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**MARCH**

***SELF-INSURANCE CLAIM FUND***

**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

SELF-INSURANCE CLAIM FUND

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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

As of March 2024, the Self-Insurance fund is reporting an increase to net position of \$411,000 year-to-date compared to an increase of \$212,000 recorded for the same time period in 2023. Total revenues decreased \$162,000 and total expenses decreased \$361,000 year-to-date.

### Revenues

Self-Insurance fund revenues are premiums contributed from the Power, Water, and Rail divisions and the interest earned. Total revenues at the end of the first quarter of 2024 and 2023 were \$463,000 and \$626,000, respectively. The decrease in revenue is due to the decrease in interest revenues in 2024.

### Expenses

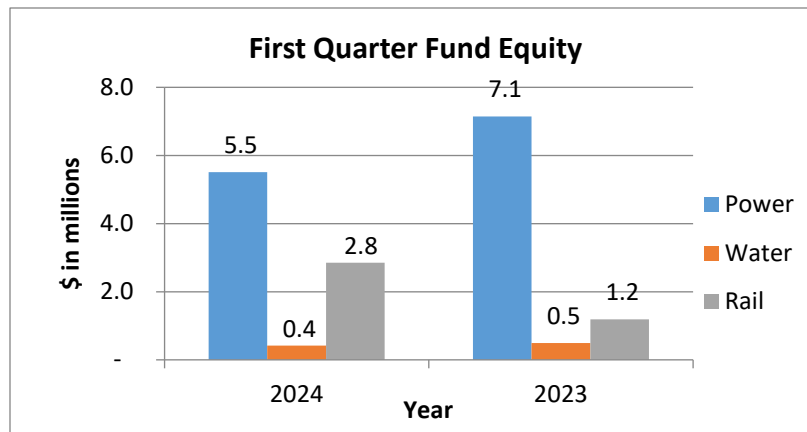
Self-Insurance fund expenses include claims and handling expenses paid during the quarter, adjustments to accrued claims and administrative expenses. Support services claims and handling expenses are allocated to Power and Water only and based on each fund's percentage of combined claims and handling expenses for the year-to-date. Administrative expenses are allocated to Power, Water, and Rail funds based on each fund's percentage of total claims incurred.

Total expenses at the end of the first quarter of 2024 and 2023 were \$52,000 and \$414,000, respectively. The change in expenses from year-to-year is primarily due to adjustments in expected future claims and developments accrued by the Fund. Negative claims expense is generally the result of adjustments to the liability where expected claims were accrued in one quarter and subsequently denied or revised in the next quarter.

Claims expense were \$15,000 in the first quarter of 2024, a decrease of \$368,000 compared to the same quarter of 2023. The decrease is primarily due to the decrease in Water and Rail claims, offset with an increase in Power claims.

Incidental and Administrative Expense increased by \$5,000 in the first quarter of 2024 compared to the same quarter in 2023, primarily due to software license expense.

The Fund's equity was \$8.8 million in both March of 2024 and 2023. The graph on the following page provides a visual presentation on how the Fund's equity is shared.



### Request for Information

Self-Insurance 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  
Self-Insurance Claim Fund

Statements of Net Position (Unaudited)  
March 31, 2024 and March 31, 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and Equity in Pooled Investments	<u>\$12,946,942</u>	<u>\$12,053,406</u>
<b>CAPITAL ASSETS</b>		
Right to Use Subscription Asset	44,870	-
Less - Accumulated Amortization	<u>(14,553)</u>	<u>-</u>
	30,317	-
<b>TOTAL ASSETS</b>	<u><u>\$12,977,259</u></u>	<u><u>\$12,053,406</u></u>
<b>NET POSITION AND LIABILITIES</b>		
<b>NET POSITION</b>		
Net Investment in Capital Assets	(\$686)	-
Unrestricted	<u>8,777,579</u>	<u>8,832,735</u>
<b>TOTAL NET POSITION</b>	8,776,893	8,832,735
<b>CURRENT LIABILITIES</b>		
Accounts Payable Claims	4,165,924	3,190,672
Accounts Payable Claims Handling	3,438	29,999
Current Subscription Liability	<u>15,074</u>	<u>-</u>
	4,184,436	3,220,671
<b>LONG-TERM LIABILITIES</b>		
Long-Term Subscription Liability	<u>15,930</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>4,200,366</u>	<u>3,220,671</u>
<b>TOTAL NET POSITION AND LIABILITIES</b>	<u><u>\$12,977,259</u></u>	<u><u>\$12,053,406</u></u>

