
MARCH

TACOMA RAIL

2024

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

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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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Management Discussion and Analysis

Tacoma Rail Beltline Division (Tacoma Rail) is reporting 2024 year to date net operating income of \$1.4 million similar to \$1.4 million in 2023. Operating revenues increased \$0.4 million or 4.7%, and operating expenses increased \$0.4 million or 4.9% year to date in 2024 compared to 2023.

Operating revenues were \$9.6 million at the end of first quarter 2024, compared to \$9.2 million in 2023. Total switching revenues increased \$0.4 million primarily due to rate increases. The table below shows the activity for the year.

Activity Types	Rail Cars/Platforms				Switching Revenues (in thousands)			
	2024	2023	Var	%Chg	2024	2023	Var	%Chg
Intermodal Line Hauls	40,214	41,567	(1,353)	-3.3%	\$ 2,517	\$ 2,602	(85)	-3.3%
Commercial Line Hauls	15,044	15,307	(263)	-1.7%	4,996	4,834	162	3.4%
Capital Div. Line Hauls	166	158	8	5.1%	107	99	8	8.1%
Miscellaneous Switches	1,690	2,233	(543)	-24.3%	822	513	309	60.2%
Total Line Hauls	57,114	59,265	(2,151)	-3.6%	\$ 8,442	\$ 8,048	\$ 394	4.9%

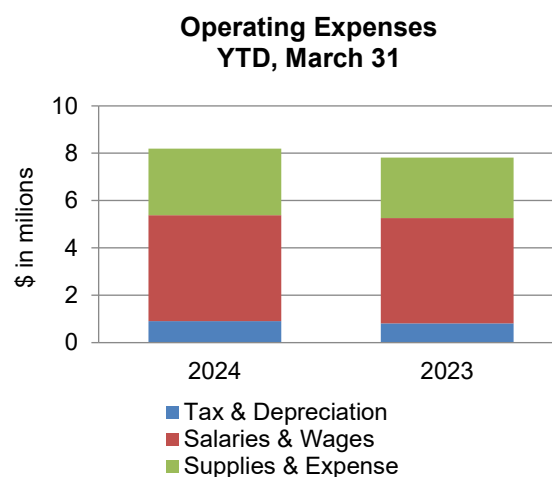
Demurrage and other operating revenues increased \$43,000 primarily due to increased line haul and increased customer fees.

Total operating expenses were \$8.2 million year to date in 2024, compared to \$7.8 million in 2023.

Salaries and wages were \$36,000 higher due to increases in wages and associated benefit costs.

Supplies and expenses increased \$256,000 primarily due to increases in external contract services, fuel prices and operating supplies.

Tacoma Rail's working capital ratios year to date for 2024 and 2023 were 5.0 in each year.



Rail financial statements are designed to provide a general overview of the Division's finances, as well as to demonstrate the Division's accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Tacoma, Finance Department, 747 Market Street, Room 132, Tacoma, WA 98402-2773.

City of Tacoma, Washington
Department of Public Utilities
Tacoma Rail
Statements of Net Position (Unaudited)
March 31, 2024 and March 31, 2023

ASSETS	2024	2023
CAPITAL ASSETS		
Road and Equipment Property	\$67,940,583	\$60,293,395
Less Accumulated Depreciation	(31,699,974)	(29,110,613)
Net Road and Equipment Property	36,240,609	31,182,782
Right to Use Subscription Assets	56,601	-
Less Accumulated Amortization	(28,301)	-
Net Right to Use	28,300	-
Construction Work in Progress	1,937,694	6,705,622
Net Capital Assets	38,206,603	37,888,404
CURRENT ASSETS		
Cash & Equity in Pooled Investments	16,394,354	10,099,614
Customer Accounts Receivable	1,628,589	4,032,157
Grants Receivable	-	171,756
Prepayments	3,726,594	3,304,867
Materials and Supplies Inventory	1,513,055	1,314,493
Total Current Assets	23,262,592	18,922,887
DEFERRED OUTFLOWS		
Deferred Outflows for OPEB	1,182,933	1,659,142
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$62,652,128	\$58,470,433

These statements should be read with the Notes to the Financial Statements contained in the previous year-end Financial Report.

