
JULY

TACOMA RAIL

2016

**FINANCIAL
REPORT**



Public Utility Board

MARK PATTERSON

Chair

MONIQUE TRUDNOWSKI

Vice-Chair

WOODROW JONES

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BRYAN FLINT

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Member

WILLIAM A. GAINES
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,	
	2016	2015
CAPITAL ASSETS		
Road and Equipment Property	\$41,312,879	\$36,611,980
Less Accumulated Depreciation	(18,234,236)	(16,865,636)
Total	23,078,643	19,746,344
Construction Work in Progress	1,951,447	3,005,232
Net Capital Assets	25,030,090	22,751,576
SPECIAL FUNDS		
Cash and Equity in Pooled Investments:		
Debt Service Funds	21,701	21,701
Total Special Funds	21,701	21,701
CURRENT ASSETS		
Cash & Equity in Pooled Investments	11,390,660	9,468,019
Customer Accounts Receivable	3,262,897	2,948,093
Prepayments	1,667,544	1,772,364
Materials and Supplies Inventory.....	989,769	902,665
Total Current Assets	17,310,870	15,091,141
TOTAL ASSETS	\$42,362,661	\$37,864,418

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2015 Annual Report.

NET POSITION AND LIABILITIES	<u>JULY 31,</u> 2016	<u>JULY 31,</u> 2015
NET POSITION		
Net Investment in Capital Assets.....	\$18,412,716	\$17,103,096
Restricted for:		
Debt Service	21,701	21,701
Unrestricted	9,833,254	9,570,154
TOTAL NET POSITION	<u>28,267,671</u>	<u>26,694,951</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES		
2006 Senior Lien Revenue Bond	255,008	312,763
State Loans.....	5,583,372	4,869,983
Total Long-Term Liabilities	<u>5,838,380</u>	<u>5,182,746</u>
CURRENT LIABILITIES		
Accounts Payable	532,584	1,813,171
Customer Deposits	-	45,900
Wages Payable	212,363	174,516
Unemployment and other Tax Payables	282,954	238,112
Volume Incentive Payable	2,708,334	208,333
Current Portion of Long Term Debt	778,996	465,734
Interest Payable	3,417	1,675
Current Portion of Compensated Absences	113,117	101,373
Total Current Liabilities	<u>4,631,765</u>	<u>3,048,814</u>
LONG-TERM LIABILITIES		
On the Job Injury Reserve	730,432	712,664
Long Term Portion of Compensated Absences	1,018,056	912,353
Other Long-Term Liabilities	1,876,357	1,312,890
Total Long-Term Liabilities	<u>3,624,845</u>	<u>2,937,907</u>
TOTAL LIABILITIES	<u>14,094,990</u>	<u>11,169,467</u>
TOTAL NET POSITION AND LIABILITIES	<u>\$42,362,661</u>	<u>\$37,864,418</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	JULY 2016	JULY 2015
	<u> </u>	<u> </u>
OPERATING REVENUES		
Switching Revenues	\$2,356,748	\$2,252,250
Demurrage and Other Operating Revenues	313,549	406,509
Total Operating Revenues	<u>2,670,297</u>	<u>2,658,759</u>
 OPERATING EXPENSES		
Maintenance of Way and Structures		
Salaries and Wages	98,683	88,823
Supplies and Expense	134,715	142,566
Mechanical		
Salaries and Wages	176,671	172,087
Supplies and Expense	253,845	149,381
Operations		
Salaries and Wages	873,673	1,059,668
Supplies and Expense	169,202	117,363
Administration		
Salaries and Wages	246,170	191,647
Supplies and Expense	401,134	(960,345)
Taxes - State	39,095	35,203
Depreciation	122,577	101,740
Total Operating Expenses	<u>2,515,765</u>	<u>1,098,133</u>
 Net Operating Income	154,532	1,560,626
 NON-OPERATING REVENUES (EXPENSES)		
Interest Income	9,376	6,784
Miscellaneous	91,201	76,957
Interest Expense	(3,417)	(1,678)
Total Non-Operating Revenues	<u>97,160</u>	<u>82,063</u>
 Contributions - Grants	-	-
Contributions - Others	-	216,000
Total Contributions	<u>-</u>	<u>216,000</u>
 Transfers		
City of Tacoma Gross Earnings Tax	(232,586)	(196,113)
 CHANGE IN NET POSITION	<u>\$19,106</u>	<u>\$1,662,576</u>
 TOTAL NET POSITION - JANUARY 1		
 TOTAL NET POSITION - JULY 31		

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2016 Financial Report.