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

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City of Tacoma, Washington  
Department of Public Utilities  
Self-Insurance Claim Fund

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)  
March 31, 2024 and March 31, 2023

	March 2024	March 2023	YEAR-TO-DATE		2024/2023 VARIANCE	PERCENT CHANGE
			March 2024	March 2023		
<b>REVENUES</b>						
Premiums	\$81,667	\$81,667	\$245,000	\$245,000	\$0	0.0%
Interest	40,097	26,358	218,478	380,791	(162,313)	-42.6%
<b>TOTAL REVENUES</b>	<b>121,764</b>	<b>108,025</b>	<b>463,478</b>	<b>625,791</b>	<b>(162,313)</b>	<b>-25.9%</b>
<b>EXPENSES</b>						
Claims	186,295	359,369	14,505	382,757	(368,252)	-96.2%
Litigation Expense and Settlements	1,541	-	2,404	666	1,738	261.0%
Incidental and Administrative Expense	9,626	8,210	35,550	30,521	5,029	16.5%
<b>TOTAL EXPENSES</b>	<b>197,462</b>	<b>367,579</b>	<b>52,459</b>	<b>413,944</b>	<b>(361,485)</b>	<b>-87.3%</b>
<b>CHANGE IN NET POSITION</b>	<b>(\$75,698)</b>	<b>(\$259,554)</b>	<b>411,019</b>	<b>211,847</b>	<b>199,172</b>	<b>94.0%</b>
<b>TOTAL NET POSITION - JANUARY 1</b>			<b>8,365,874</b>	<b>8,620,888</b>	<b>(255,014)</b>	
<b>TOTAL NET POSITION - MARCH 31</b>			<b>\$8,776,893</b>	<b>\$8,832,735</b>	<b>(\$55,842)</b>	

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

City of Tacoma, Washington  
Department of Public Utilities  
Self-Insurance Claim Fund

Statements of Cash Flows (Unaudited)  
March 31, 2024 and March 31, 2023

	YEAR TO DATE	
	March 31, 2024	March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Premiums Received	\$245,000	\$245,000
Claims Paid	(94,905)	(59,372)
Administrative and Other Expenses	(37,524)	(6,682)
Net Cash Flows from Operating Activities	112,571	178,946
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	218,478	380,791
Net Cash Flows from Investing Activities	218,478	380,791
Net Change in Cash and Equity Cash and Equity in Pooled Investments	331,049	559,737
Cash and Equity in Pooled Investments at January 1	12,615,893	11,493,669
Cash and Equity in Pooled Investments at March 31	<u>\$12,946,942</u>	<u>\$12,053,406</u>

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

	YEAR TO DATE	
	March 31, 2,024	March 31, 2023
<b>Reconciliation of Net Income (Loss) to Net Cash Flows from Operating Activities:</b>		
Net Income (Loss)	\$411,019	\$211,847
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from Operating Activities:		
Investment Income (Loss)	(218,478)	(380,791)
Cash from Changes in Operating Assets and Liabilities:		
Accounts Payable Claims	(80,400)	323,385
Accounts Payable Claims Handling	430	24,505
Total Adjustments	(298,448)	(32,901)
Net Cash Flows from Operating Activities	<u>\$112,571</u>	<u>\$178,946</u>

City of Tacoma, Washington  
Department of Public Utilities  
Self-Insurance Claim Fund

Equity Distribution (Unaudited) as of March 31, 2024

	TACOMA POWER	TACOMA WATER	TACOMA RAIL	TOTAL
Balance January 1, 2024	\$5,435,518	\$402,113	\$2,528,243	\$8,365,874
Contributions (Premiums)	125,000	60,000	60,000	245,000
Claims (1)	(168,737)	(53,768)	225,000	2,495
Claims Handling Expenses (2)	(2,100)	-	-	(2,100)
Administrative Expenses (3)	(26,671)	(8,393)	(17,791)	(52,855)
Interest Revenues (4)	143,643	21,270	53,566	218,479
Balance March 31, 2024	<u>\$5,506,653</u>	<u>\$421,222</u>	<u>\$2,849,018</u>	<u>\$8,776,893</u>

(1) Service divisions' claims of \$17,000 have been added to this area.