NET POSITION AND LIABILITIES	2024	2023
NET POSITION		
Net Investment in Capital Assets	\$34,590,767	\$34,076,363
Unrestricted	5,361,475	(2,051,910)
TOTAL NET POSITION	39,952,242	32,024,453
LONG-TERM DEBT, NET OF CURRENT MATURITIES		
State Loans	2,690,770	2,934,642
Total Long-Term Liabilities	2,690,770	2,934,642
CURRENT LIABILITIES		
Accounts Payable	618,063	1,865,970
Customer Deposits	100,000	100,000
Wages Payable	240,189	186,296
Unemployment and Other Tax Payables	350,331	345,361
Current Portion of Long-Term Debt	896,633	877,399
Current Portion of Compensated Absences	154,767	148,630
Current OPEB Liability	244,449	-
Current Portion of Pension Withdrawal Liability	229,581	229,581
Current Subscription Liability	18,868	-
Total Current Liabilities	2,852,881	3,753,237
LONG-TERM LIABILITIES		
On the Job Injury Reserve	525,586	697,050
Long-Term Portion of Compensated Absences	1,392,904	1,337,672
Pension Withdrawal Liability	2,290,581	2,520,162
OPEB Liability	8,517,668	10,547,150
Long-Term Subscription Liability	9,567	-
Incurred but not Reported Claims	525,683	1,388,292
Other Deferred Liabilities	97,633	333,653
Total Long-Term Liabilities	13,359,622	16,823,979
TOTAL LIABILITIES	18,903,273	23,511,858
DEFERRED INFLOWS		
Deferred Inflows for OPEB	3,796,613	2,934,122
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	\$62,652,128	\$58,470,433

City of Tacoma, Washington
Department of Public Utilities
Tacoma Rail
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2024 and March 31, 2023

			YEAR TO DATE			
	MARCH 2024	MARCH 2023	MARCH 31 2024	MARCH 31 2023	2024/2023 VARIANCE	PERCENT CHANGE
OPERATING REVENUES						
Switching Revenues	\$2,918,508	\$2,876,639	\$8,438,680	\$8,047,802	\$390,878	4.9%
Demurrage and Other Operating Revenues	420,018	357,384	1,170,902	1,128,012	42,890	3.8%
Total Operating Revenues	3,338,526	3,234,023	9,609,582	9,175,814	433,768	4.7%
OPERATING EXPENSES						
Maintenance of Way and Structures						
Salaries and Wages	118,651	121,057	386,070	377,928	8,142	2.2%
Supplies and Expense	153,456	145,883	371,754	394,068	(22,314)	-5.7%
Mechanical						
Salaries and Wages	240,836	226,338	716,706	661,296	55,410	8.4%
Supplies and Expense	304,638	286,670	743,715	809,510	(65,795)	-8.1%
Operations						
Salaries and Wages	864,374	871,660	2,493,456	2,483,219	10,237	0.4%
Supplies and Expense	(17,277)	103,762	460,198	360,053	100,145	27.8%
Administration						
Salaries and Wages	254,861	229,471	877,346	914,636	(37,290)	-4.1%
Supplies and Expense	429,457	402,101	1,243,486	999,059	244,427	24.5%
Taxes - State	56,413	55,434	161,794	156,213	5,581	3.6%
Depreciation and Amortization	247,951	220,534	744,968	662,180	82,788	12.5%
Total Operating Expenses	2,653,360	2,662,910	8,199,493	7,818,162	381,331	4.9%
Net Operating Income	685,166	571,113	1,410,089	1,357,652	52,437	3.9%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	39,648	21,964	111,645	54,231	57,414	105.9%
Loss from Disposition of Property	(18,233)	-	(18,233)	-	-	N/A
Other Non-Operating Revenue	30,847	32,366	110,008	87,821	22,187	25.3%
Total Non-Operating Revenues	52,262	54,330	203,420	142,052	61,368	43.2%
Contributions - Grants	-	-	(31,890)	171,756	(203,646)	-118.6%
Total Contributions	-	-	(31,890)	171,756	(203,646)	-118.6%
Transfers						
City of Tacoma Gross Earnings Tax	(271,263)	(264,341)	(783,172)	(745,429)	(37,743)	-5.1%
Total Transfers	(271,263)	(264,341)	(783,172)	(745,429)	(37,743)	-5.1%
CHANGE IN NET POSITION	<u>\$466,165</u>	<u>\$361,102</u>	798,447	926,031	(127,584)	-13.8%
TOTAL NET POSITION - JANUARY 1			<u>39,153,795</u>	<u>31,098,422</u>		
TOTAL NET POSITION - MARCH 31			<u>\$39,952,242</u>	<u>\$32,024,453</u>		

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report.

