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*JULY*

*TACOMA RAIL*

2013

**FINANCIAL  
REPORT**





# Public Utility Board

DAVID NELSON

Chair

WOODROW JONES

Vice-Chair

BRYAN FLINT

Secretary

MARK PATTERSON

Member

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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

ASSETS	JULY 31,	
	2013	2012
<b>CAPITAL ASSETS</b>		
Road and Equipment Property .....	\$30,681,335	\$27,117,108
Less Accumulated Depreciation .....	(14,848,147)	(14,725,309)
Total .....	15,833,188	12,391,799
Construction Work in Progress .....	844,556	2,789,249
Net Capital Assets .....	16,677,744	15,181,048
<b>SPECIAL FUNDS</b>		
Cash and Equity in Pooled Investments:		
Debt Service Funds .....	21,701	215,172
Total Special Funds .....	21,701	215,172
<b>CURRENT ASSETS</b>		
Cash & Equity in Pooled Investments .....	7,900,511	3,481,139
Customer Accounts Receivable .....	3,052,512	2,614,543
Grants Receivable .....	-	198,146
Prepayments .....	2,016,592	1,766,468
Materials and Supplies Inventory.....	668,033	555,485
Total Current Assets .....	13,637,648	8,615,781
<b>TOTAL ASSETS</b> .....	<b>\$30,337,093</b>	<b>\$24,012,001</b>

*These statements should be read in conjunction with the Notes to Financial Statements contained in the 2012 Annual Report.*

NET POSITION AND LIABILITIES	JULY 31,	
	2013	2012
<b>NET POSITION</b>		
Net Investment in Capital Assets.....	\$14,016,382	\$13,072,304
Restricted for:		
Debt Service .....	21,701	215,172
Unrestricted .....	8,163,158	6,300,880
TOTAL NET POSITION .....	22,201,241	19,588,356
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>		
2006 Senior Lien Revenue Bond .....	771,620	983,267
State Loans.....	1,834,522	684,415
Total Long-Term Liabilities .....	2,606,142	1,667,682
<b>CURRENT LIABILITIES</b>		
Accounts Payable .....	2,812,478	171,621
Customer Deposits .....	54,300	62,250
Wages Payable .....	407,604	283,379
Unemployment and other Tax Payables .....	266,132	207,373
Volume Incentive Payable .....	166,667	208,333
Current Portion of Long Term Debt .....	55,220	445,554
Interest Payable .....	3,708	5,034
Current Portion of Compensated Absences .....	83,098	70,978
Total Current Liabilities .....	3,849,207	1,454,522
<b>LONG-TERM LIABILITIES</b>		
On the Job Injury Reserve .....	637,560	547,476
Long Term Portion of Compensated Absences .....	747,880	638,804
Other Long-Term Liabilities .....	295,063	115,161
Total Long-Term Liabilities .....	1,680,503	1,301,441
TOTAL LIABILITIES .....	8,135,852	4,423,645
<b>TOTAL NET POSITION AND LIABILITIES .....</b>	<b>\$30,337,093</b>	<b>\$24,012,001</b>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	JULY 2013	JULY 2012 (As Restated)
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$2,140,502	\$1,832,306
Demurrage and Other Operating Revenues .....	188,656	126,649
Total Operating Revenues .....	2,329,158	1,958,955
<b>OPERATING EXPENSES</b>		
Maintenance of Way and Structures .....		
Salaries and Wages .....	61,562	51,825
Supplies and Expense .....	124,793	73,631
Mechanical .....		
Salaries and Wages .....	77,002	68,160
Supplies and Expense .....	190,028	128,419
Operations .....		
Salaries and Wages .....	510,002	412,197
Supplies and Expense .....	261,246	228,078
Administration .....		
Salaries and Wages .....	115,612	96,564
Supplies and Expense .....	350,469	342,798
Taxes - State .....	652	34,278
Depreciation .....	79,944	62,936
Total Operating Expenses .....	1,771,310	1,498,886
Net Operating Income .....	557,848	460,069
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	5,493	3,954
Miscellaneous .....	71,673	76,048
Interest Expense .....	(3,710)	(5,034)
Total Non-Operating Revenues .....	73,456	74,968
Contributions - Grants .....	-	-
Contributions - Others .....	-	-
Total Contributions .....	-	-
Transfers		
City of Tacoma Gross Earnings Tax .....	193,308	163,110
Transfers to other funds .....	-	-
Total Transfers .....	193,308	163,110
<b>CHANGE IN NET POSITION .....</b>	<b>\$437,996</b>	<b>\$371,927</b>
<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 2013 Financial Report.*