(2) Service divisions' claims handling of \$304 have been added to this area. These costs have been allocated to Power and Water divisions based on the ratio of claims activity to date. Service division does not provide support to Rail.

(3) Service divisions' claims handling of \$17,304 have been deducted from Administrative Expenses. These costs have been allocated to Power and Water divisions based on the ratio of claims activity to date. Service division does not provide support to Rail.

(4) Effective 2017, interest revenues has been allocated to each division based on the allocated cash balance as of the date of this statement.

City of Tacoma, Washington  
Department of Public Utilities  
Self-Insurance Claim Fund

Claims Statistics Summary (Unaudited)  
March 31, 2024

**NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2024)**

	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division	Total
Over \$5,000	1	1	1	3	6
\$1,001 - 5,000	1	2	-	-	3
\$501 - 1,000	-	2	-	-	2
\$100 - 500	2	1	-	-	3
Less than \$100	-	-	-	-	-
	<u>4</u>	<u>6</u>	<u>1</u>	<u>3</u>	<u>14</u>
Total Dollar Amount of Claims Paid	\$15,138	\$26,767	\$20,000	\$33,000	\$94,905

**NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2024**

Over \$50,000	12	3	1	-	16
\$10,000 - 50,000	5	12	1	1	19
Less than \$10,000	<u>152</u>	<u>111</u>	<u>9</u>	<u>2</u>	<u>274</u>
	169	126	11	3	309
Total Dollar Amount Accrued for Known Claims	\$2,806,570	\$780,000	\$282,000	\$19,000	\$3,887,570
Total Dollar Amount Accrued for Unknown Claims	<u>\$180,557</u>	<u>\$56,462</u>	<u>\$36,335</u>	<u>\$5,000</u>	<u>\$278,354</u>
Total Dollar Amount Accrued for All Claims	<u>\$2,987,127</u>	<u>\$836,462</u>	<u>\$318,335</u>	<u>\$24,000</u>	<u>\$4,165,924</u>

City of Tacoma, Washington  
Department of Public Utilities  
Self-Insurance Claim Fund

Claims Statistics Detail (Unaudited)  
March 31, 2024

**NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2024)**

Range	Non-Vehicular Bodily Injury/Property Damage			
	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division
Over \$5,000	-	1	1	-
\$1,001 - 5,000	-	2	-	-
\$501 - 1,000	-	2	-	-
\$100 - 500	2	1	-	-
Less than \$100	-	-	-	-
	2	6	1	-
Total Dollar Amount of Claims Paid	\$760	\$26,767	\$20,000	-
Average Dollar Amount of Claims Paid	\$380	\$4,461	\$20,000	-

**NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2024**

Range	Non-Vehicular Bodily Injury/Property Damage			
	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division
Over \$50,000	12	3	1	-
\$10,000 - 50,000	5	10	1	1
Less than \$10,000	147	110	5	2
	164	123	7	3
Total Dollar Amount Accrued for Known Claims	\$2,797,570	\$748,500	\$275,500	\$19,000
Total Dollar Amount Accrued for Unknown Claims	\$180,557	\$56,462	\$36,335	\$5,000
Total Dollar Amount Accrued for All Claims	<u>\$2,978,127</u>	<u>\$804,962</u>	<u>\$311,835</u>	<u>\$24,000</u>



Vehicular Bodily Injury/Property Damage				Hazardous Waste		Contract/Harassment			
Tacoma Power	Tacoma Water	Tacoma Rail	Service Division	Tacoma Power	Tacoma Water	Tacoma Power	Tacoma Water	Tacoma Rail	Service Division
1	-	-	3	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2	-	-	3	-	-	-	-	-	-
\$14,378	-	-	\$33,000	-	-	-	-	-	-
\$7,189	-	-	\$11,000	-	-	-	-	-	-

Vehicular Bodily Injury/Property Damage				Hazardous Waste		Contract/Harassment			
-	-	-	-	-	-	-	-	-	-
-	2	-	-	-	-	-	-	-	-
5	1	4	-	-	-	-	-	-	-
5	3	4	-	-	-	-	-	-	-
\$9,000	\$31,500	\$6,500	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$9,000	\$31,500	\$6,500	-	-	-	-	-	-	-



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