
MARCH

SELF-INSURANCE CLAIM FUND

2014

**FINANCIAL
REPORT**



Public Utility Board

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WOODROW JONES

Vice-Chair

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WILLIAM A. GAINES
Director of Utilities/CEO

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES
CITY OF TACOMA

MANAGEMENT ANALYSIS

The Self Insurance fund is reporting a net loss of \$53,000 for the first quarter 2014 compared to a net loss of \$42,000 recorded for the same time period in 2013. Total revenues increased by \$29,000 while total expenses increased \$40,000 for the quarter.

Revenues

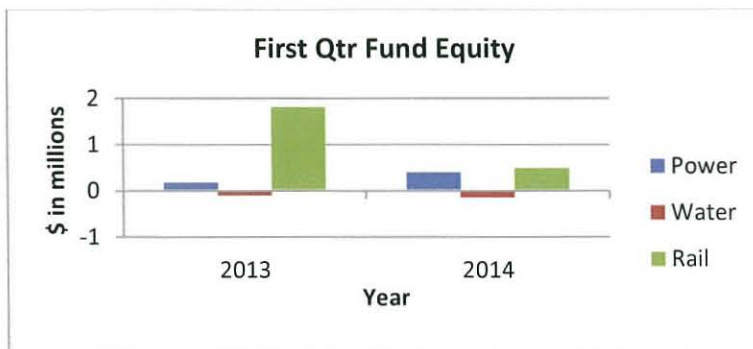
Self Insurance fund revenues are contributions from the Power, Water and Rail divisions and the interest earned. Total revenues for the first quarter of 2014 and 2013 were \$272,000 and \$243,000 respectively.

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 paid.

Total expenses for the first quarters 2014 and 2013 were \$325,000 and \$285,000 respectively. The change in expenses from year to year is primarily due to adjustments in expected future 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 the next quarter.

The Fund's equity was \$727,000 and \$1.9 million for the first quarter of 2014 and 2013 respectively. The following graph provides a visual presentation as to how the Fund's equity is shared.



William A. Gaines
Director of Utilities/CEO

Andrew Cherullo
Finance Director

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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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
SELF-INSURANCE CLAIM FUND

STATEMENTS OF NET POSITION - MARCH 31, 2014 AND MARCH 31, 2013

	2014	2013
ASSETS		
CURRENT		
Cash and Equity in Pooled Investments	\$5,822,688	\$5,369,102
TOTAL ASSETS	\$5,822,688	\$5,369,102
NET POSITION AND LIABILITIES		
NET POSITION		
Restricted:		
Interfund Contributions	\$2,579,119	\$2,579,119
Unrestricted	(1,852,135)	(703,252)
TOTAL NET POSITION	726,984	1,875,867
CURRENT LIABILITIES		
Accounts Payable Claims	5,093,820	3,487,730
Accounts Payable Claims Handling	1,884	5,505
TOTAL LIABILITIES	5,095,704	3,493,235
TOTAL NET POSITION AND LIABILITIES	\$5,822,688	\$5,369,102

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2013 Annual Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
SELF-INSURANCE CLAIM FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MARCH 31, 2014 AND MARCH 31, 2013

	<u>MARCH</u> <u>2014</u>	<u>MARCH</u> <u>2013</u>
INCOME		
Premiums	\$86,667	\$86,667
Interest	<u>4,282</u>	<u>4,817</u>
 TOTAL INCOME	 90,949	 91,484
EXPENSES		
Claims	250,991	\$173,305
Litigation Expense and Settlements	3,768	\$60,422
Incidental and Administrative Expense	<u>12,027</u>	<u>12,085</u>
 TOTAL EXPENSES	 <u>266,786</u>	 <u>245,812</u>
 CHANGE IN NET POSITION	 <u>(\$175,837)</u>	 <u>(\$154,328)</u>
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - MARCH 31		

These statements should be read in conjunction with the Management Discussion and Analysis in the March 2014 Financial Report.

YEAR-TO-DATE			
MARCH 2014	MARCH 2013	2014/2013 VARIANCE	PERCENT CHANGE
\$260,001	\$260,001	\$ -	-
<u>12,099</u>	<u>(16,656)</u>	<u>28,755</u>	-172.6%
272,100	243,345	28,755	11.8%
290,140	196,869	93,271	47.4%
738	51,338	(50,600)	-98.6%
<u>33,995</u>	<u>37,058</u>	<u>(3,063)</u>	-8.3%
<u>324,873</u>	<u>285,265</u>	<u>39,608</u>	13.9%
(52,773)	(41,920)	(10,853)	25.9%
<u>779,757</u>	<u>1,917,787</u>	<u>(1,138,030)</u>	
<u>\$726,984</u>	<u>\$1,875,867</u>	<u>(\$1,148,883)</u>	

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
SELF-INSURANCE CLAIM FUND

STATEMENTS OF CASH FLOWS

	YEAR TO DATE	
	MARCH 31, 2014	MARCH 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums Received	\$260,001	\$260,001
Claims Paid	(55,839)	(60,496)
Administrative and Other Expenses	(75,591)	646,971
Net Cash Provided by Operating Activities	128,572	846,476
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Received	12,290	13,101
Net Cash Used in Financing Activities ..	12,290	13,101
Net Increase in Cash and Equity in Pooled Investments	140,862	859,577
Cash and Equity in Pooled Investments at January 1	5,681,826	4,509,525
Cash and Equity in Pooled Investments at March 31	\$5,822,688	\$5,369,102