YEAR TO DATE			
JULY 31, 2016	JULY 31, 2015	2016/2015 VARIANCE	PERCENT CHANGE
\$15,863,833	\$14,549,135	\$1,314,698	9.0%
2,031,275	2,378,385	(347,110)	-14.6%
17,895,108	16,927,520	967,588	5.7%
605,167	645,543	(40,376)	-6.3%
1,073,328	748,444	324,884	43.4%
1,178,850	1,191,959	(13,109)	-1.1%
1,533,189	1,598,339	(65,150)	-4.1%
5,450,532	5,848,171	(397,639)	-6.8%
816,204	764,368	51,836	6.8%
1,400,609	1,305,175	95,434	7.3%
2,840,988	859,312	1,981,676	230.6%
254,660	237,182	17,478	7.4%
859,899	712,181	147,718	20.7%
16,013,426	13,910,674	2,102,752	15.1%
1,881,682	3,016,846	(1,135,164)	-37.6%
76,020	40,611	35,409	87.2%
775,187	542,854	232,333	42.8%
(9,373)	(14,112)	4,739	-33.6%
841,834	569,353	272,481	47.9%
-	34,670	(34,670)	-100.0%
-	216,000	(216,000)	-100.0%
-	250,670	(250,670)	-100.0%
(1,497,506)	(1,372,108)	(125,398)	9.1%
1,226,010	2,464,761	(\$1,238,751)	-50.3%
27,041,661	24,230,190		
\$28,267,671	\$26,694,951		

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES

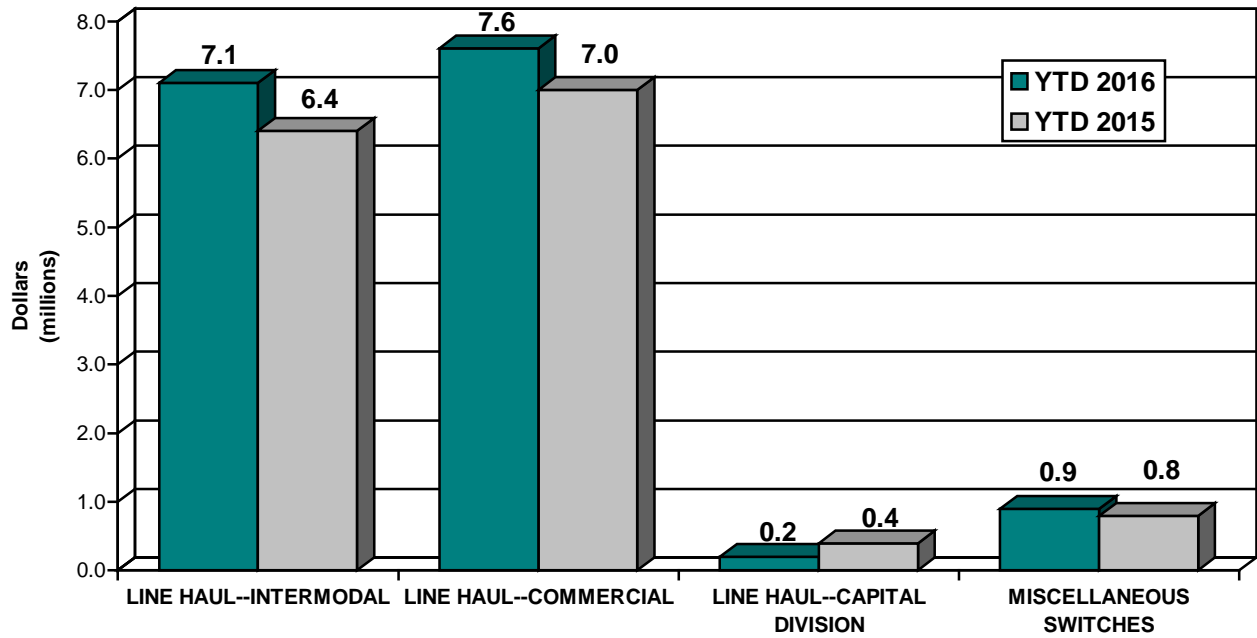
	<u>July 2016</u>	<u>July 2015</u>
SWITCHING REVENUES		
LINE HAULS--INTERMODAL	\$1,047,913	\$1,043,833
LINE HAULS--COMMERCIAL	1,162,000	1,044,855
LINE HAULS--CAPITAL DIVISION	23,395	55,054
MISCELLANEOUS SWITCHES	<u>123,440</u>	<u>108,508</u>
TOTAL SWITCHING REVENUES	<u><u>\$2,356,748</u></u>	<u><u>\$2,252,250</u></u>
 SWITCHING ACTIVITIES (CARS)		
LINE HAULS--INTERMODAL	6,174	6,267
LINE HAULS--COMMERCIAL	4,173	2,594
LINE HAULS--CAPITAL DIVISION	56	127
MISCELLANEOUS SWITCHES	<u>105</u>	<u>254</u>
TOTAL CARS SWITCHED	<u><u>10,508</u></u>	<u><u>9,242</u></u>

