Docket TC-180143,
Application
Wickkiser International Companies Inc.
Review by Cristina Steward 03/13/2018 cd

Conclusion

Staff has reviewed the company's financial information submitted in Docket TC-180143 and concludes the company has made reasonable efforts to estimate its finances under the proposed operations. The company asserts that it will have the necessary vehicles to provide the transportation service. Based on the company's projections, operations would result in a significant net profit. The requested route is a new demand for the service due to Pain Field securing flights from Alaska, United and Southwest Airlines. In the event of a net annual loss, the company has enough liquid assets to maintain operations until business improves. Therefore, staff concludes the company is financially fit to provide service.

The balance sheet review:

- Assets, $860,000;
- Liabilities, $0;
- Net Worth, $860,000

Applicant has a positive net worth. According to the applicant $800,000 of assets is cash, which is very liquid.

- The company currently owns at least eight vehicles and is proposing to add these stops to the company's current route and extend that route by nine miles south, from Everett to Paine Field. The time schedule filed by the company indicates the company would need at least two vehicles to maintain the planned schedule. The company plans to buy another vehicle and has enough vehicles in its current operation to replace an out of service vehicle in order to maintain service in the event that one breaks down.

The Proforma Income Statement:

- The company projects $130,320 annual revenue (approximately 4,340 one-way passenger equivalents at a rate of $0.86/mile/person for 18 miles one-way)
- The company projects $117,288 of annual operating expense before taxes.

If the company's projections are correct, it will have a net operating profit of $13,810 annually.

Comparing the company's expense projections to the annual reports of other auto transportation operations utilizing a similar number of vehicles providing scheduled service, the expense projections look reasonable.

In projecting ridership the company did not make any allowances for decreased ridership during the startup period, nor did they include any seasonal fluctuations such as higher ridership during summer and holiday months and lower ridership during winter months. Instead the company based its projections on an average number of customers per year, amounting to 4,344 one-way equivalent passengers. The company is proposing 1 route, with two runs.