

**ALASKA
RAILROAD
CORPORATION
OVERVIEW**

STATE OF ALASKA
THE LEGISLATURE

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Mary Van Nimwegen

House Transportation

3/13/90

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ALASKA RAILROAD CORPORATION
INCOME STATEMENT
(In Thousands)

| | 5-YEAR <u>TOTAL</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> |
|--------------------------------------|------------------------|---------------|---------------|---------------|---------------|---------------|
| <u>OPERATING REVENUE</u> | | | | | | |
| FREIGHT | 226,239 | 51,978 | 41,676 | 39,371 | 44,871 | 48,343 |
| PASSENGER | 25,978 | 4,344 | 4,574 | 5,434 | 5,601 | 6,025 |
| OTHER | <u>22,592</u> | <u>5,937</u> | <u>6,395</u> | <u>3,494</u> | <u>3,683</u> | <u>3,083</u> |
| | 274,809 | 62,259 | 52,645 | 48,299 | 54,155 | 57,451 |
| <u>OPERATING EXPENSE</u> | | | | | | |
| TRANSPORTATION | 74,100 | 17,556 | 15,532 | 12,568 | 13,656 | 14,788 |
| ENGINEERING | 56,735 | 12,310 | 11,795 | 10,119 | 11,263 | 11,248 |
| EQUIPMENT | 58,613 | 12,571 | 12,329 | 10,592 | 11,077 | 12,044 |
| OPERATIONS STAFF | 3,846 | 1,100 | 694 | 637 | 558 | 857 |
| GEN. & ADMIN | 53,658 | 12,648 | 12,560 | 9,397 | 8,964 | 10,089 |
| RISK MANAGEMENT | 12,295 | 1,673 | 2,818 | 1,906 | 2,010 | 3,888 |
| DEPRECIATION | <u>15,686</u> | <u>1,455</u> | <u>2,437</u> | <u>3,421</u> | <u>3,878</u> | <u>4,495</u> |
| | 274,933 | 59,313 | 58,165 | 48,640 | 51,406 | 57,409 |
| INCOME FROM OPERATIONS | -124 | 2,946 | -5,520 | -341 | 2,119 | 42 |
| <u>OTHER INCOME (EXPENSE)</u> | | | | | | |
| REAL ESTATE INCOME | 23,773 | 4,322 | 5,274 | 5,206 | 4,753 | 4,218 |
| REAL ESTATE EXPENSE | <u>-1,553</u> | <u>-227</u> | <u>-340</u> | <u>-385</u> | <u>-315</u> | <u>-286</u> |
| | 22,220 | 4,095 | 4,934 | 4,821 | 4,438 | 3,932 |
| INTEREST INCOME | 1,417 | 653 | 214 | 198 | 145 | 207 |
| INTEREST EXPENSE | <u>-5,565</u> | <u>-561</u> | <u>-613</u> | <u>-1,651</u> | <u>-1,526</u> | <u>-1,204</u> |
| | -4,148 | 92 | -399 | -1,463 | -1,381 | -997 |
| NET INCOME (LOSS) | <u>17,948</u> | <u>7,133</u> | <u>-935</u> | <u>3,017</u> | <u>5,806</u> | <u>2,977</u> |
| CASH CAPITAL PURCHASES | 50,538 | 7,902 | 9,279 | 6,130 | 7,939 | 19,288 |
| BORROWED (NET) | <u>19,932</u> | <u>9,054</u> | <u>12,624</u> | <u>-3,969</u> | <u>-1,850</u> | <u>4,073</u> |
| CAPITAL INVESTMENT | <u>70,470</u> | <u>16,956</u> | <u>21,903</u> | <u>2,161</u> | <u>6,089</u> | <u>23,361</u> |

ALASKA RAILROAD CORP.
 1989 YTD. BUDGETED INC./EXP. COMP.
 THROUGH DECEMBER, 1989
 (Thousands of Dollars)

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE AMOUNT</u> | <u>VARIANCE PERCENT</u> |
|-------------------|---------------|---------------|----------------------------|-----------------------------|
| REVENUE | 61,876 | 60,690 | 1,186 | 2.0% |
| EXPENSE | <u>53,201</u> | <u>48,640</u> | <u>-4,561</u> | <u>-9.4%</u> |
| OPERATING SURPLUS | 8,675 | 12,050 | -3,375 | -28.0% |
| INTEREST EXPENSE | -1,204 | -1,650 | 446 | -27.0% |
| DEPRECIATION | <u>-4,495</u> | <u>-4,350</u> | <u>-145</u> | <u>3.3%</u> |
| NET INCOME (LOSS) | <u>2,976</u> | <u>6,050</u> | <u>-3,074</u> | <u>-50.8%</u> |