YEAR TO DATE			
July 31, 2016	July 31, 2015	2016/2015 VARIANCE	PERCENT CHANGE
\$7,112,024	\$6,356,188	\$755,836	11.9%
7,629,945	6,960,204	669,741	9.6%
219,339	418,391	(199,052)	-47.6%
902,525	814,352	88,174	10.8%
<u>\$15,863,833</u>	<u>\$14,549,135</u>	<u>\$1,314,699</u>	<u>9.0%</u>
56,267	38,798	17,469	45.0%
19,461	17,078	2,383	14.0%
405	968	(563)	-58.1%
1,444	1,634	(190)	-11.6%
<u>77,577</u>	<u>58,478</u>	<u>19,099</u>	<u>32.7%</u>

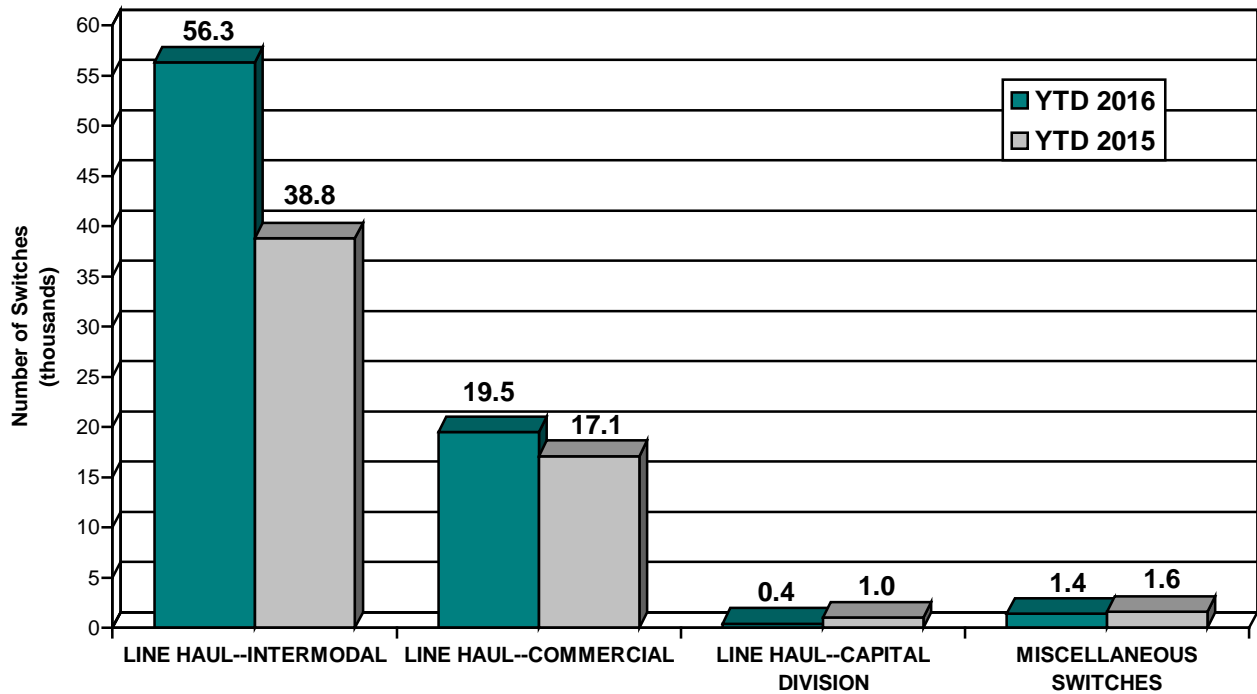
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Supplemental Data