City of Tacoma, Washington
Department of Public Utilities
Tacoma Rail
Summary of Switching Revenues and Switching Activities (Unaudited)
March 31, 2024 and March 31, 2023

	March	March	YEAR TO DATE		2024/2023	PERCENT
	2024	2023	March 31, 2024	March 31, 2023	VARIANCE	CHANGE
SWITCHING REVENUES						
LINE HAULS--INTERMODAL	\$893,526	\$960,900	\$2,516,652	\$2,602,007	(\$85,355)	-3.3%
LINE HAULS--COMMERCIAL	1,736,307	1,671,572	4,996,045	4,834,219	161,826	3.3%
LINE HAULS--CAPITAL DIVISION	31,056	50,790	107,402	99,072	8,330	8.4%
MISCELLANEOUS SWITCHES	<u>257,619</u>	<u>193,377</u>	<u>818,581</u>	<u>512,504</u>	<u>306,077</u>	59.7%
TOTAL SWITCHING REVENUES	<u>\$2,918,508</u>	<u>\$2,876,639</u>	<u>\$8,438,680</u>	<u>\$8,047,802</u>	<u>\$390,878</u>	4.9%
SWITCHING ACTIVITIES						
LINE HAULS--INTERMODAL	14,265	15,388	40,214	41,567	(1,353)	-3.3%
LINE HAULS--COMMERCIAL	5,288	5,266	15,044	15,307	(263)	-1.7%
LINE HAULS--CAPITAL DIVISION	48	81	166	158	8	5.1%
MISCELLANEOUS SWITCHES	<u>818</u>	<u>848</u>	<u>1,690</u>	<u>2,233</u>	<u>(543)</u>	-24.3%
TOTAL LINE HAULS CARS SWITCHED	<u>20,419</u>	<u>21,583</u>	<u>57,114</u>	<u>59,265</u>	<u>(2,151)</u>	-3.6%

City of Tacoma, Washington
Department of Public Utilities
Tacoma Rail
Statements of Cash Flows (Unaudited)
March 31, 2024 and March 31, 2023

	YEAR ENDED MARCH 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Customers	\$12,409,845	\$8,536,207
Cash Paid to Suppliers	(3,004,197)	(2,897,156)
Cash Paid to Employees	(4,612,018)	(4,683,102)
Taxes Paid	(184,796)	(134,422)
Cash from Other Non-Operating Revenues	86,657	87,821
Net Cash From Operating Activities	4,695,491	909,348
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(783,172)	(745,429)
Net Cash From Non-Capital Financing Activities	(783,172)	(745,429)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital assets acquisitions	(169,448)	(1,960,070)
Principal Payments on Long-Term Debt	(256,570)	(135,370)
Proceeds from Capital Contributions	-	171,756
Proceeds from Long-Term Debt	180,286	492,685
Proceeds from sale of capital assets	23,351	-
Net Cash From Capital and Related Financing Activities	(222,381)	(1,430,999)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments Income (Loss) ^a	111,645	54,231
Net Cash From Investing Activities	111,645	54,231
Net Change in Cash and Equity in Pooled Investments	3,801,583	(1,212,849)
Cash and Equity in Pooled Investments at January 1	<u>12,592,771</u>	<u>11,312,463</u>
Cash and Equity in Pooled Investments at March 31	<u><u>\$16,394,354</u></u>	<u><u>\$10,099,614</u></u>

^a Increases and decreases in the fair value of investments are treated as additions or deductions to cash and equity in pooled investments and long-term investments.

The accompanying notes are an integral part of these financial statements.