YEAR TO DATE			
JULY 31, 2013	JULY 31, 2012 (As Restated)	2013/2012 VARIANCE	PERCENT CHANGE
\$14,631,066	\$11,172,147	\$3,458,919	31.0%
1,562,787	1,261,216	301,571	23.9%
<u>16,193,853</u>	<u>12,433,363</u>	<u>3,760,490</u>	30.2%
418,160	438,753	(20,593)	-4.7%
862,359	1,006,793	(144,434)	-14.3%
548,988	518,249	30,739	5.9%
1,533,653	1,490,056	43,597	2.9%
3,608,196	2,909,428	698,768	24.0%
2,032,181	1,590,943	441,238	27.7%
824,623	763,238	61,385	8.0%
2,820,394	1,340,060	1,480,334	110.5%
284,557	217,921	66,636	30.6%
559,610	449,618	109,992	24.5%
<u>13,492,721</u>	<u>10,725,059</u>	<u>2,767,662</u>	25.8%
2,701,132	1,708,304	992,828	58.1%
(1,144)	12,666	(13,810)	-109.0%
519,367	554,621	(35,254)	-6.4%
(28,127)	(37,783)	9,656	-25.6%
<u>490,096</u>	<u>529,504</u>	<u>(39,408)</u>	-7.4%
-	165,410	(165,410)	-100.0%
-	80,897	(80,897)	-100.0%
<u>-</u>	<u>246,307</u>	<u>(246,307)</u>	-100.0%
1,339,957	1,042,589	297,368	28.5%
-	(31)	31	-100.0%
<u>1,339,957</u>	<u>1,042,558</u>	<u>297,399</u>	28.5%
1,851,271	1,441,557	\$409,714	28.4%
<u>20,349,970</u>	<u>18,146,799</u>		
<u>\$22,201,241</u>	<u>\$19,588,356</u>		

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES

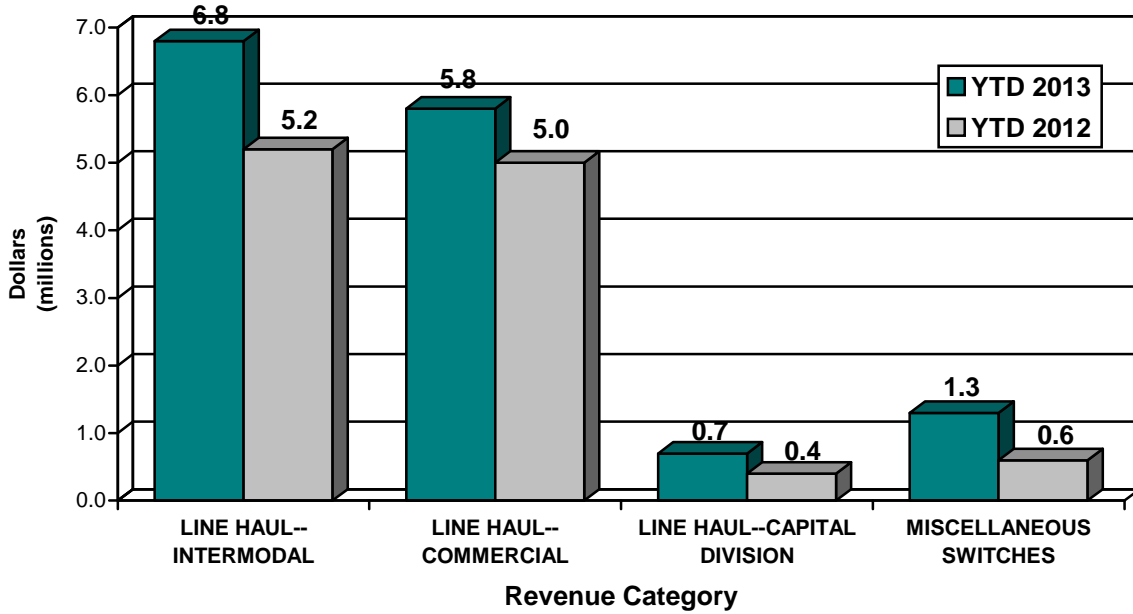
	<u>JULY</u> <u>2013</u>	<u>JULY</u> <u>2012</u>
<b>SWITCHING REVENUES</b>		
LINE HAULS--INTERMODAL .....	\$927,343	\$972,675
LINE HAULS--COMMERCIAL .....	833,390	736,630
LINE HAULS--CAPITAL DIVISION .....	80,536	74,324
MISCELLANEOUS SWITCHES .....	<u>299,233</u>	<u>48,677</u>
TOTAL SWITCHING REVENUES .....	<u><u>\$2,140,502</u></u>	<u><u>\$1,832,306</u></u>
 <b>SWITCHING ACTIVITIES (CARS)</b>		
LINE HAULS--INTERMODAL .....	5,290	5,738
LINE HAULS--COMMERCIAL .....	2,636	2,349
LINE HAULS--CAPITAL DIVISION .....	179	171
MISCELLANEOUS SWITCHES .....	<u>108</u>	<u>124</u>
TOTAL CARS SWITCHED .....	<u><u>8,213</u></u>	<u><u>8,382</u></u>