1/30/90

ALASKA RAILROAD CORP.
 1989-1985 YTD. INC./EXP. COMP.
 THROUGH DECEMBER
 (Thousands of Dollars)

| | <u>1989</u> | <u>1988</u> | <u>1987</u> | <u>1986</u> | <u>1985</u> |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| REVENUE | 61,876 | 59,053 | 53,701 | 60,299 | 67,234 |
| EXPENSE | <u>53,201</u> | <u>47,843</u> | <u>45,602</u> | <u>58,234</u> | <u>58,087</u> |
| OPERATING SURPLUS | 8,675 | 11,210 | 8,099 | 2,065 | 9,147 |
| INTEREST EXPENSE | -1,204 | -1,526 | -1,661 | -613 | -561 |
| DEPRECIATION | <u>-4,495</u> | <u>-3,878</u> | <u>-3,421</u> | <u>-2,437</u> | <u>-1,453</u> |
| NET INCOME (LOSS) | <u>2,976</u> | <u>5,806</u> | <u>3,017</u> | <u>-985</u> | <u>7,133</u> |

1/30/90

ALASKA RAILROAD CORP.
REVENUES BY COMMODITY
(Thousands Of Dollars)

| <u>COMMODITY</u> | THROUGH DECEMBER | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>1989</u> | <u>1988</u> | <u>1987</u> | <u>1986</u> | <u>1985</u> |
| PIPE | 1,592 | 1,440 | 718 | 2,190 | 3,253 |
| COAL | 11,418 | 12,198 | 11,238 | 10,098 | 9,434 |
| PETROLEUM | 14,900 | 13,184 | 11,582 | 10,224 | 11,833 |
| GRAVEL | 3,176 | 2,649 | 2,738 | 4,054 | 7,819 |
| TOFC/COFC | 6,766 | 6,327 | 5,787 | 7,601 | 7,008 |
| INTERLINE | 8,982 | 8,039 | 6,148 | 6,677 | 10,530 |
| MISC. LOCAL | <u>1,508</u> | <u>1,035</u> | <u>1,158</u> | <u>832</u> | <u>2,101</u> |
| TOTAL FREIGHT | 48,342 | 44,872 | 39,369 | 41,676 | 51,978 |
| PASSENGER | 6,026 | 5,600 | 5,434 | 4,574 | 4,344 |
| REAL ESTATE | 4,217 | 4,751 | 5,205 | 5,274 | 4,322 |
| ALL OTHER | <u>3,289</u> | <u>3,828</u> | <u>3,693</u> | <u>8,775</u> | <u>6,590</u> |
| TOTAL OTHER | <u>13,532</u> | <u>14,179</u> | <u>14,332</u> | <u>18,623</u> | <u>15,256</u> |
| TOTAL REVENUE | <u>61,874</u> | <u>59,051</u> | <u>53,701</u> | <u>60,299</u> | <u>67,234</u> |

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ALASKA RAILROAD CORPORATION
1989 - 1986 YTD. DEPARTMENTAL EXPENSES
(Thousands of Dollars)

| DEPARTMENT | THROUGH DECEMBER | | | | VARIANCE PERCENT | | |
|--------------------------------------|------------------|--------|--------|--------|------------------|----------|----------|
| | 1989 | 1988 | 1987 | 1986* | 89 Vs 88 | 89 Vs 87 | 89 Vs 86 |
| RAILROAD: | | | | | | | |
| TRANSPORTATION | 14,788 | 13,656 | 12,568 | 15,532 | 8% | 18% | -5% |
| ENGINEERING | 11,248 | 11,263 | 10,119 | 11,795 | 0% | 11% | -5% |
| MOTIVE POWER & EQUIPMENT | 12,044 | 11,077 | 10,592 | 12,329 | 9% | 14% | -2% |
| OPERATIONS STAFF | 857 | 558 | 637 | 669 | 54% | 35% | 28% |
| TOTAL OPERATIONS | 38,937 | 36,554 | 33,916 | 40,325 | 7% | 15% | -3% |
| GENERAL & ADMINISTRATIVE: | | | | | | | |
| FINANCE | 3,168 | 3,058 | 3,768 | 5,464 | 4% | -16% | -42% |
| MARKETING | 2,506 | 2,278 | 2,171 | 3,044 | 10% | 15% | -18% |
| PERSONNEL | 1,138 | 1,075 | 1,232 | 1,469 | 6% | -8% | -23% |
| LEGAL | 816 | 338 | 914 | 957 | 141% | -11% | -15% |
| ADMINISTRATION | 505 | 486 | 573 | 752 | 4% | -12% | -33% |
| COMMUNICATIONS | 209 | 211 | 175 | 245 | -1% | 19% | -15% |
| CORPORATE OFFICE | 1,720 | 1,779 | 261 | 450 | -3% | 559% | 282% |
| TOT. GEN. & ADMIN. | 10,062 | 9,225 | 9,094 | 12,381 | 9% | 11% | -19% |
| OTHER: | | | | | | | |
| CONTINGENT ACCRUAL | 315 | 51 | 686 | 482 | 518% | -54% | -35% |
| RISK MANAGEMENT | 3,888 | 2,013 | 1,907 | 2,880 | 93% | 104% | 35% |
| INTEREST EXPENSE | 1,204 | 1,526 | 1,661 | 613 | -21% | -28% | 96% |
| DEPRECIATION | 4,495 | 3,878 | 3,421 | 2,437 | 16% | 31% | 84% |
| TOTAL OTHER | 9,902 | 7,468 | 7,675 | 6,412 | 33% | 29% | 54% |
| TOTAL EXPENSES | 58,901 | 53,247 | 50,685 | 59,118 | 11% | 16% | 0% |