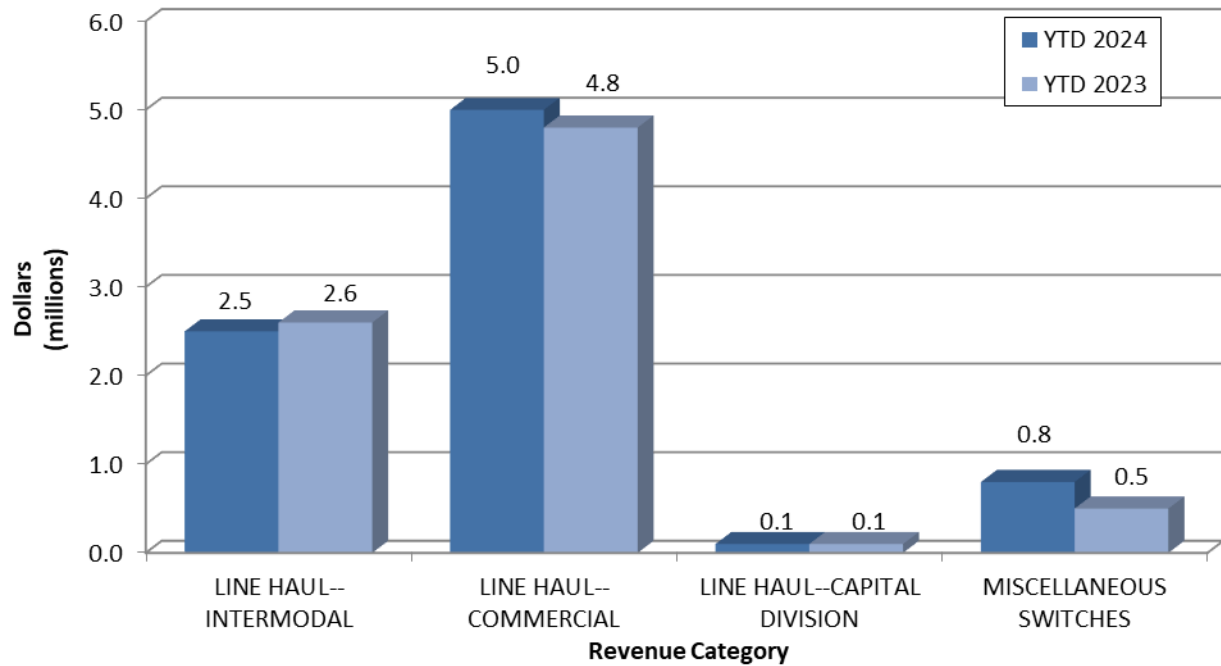
	YEAR ENDED MARCH 31,	
	2024	2023
Reconciliation of Operating Income to Net Cash From Operating Activities:		
Operating Income	\$1,410,089	\$1,357,652
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities:		
Depreciation Expense	744,968	662,180
Net OPEB Expense	-	(105,800)
Cash from Other Non-Operating Revenues	86,657	87,821
Cash provided from changes in operating assets and liabilities:		
Accounts Receivable	2,800,263	(639,606)
Materials and Supplies Inventory	(70,078)	32,947
Prepayments	248,279	(679,214)
Accounts Payable	(460,878)	83,947
Unemployment and other Tax Payables	(23,002)	21,791
Wages Payable and Compensated Absences	(128,849)	(225,509)
Other Long-Term Liabilities	97,633	333,653
On the Job Injury Reserve	(9,591)	(20,514)
Total Adjustments	3,285,402	(448,304)
Net Cash From Operating Activities	<u>\$4,695,491</u>	<u>\$909,348</u>

