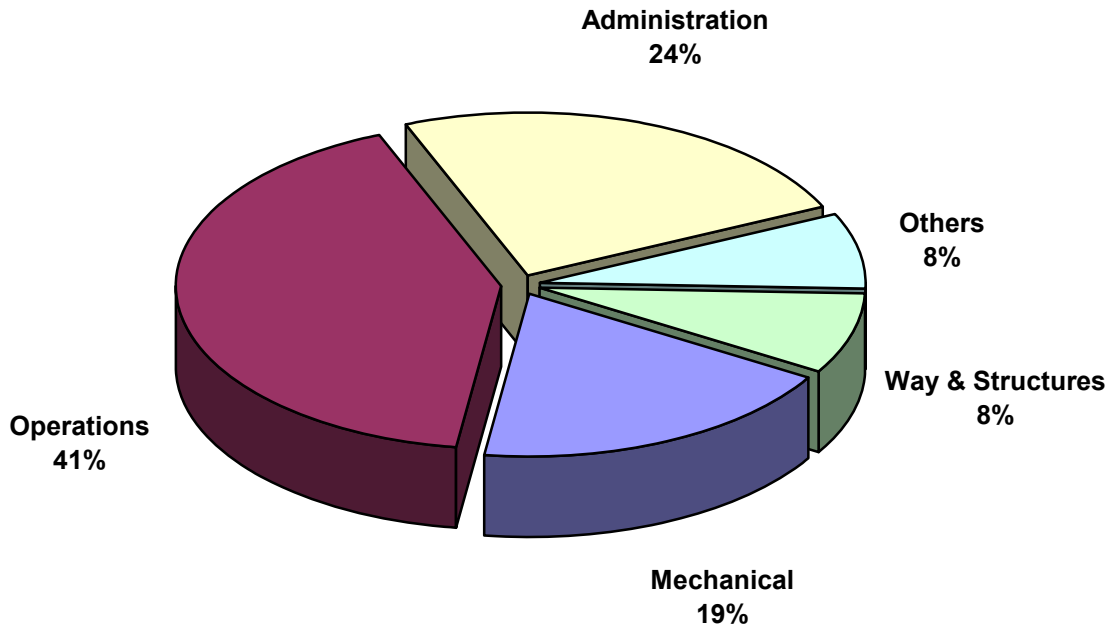


**SWITCHING ACTIVITY**  
Year to Date - October 2016 (92,091 cars)

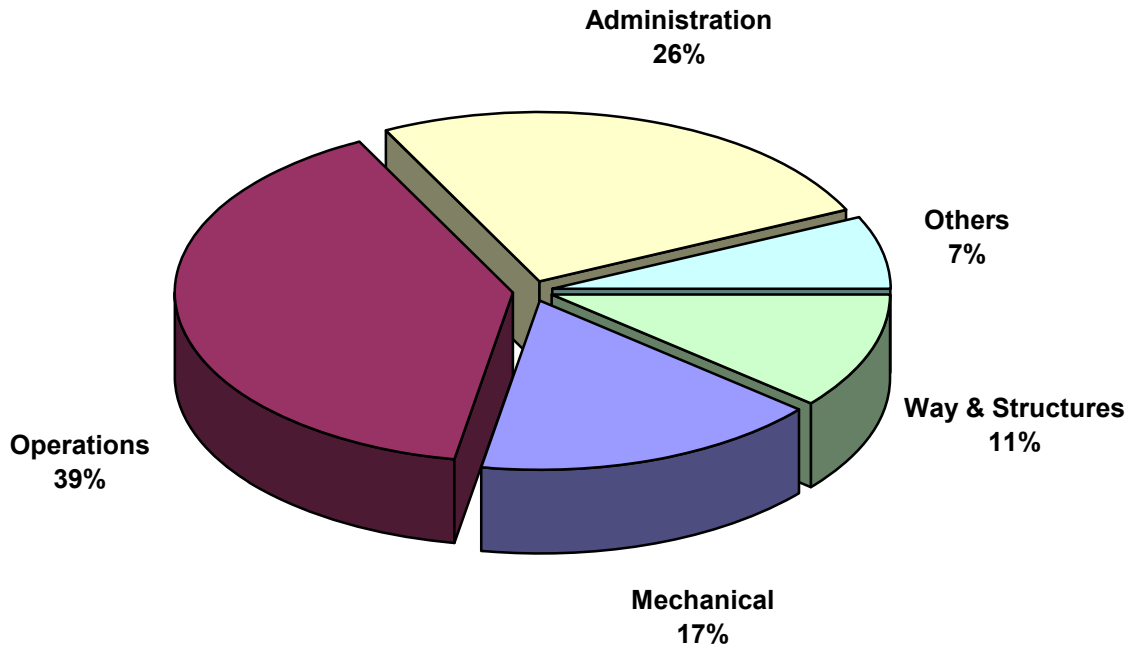




**TOTAL OPERATING EXPENSES**  
**Year to Date - October 2017 (\$22,899,944)**



**TOTAL OPERATING EXPENSES**  
**Year to Date - October 2016 (\$23,305,578)**





The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.