YEAR TO DATE			
<u>JULY 31,</u> <u>2013</u>	<u>JULY 31,</u> <u>2012</u>	<u>2013/2012</u> <u>VARIANCE</u>	<u>PERCENT</u> <u>CHANGE</u>
\$6,813,912	\$5,180,249	\$1,633,663	31.5%
5,804,900	5,013,560	791,340	15.8%
670,180	417,343	252,837	60.6%
<u>1,342,074</u>	<u>560,995</u>	<u>781,079</u>	139.2%
<u>\$14,631,066</u>	<u>\$11,172,147</u>	<u>\$3,458,919</u>	31.0%
65,844	29,983	35,861	119.6%
18,308	16,011	2,297	14.3%
1,491	959	532	55.5%
<u>1,070</u>	<u>1,710</u>	<u>(640)</u>	-37.4%
<u>86,713</u>	<u>48,663</u>	<u>38,050</u>	78.2%

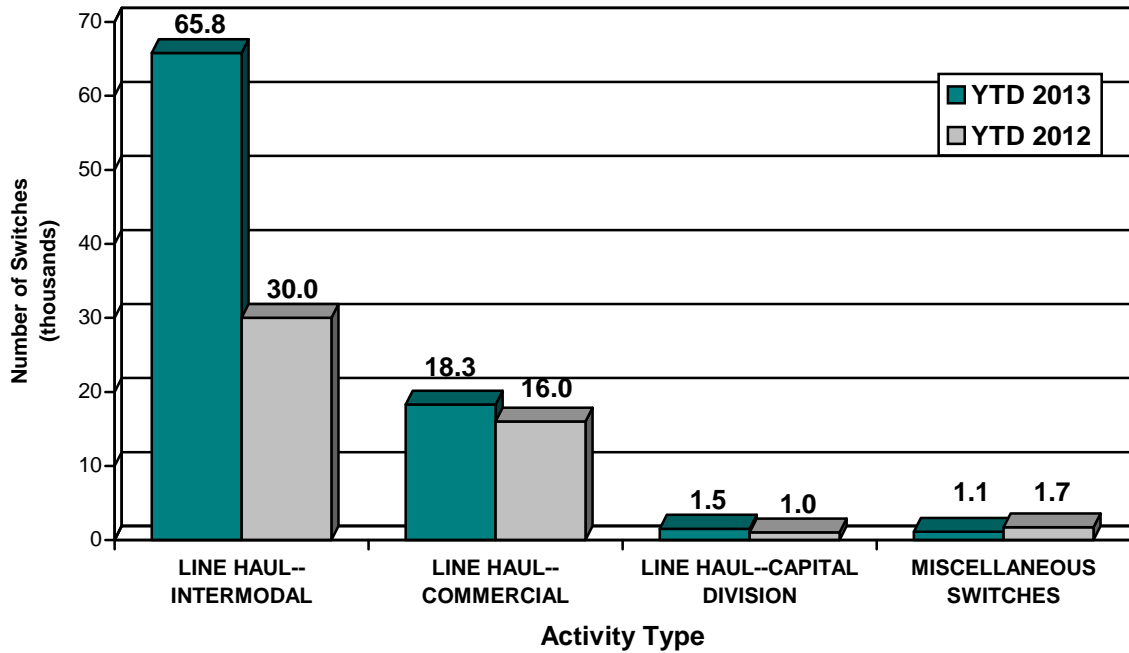
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# Supplemental Data