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Supplemental Data

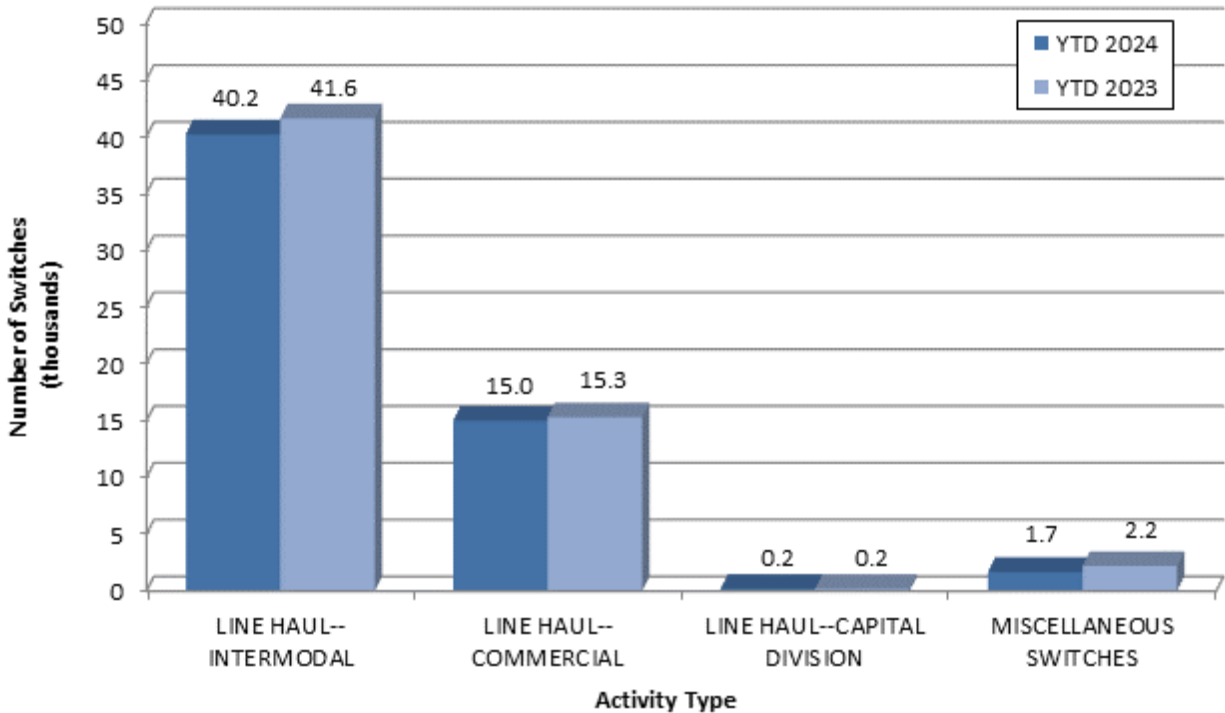
SWITCHING REVENUES

Year to Date - March 2024 & 2023

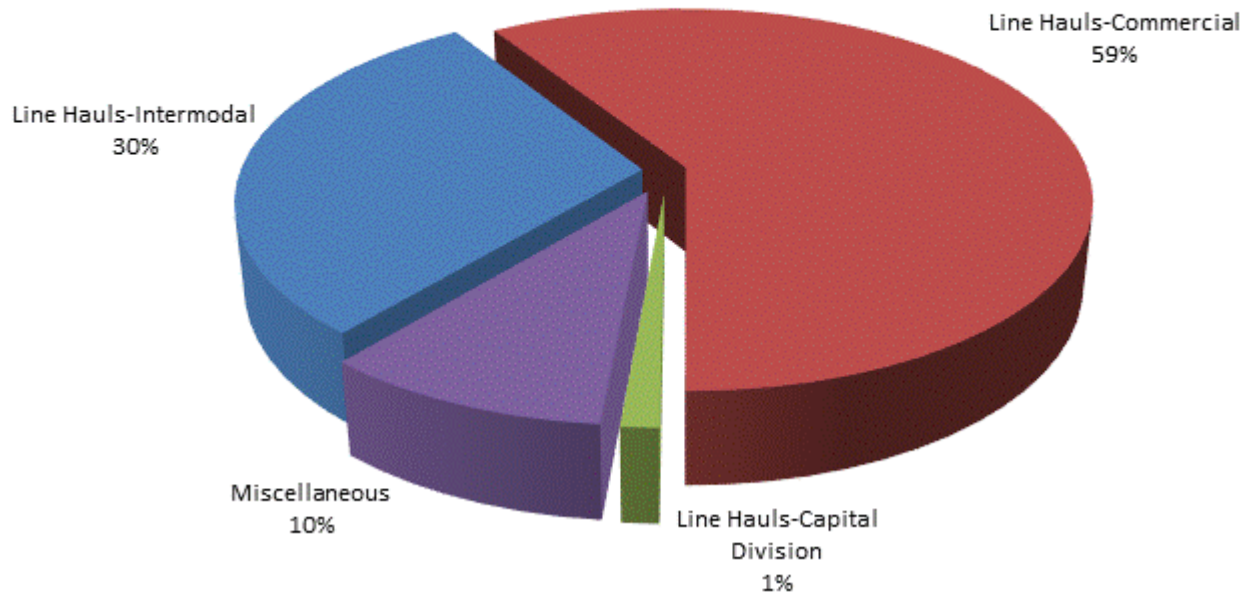