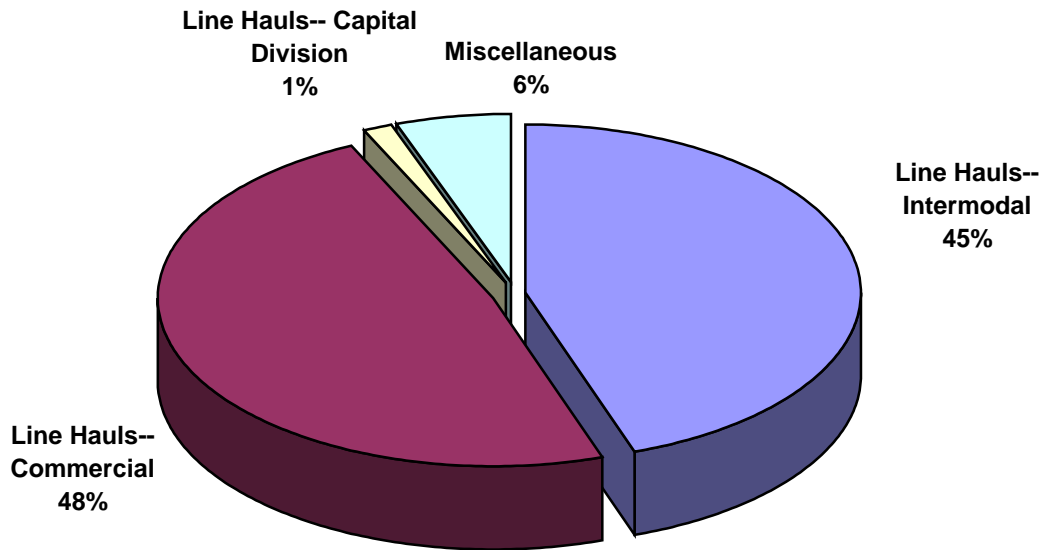
SWITCHING REVENUES
Year to Date - July 2016 & 2015



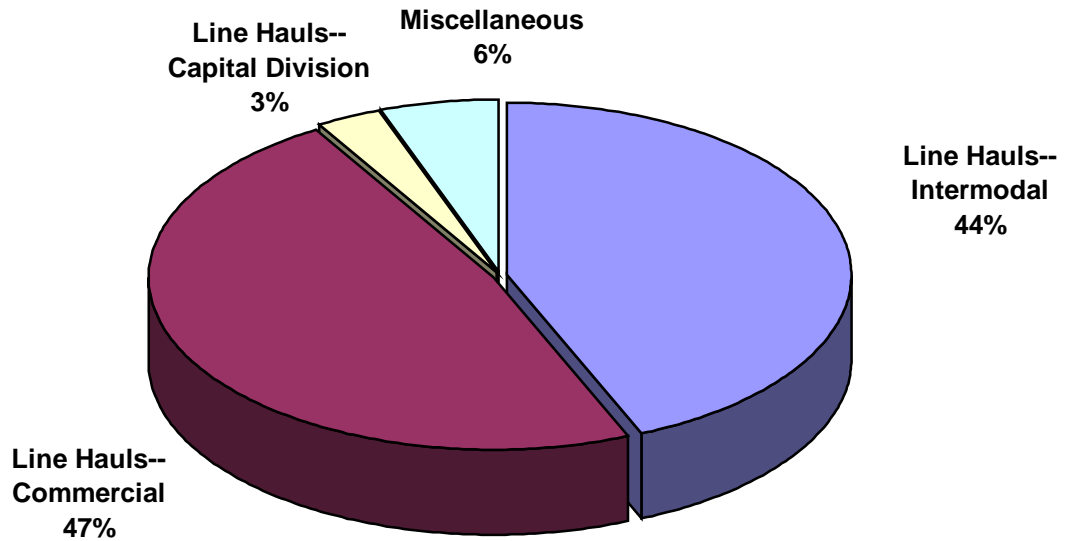
SWITCHING ACTIVITIES
Year to Date - July 2016 & 2015