*Excludes Flood

1/30/90

ALASKA RAILROAD CORP.
REVENUE / EXPENSE HISTORY
(Thousands of Dollars)

| CATEGORY | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|-------------------|---------|----------|-------|--------|-------|-------|-------|--------|-----------|---------|----------|----------|--------|
| 1985 REVENUE | 4,003 | 4,354 | 4,953 | 5,721 | 6,391 | 6,903 | 7,204 | 7,235 | 6,203 | 6,139 | 4,317 | 3,731 | 67,234 |
| 1985 EXPENSE | 3,700 | 3,936 | 4,677 | 4,700 | 5,700 | 6,101 | 6,792 | 6,644 | 6,291 | 5,182 | 3,990 | 2,390 | 60,101 |
| NET PROFIT (LOSS) | 303 | 418 | 276 | 1,021 | 691 | 722 | 412 | 591 | 2 | 957 | 319 | 1,341 | 7,133 |
| 1986 REVENUE | 4,095 | 4,816 | 4,021 | 4,120 | 4,745 | 5,549 | 5,900 | 5,907 | 5,153 | 3,219 | 3,810 | 5,910 | 50,133 |
| 1986 EXPENSE | 5,028 | 4,693 | 4,809 | 5,478 | 5,093 | 5,527 | 5,110 | 5,236 | 4,624 | 3,797 | 3,362 | 6,353 | 52,110 |
| NET PROFIT (LOSS) | -133 | 123 | -788 | -1,358 | -348 | 22 | 792 | 751 | 529 | -578 | 448 | -443 | -977 |
| 1987 REVENUE | 3,029 | 3,104 | 4,072 | 3,956 | 4,405 | 5,347 | 5,195 | 6,402 | 5,415 | 4,363 | 4,146 | 4,109 | 53,703 |
| 1987 EXPENSE | 4,031 | 3,655 | 3,855 | 3,834 | 4,003 | 4,664 | 4,692 | 5,053 | 4,915 | 4,022 | 3,943 | 4,012 | 50,680 |
| NET PROFIT (LOSS) | -1,002 | -551 | 217 | 122 | 402 | 683 | 503 | 1,349 | 500 | 341 | 203 | 177 | 3,023 |
| 1988 REVENUE | 3,339 | 4,108 | 4,183 | 4,004 | 4,934 | 5,969 | 5,912 | 6,187 | 5,521 | 5,414 | 4,667 | 4,010 | 59,048 |
| 1988 EXPENSE | 3,946 | 4,204 | 4,336 | 4,468 | 4,567 | 5,050 | 4,648 | 4,903 | 4,211 | 4,471 | 4,201 | 4,237 | 53,242 |
| NET PROFIT (LOSS) | -607 | -96 | -153 | 536 | 367 | 919 | 1,264 | 1,284 | 1,310 | 943 | 466 | -227 | 5,806 |
| 1989 REVENUE | 4,113 | 3,701 | 4,435 | 4,385 | 4,989 | 5,692 | 6,866 | 6,603 | 6,105 | 5,743 | 4,255 | 4,903 | 61,876 |
| 1989 EXPENSE | 4,310 | 4,333 | 4,738 | 4,537 | 4,749 | 4,908 | 5,454 | 5,214 | 4,959 | 5,123 | 4,983 | 5,581 | 58,899 |
| NET PROFIT (LOSS) | -197 | -632 | -303 | -152 | 240 | 784 | 1,412 | 1,389 | 1,146 | 620 | -728 | -598 | 2,977 |