SWITCHING ACTIVITIES

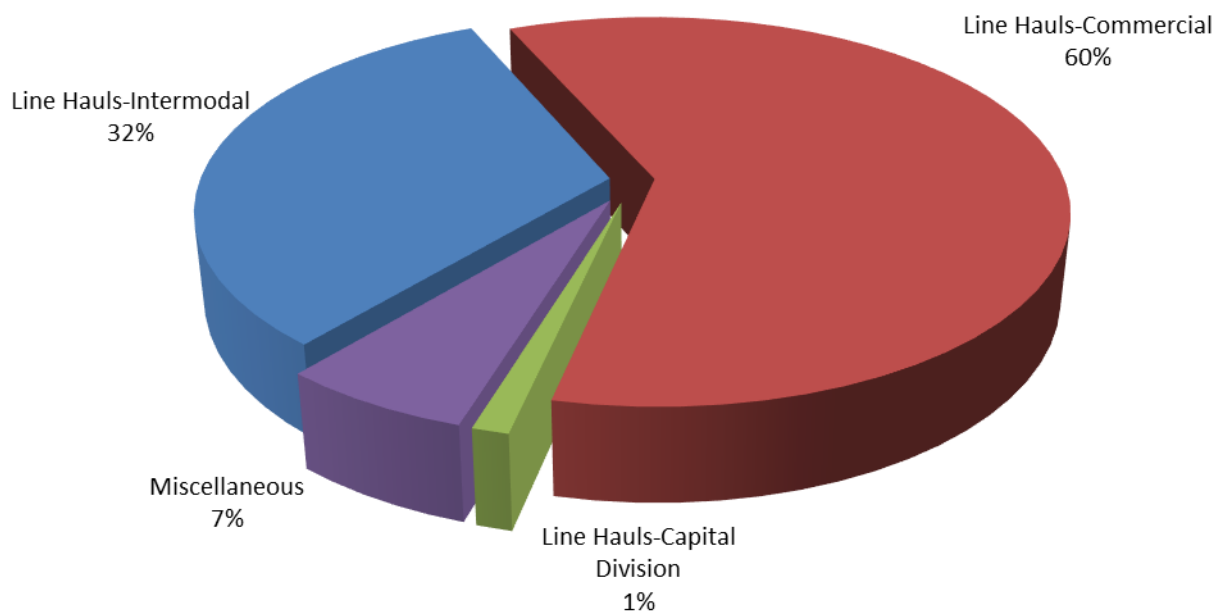
Year to Date - March 2024 & 2023



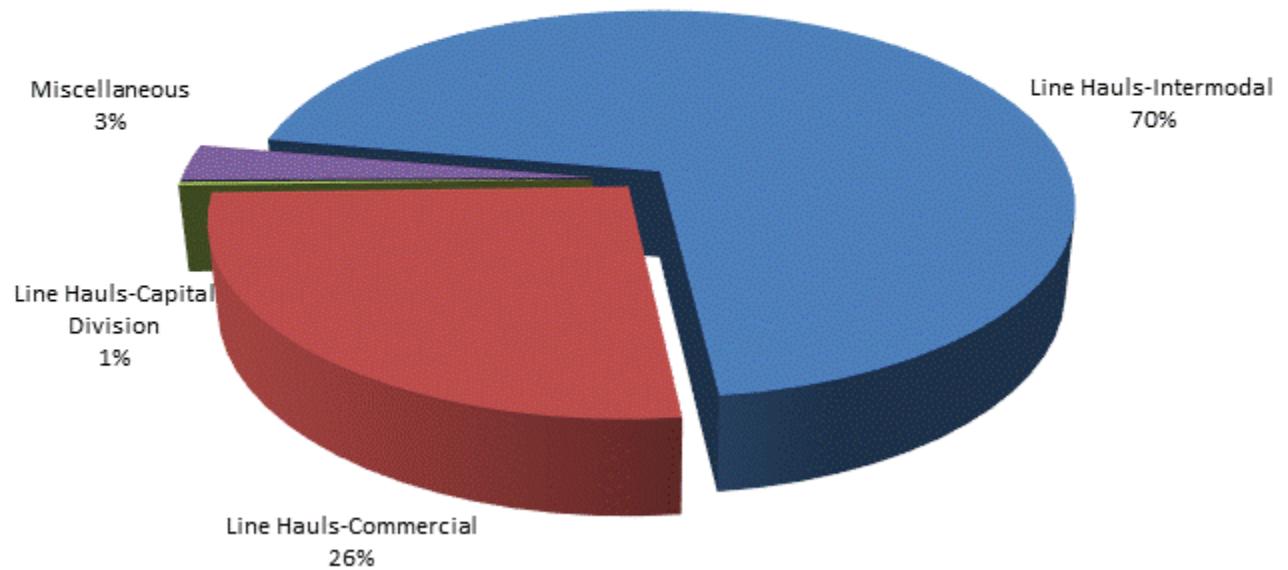
SWITCHING REVENUES
Year to Date - March 2024 (\$8,438,680)