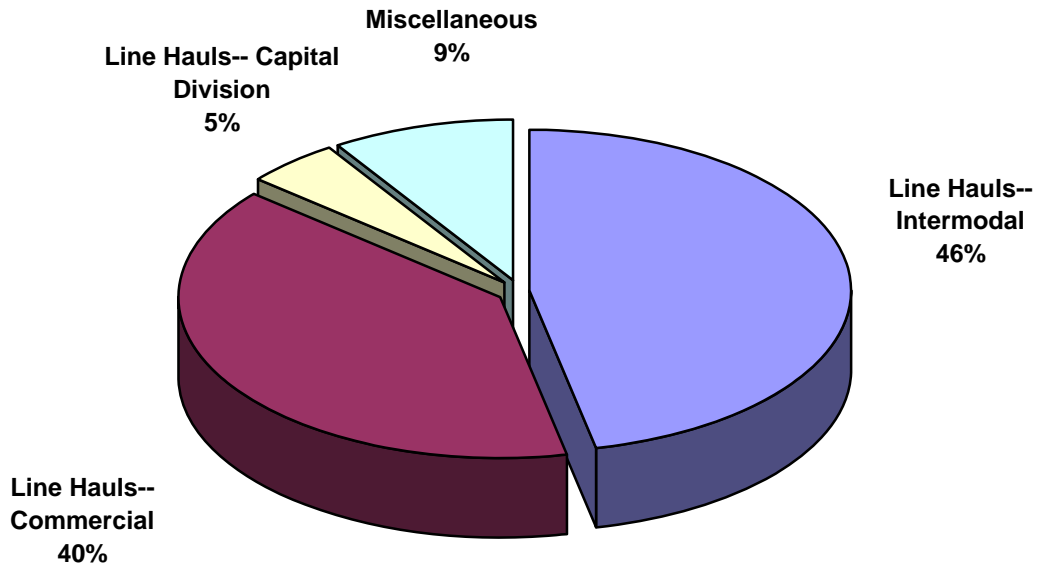
**SWITCHING REVENUES**  
Year to Date - July 2013 & 2012



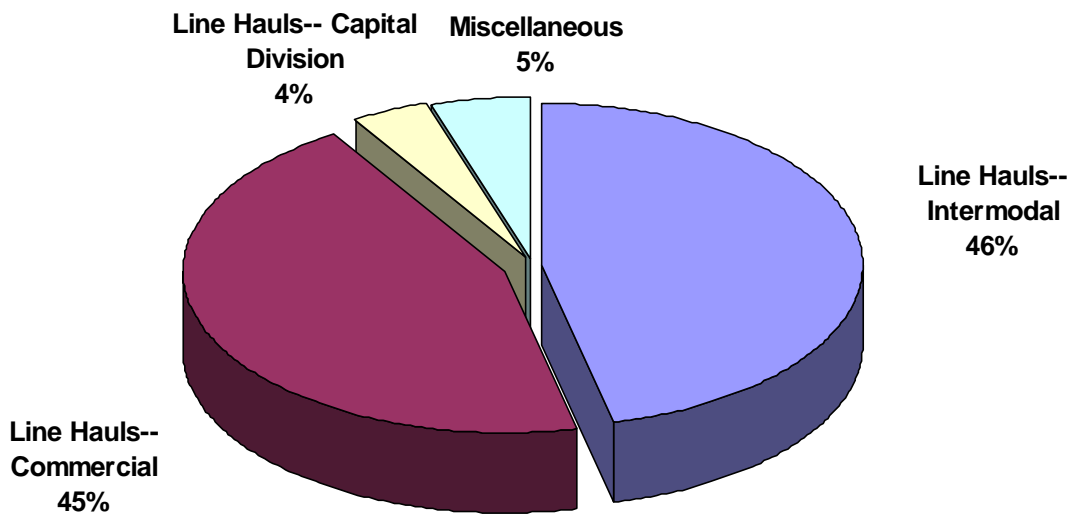
**SWITCHING ACTIVITIES**  
Year to Date - July 2013 & 2012