	YEAR TO DATE	
	MARCH 31, 2014	MARCH 31, 2013
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Net Income (Loss)	(\$52,773)	(\$41,920)
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:		
Interest Income	(12,290)	(13,101)
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Interdivision Receivable	-	850,000
Interdivision Payable	(8,425)	(10,103)
Accounts Payable Claims	234,301	136,373
Accounts Payable Claims Handling	(32,241)	(74,773)
Total Adjustments	<u>181,345</u>	<u>888,396</u>
Net Cash Provided by Operating Activities	<u>\$128,572</u>	<u>\$846,476</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
SELF-INSURANCE CLAIM FUND

EQUITY DISTRIBUTION AS OF MARCH 31, 2014

	<u>TACOMA POWER</u>	<u>TACOMA WATER</u>	<u>TACOMA RAIL</u>	<u>TOTAL</u>
Balance January 1, 2014	\$264,676	(\$171,949)	\$687,030	\$779,757
Contributions (Premiums)	202,500	45,000	12,501	260,001
Claims	(71,433)	(18,812)	(199,895)	(290,140)
Claims Handling Expense	(738)	-	-	(738)
Administrative Expenses	(8,434)	(2,199)	(23,362)	(33,995)
Interest Income (1)	<u>6,542</u>	<u>(2,504)</u>	<u>8,060</u>	<u>12,099</u>
Balance March 31, 2014	<u><u>\$393,113</u></u>	<u><u>(\$150,464)</u></u>	<u><u>\$484,335</u></u>	<u><u>\$726,984</u></u>

(1) Interest income has been allocated to each division in the same ratio as its fund balance at January 1, plus contributions and expenses to date.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
SELF-INSURANCE CLAIM FUND

CLAIMS STATISTICS SUMMARY - MARCH 31, 2014

NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2014)

	<u>Tacoma Power</u>	<u>Tacoma Water</u>	<u>Tacoma Rail</u>	<u>Svc. Divs.</u>	<u>Total</u>
Over \$5,000	-	-	2	-	2
\$1,001 - 5,000	4	2	-	-	6
\$501 - 1,000	-	-	-	-	-
\$100 - 500	1	-	-	-	1
Less than \$100	-	-	-	-	-
	<u>5</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>9</u>
Total Dollar Amount of Claims Paid	\$10,876	\$5,505	\$36,828	\$ -	\$53,209

NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2014

Over \$50,000	13	-	2	-	15
\$10,000 - 50,000	10	10	3	-	23
Less than \$10,000	194	76	2	1	273
	<u>217</u>	<u>86</u>	<u>7</u>	<u>1</u>	<u>311</u>
Total Dollar Amount Accrued for Known Claims	\$2,924,446	\$287,213	\$1,236,066	\$2,001	\$4,449,726
Total Dollar Amount Accrued for Unknown Claims	<u>\$332,080</u>	<u>\$177,578</u>	<u>\$110,500</u>	<u>\$23,936</u>	<u>\$644,094</u>
Total Dollar Amount Accrued for All Claims	<u>\$3,256,526</u>	<u>\$464,791</u>	<u>\$1,346,566</u>	<u>\$25,937</u>	<u>\$5,093,820</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
SELF-INSURANCE CLAIM FUND

CLAIMS STATISTICS DETAIL - MARCH 31, 2014

NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2014)

Range	Non-Vehicular Bodily Injury/Property Damage			
	Tacoma Power	Tacoma Water	Tacoma Rail	Svc. Divs.
Over \$5,000	-	-	1	-
\$1,001 - 5,000	3	2	-	-
\$501 - 1,000	-	-	-	-
\$100 - 500	1	-	-	-
Less than \$100	-	-	-	-
	<u>4</u>	<u>2</u>	<u>1</u>	<u>-</u>
Total Dollar Amount of Claims Paid	\$7,876	\$5,505	\$11,147	-
Median Dollar Amount of Claims Paid	\$1,969	\$2,753	\$11,147	-

NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2014

Range	Non-Vehicular Bodily Injury/Property Damage			
	Tacoma Power	Tacoma Water	Tacoma Rail	Svc. Divs.
Over \$50,000	13	-	2	-
\$10,000 - 50,000	10	10	3	-
Less than \$10,000	182	65	2	1
	<u>205</u>	<u>75</u>	<u>7</u>	<u>1</u>
Total Dollar Amount Accrued for Known Claims .	\$2,899,645	\$272,279	\$1,236,066	\$ 2,001
Total Dollar Amount Accrued for Unknown Claims	<u>\$332,080</u>	<u>\$177,578</u>	<u>\$110,500</u>	<u>\$23,936</u>
Total Dollar Amount Accrued for All Claims ...	<u><u>\$3,231,725</u></u>	<u><u>\$449,857</u></u>	<u><u>\$1,346,566</u></u>	<u><u>\$25,937</u></u>

Vehicular Bodily Injury/Property Damage				Hazardous Waste		Contract/Harassment			
Tacoma Power	Tacoma Water	Tacoma Rail	Svc. Divs.	Tacoma Power	Tacoma Water	Tacoma Power	Tacoma Water	Tacoma Rail	Svc. Divs.
-	-	1	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1	-	1	-	-	-	-	-	-	-
\$3,000	-	\$25,681	-	-	-	-	-	-	-
\$3,000	-	\$25,681	-	-	-	-	-	-	-

Vehicular Bodily Injury/Property Damage				Hazardous Waste		Contract/Harassment			
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
10	11	-	-	-	-	2	-	-	-
10	11	-	-	-	-	2	-	-	-
\$15,251	\$14,934	\$ -	\$ -	\$ -	\$ -	\$9,550	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$15,251	\$14,934	\$ -	\$ -	\$ -	\$ -	\$9,550	\$ -	\$ -	\$ -



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