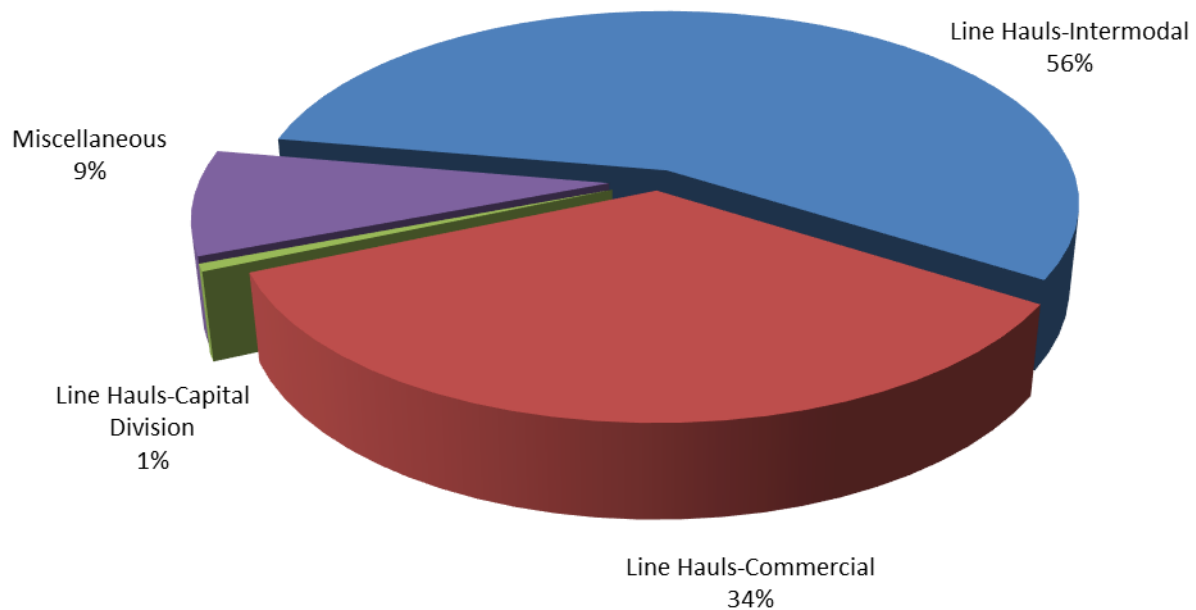
SWITCHING REVENUES
Year to Date - March 2023 (\$8,047,802)