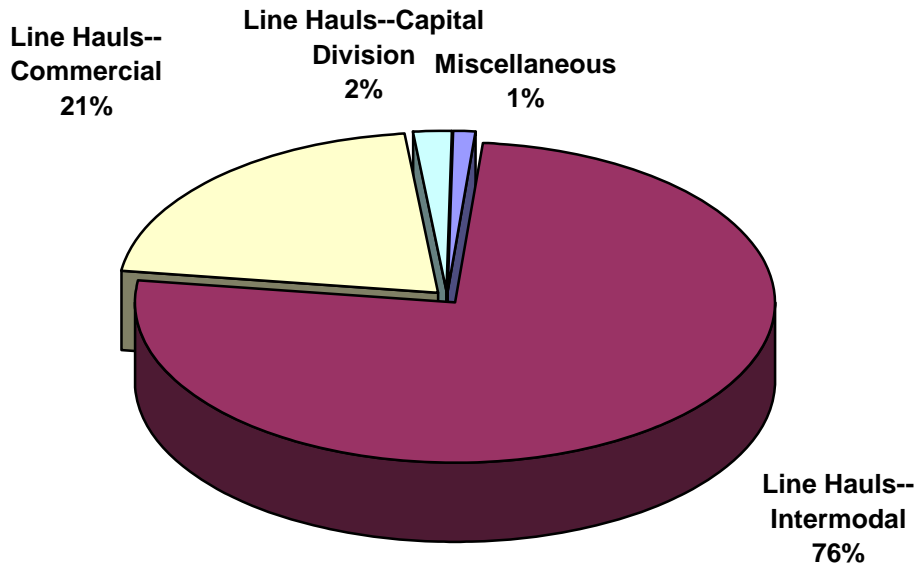
**SWITCHING REVENUES**  
Year to Date - July 2013 (\$14,631,066)



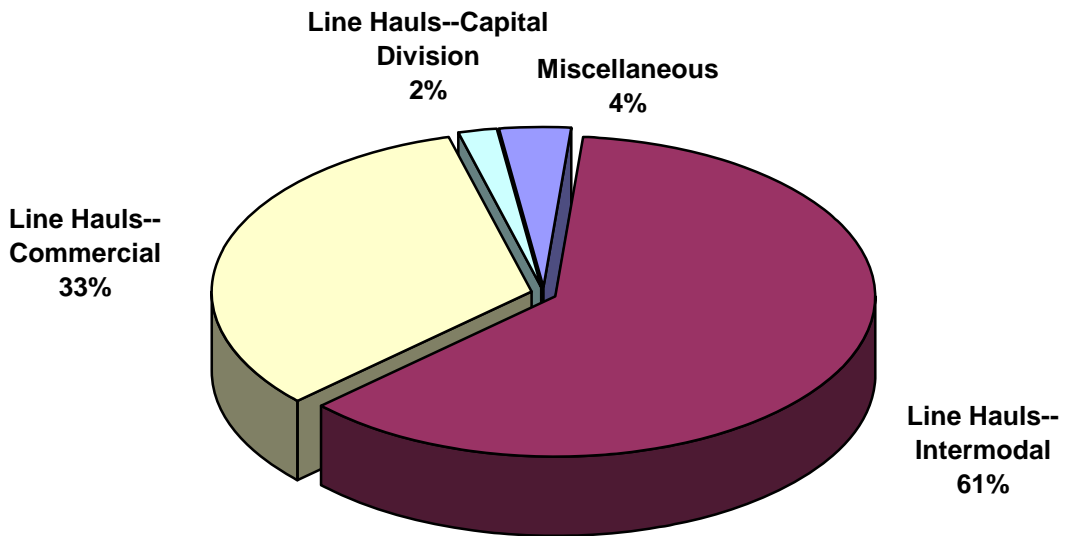
**SWITCHING REVENUES**  
Year to Date - July 2012 (\$11,172,147)