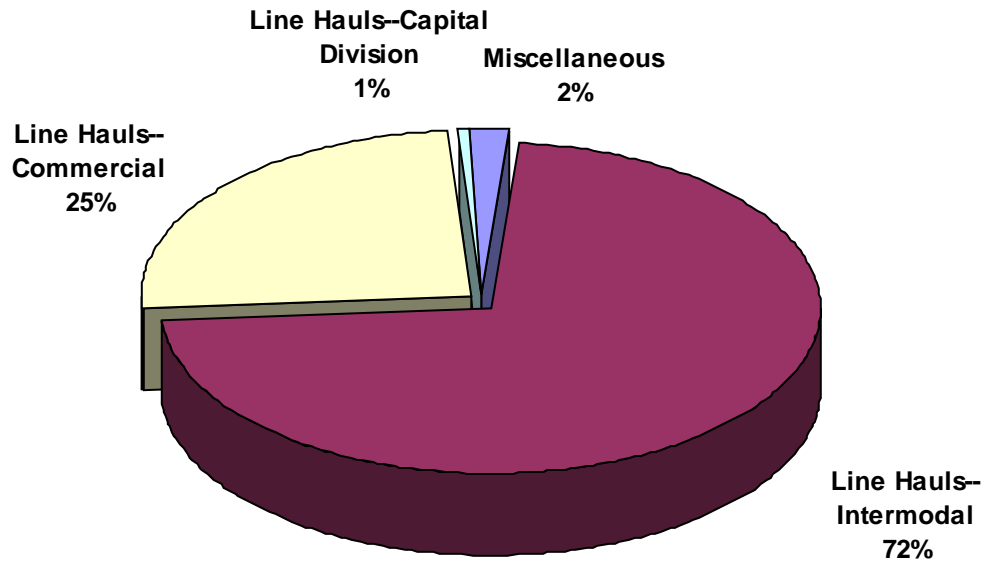
SWITCHING REVENUES
Year to Date - July 2016 (\$15,863,833)



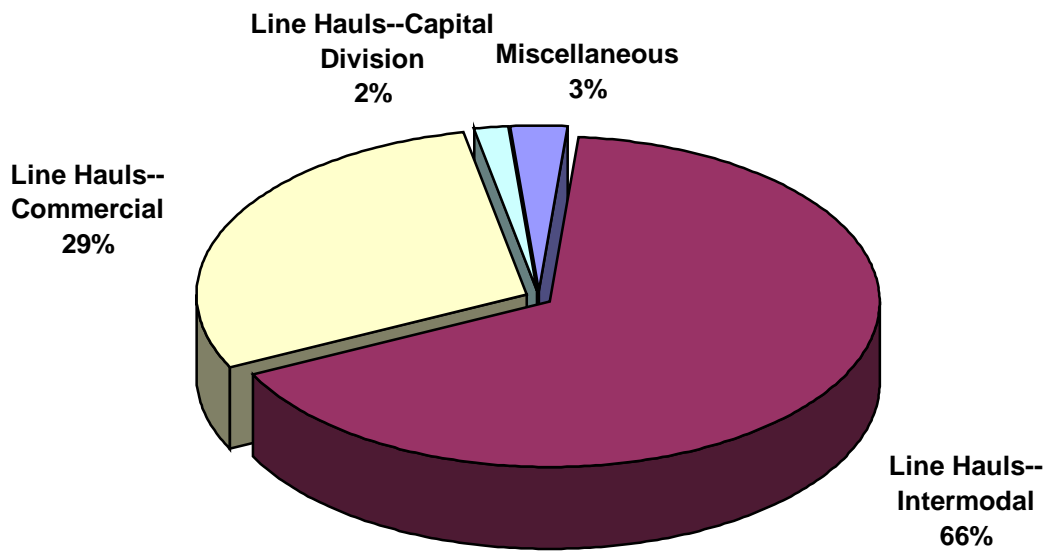
SWITCHING REVENUES
Year to Date - July 2015 (\$14,549,135)