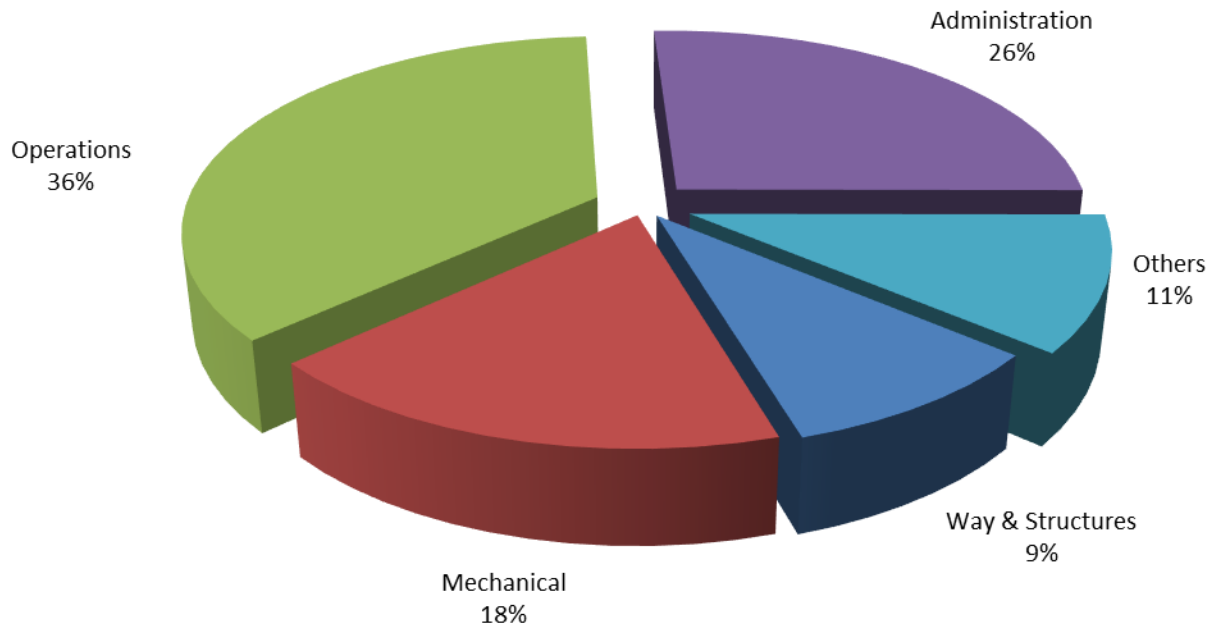
SWITCHING ACTIVITY
Year to Date - March 2024 (57,114 line hauls)



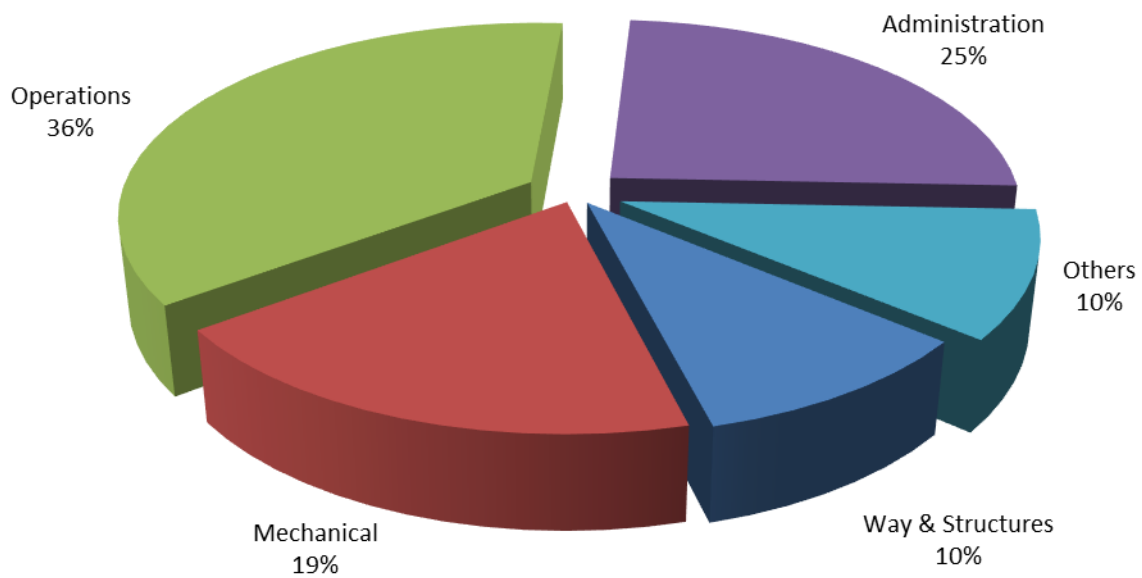
SWITCHING ACTIVITY
Year to Date - March 2023 (59,265 line hauls)



TOTAL OPERATING EXPENSES
Year to Date - March 2024 (\$8,199,493)



TOTAL OPERATING EXPENSES
Year to Date - March 2023 (\$7,818,162)





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.