**SWITCHING ACTIVITY**  
**Year to Date - July 2013 (86,713 cars)**

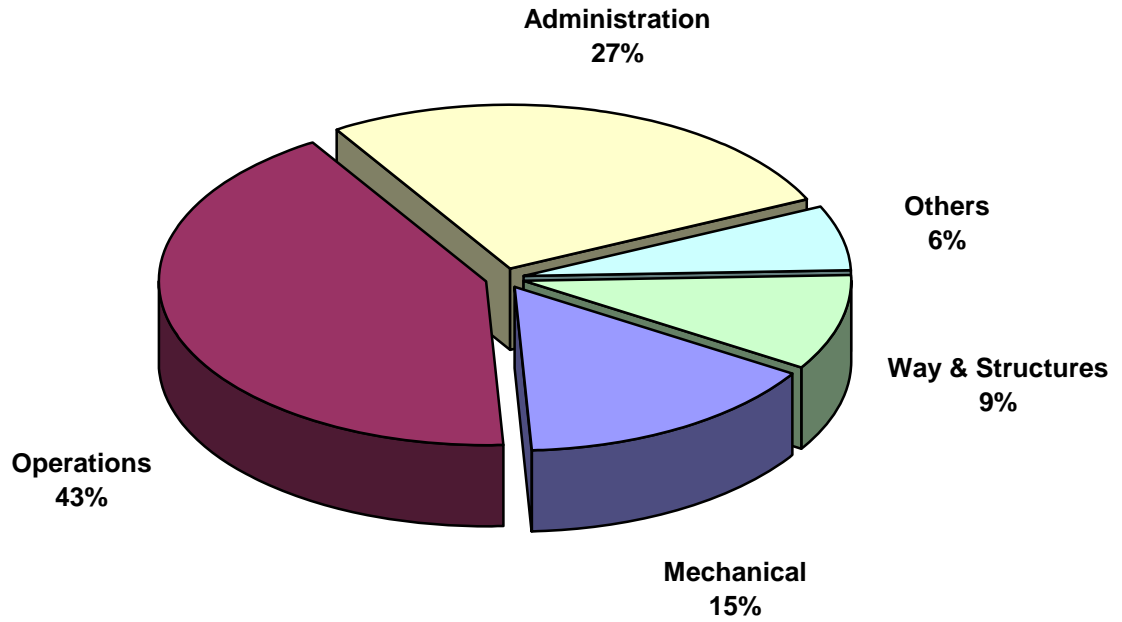


**SWITCHING ACTIVITY**  
**Year to Date - July 2012 (48,663 cars)**

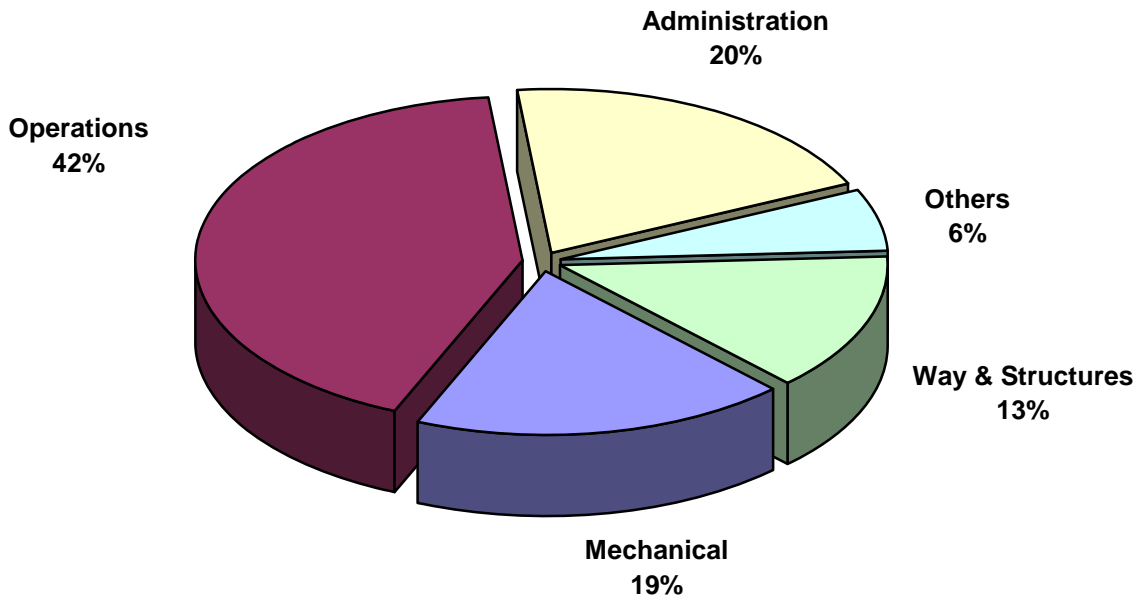




**TOTAL OPERATING EXPENSES**  
Year to Date - July 2013 (\$13,492,721)



**TOTAL OPERATING EXPENSES**  
Year to Date - July 2012 (\$10,725,059)





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