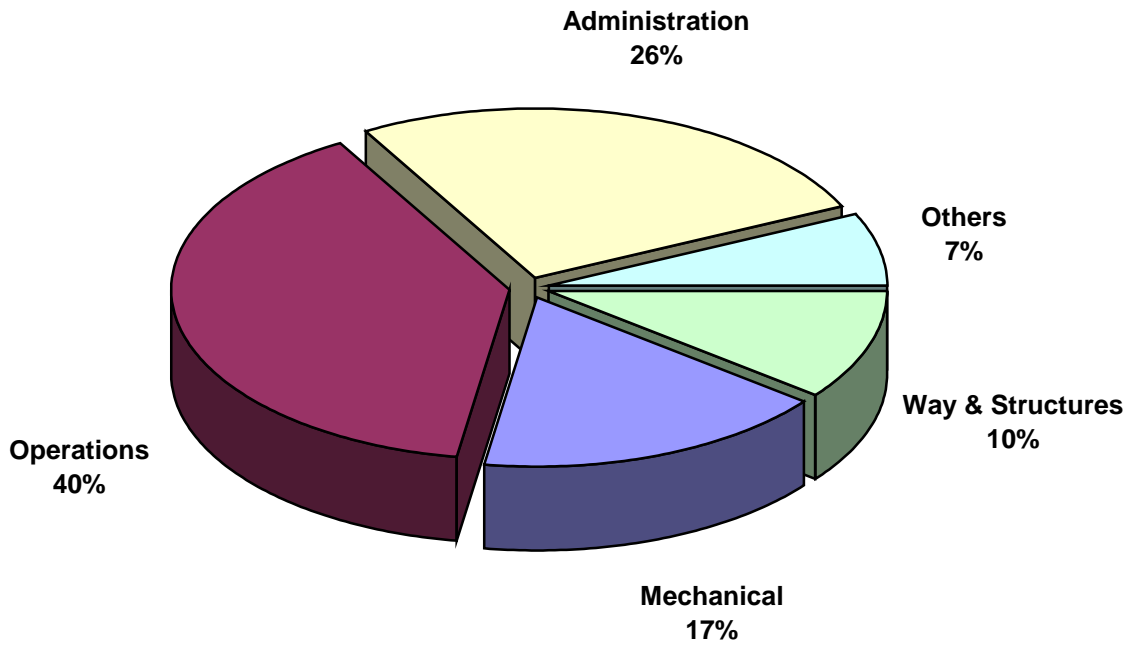
SWITCHING ACTIVITY
Year to Date - July 2016 (77,577 cars)



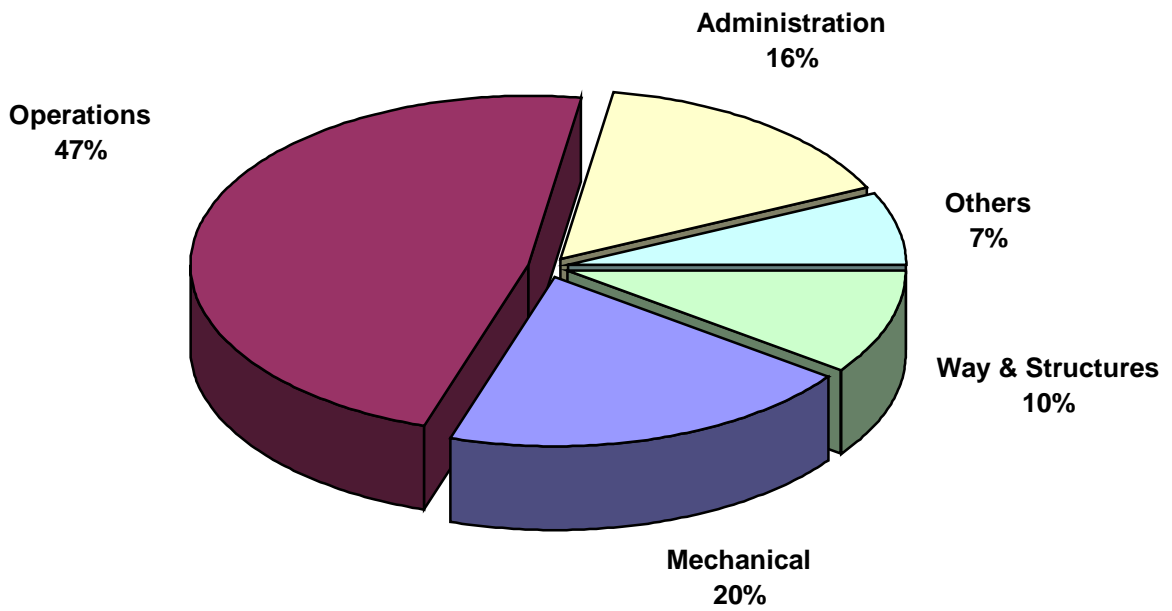
SWITCHING ACTIVITY
Year to Date - July 2015 (58,478 cars)



TOTAL OPERATING EXPENSES
Year to Date - July 2016 (\$16,013,426)



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





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