
MARCH

TACOMA POWER

2020

**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, LIGHT DIVISION

Doing Business As

TACOMA POWER

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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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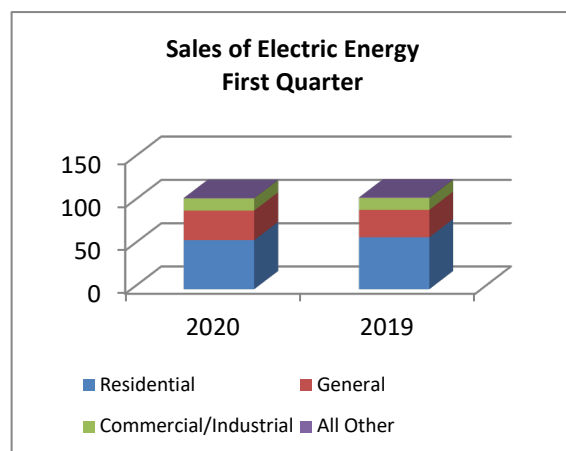
Management's Discussion and Analysis

Summary

Tacoma Power's operating income at the end of the 1st quarter of 2020 was \$38.2 million compared to \$18.6 million a year earlier. Operating revenues increased \$7.0 million (5.3%) compared to the prior year. Operating expenses decreased \$12.5 million (10.9%). Non-operating expenses increased in total \$2.9 million (145.0%) resulting in net income of \$24.4 million in 2020 compared to \$9.2 million in 2019.

Revenues

In the first quarter of 2020, total electric energy sales increased \$3.3 million compared with the same period a year earlier. The following table summarizes the impacts of rate and volume changes on sales of electric energy by customer class as of March 2020. There was an approximate overall rate increase of 2% effective April 1, 2019.



| Customer Class | Changes Related To: | | |
|------------------------------------|-----------------------|---------------------|---------------------|
| | Rate | Volume | YTD Increase |
| Residential | \$ 2,002,107 | \$ (5,360,027) | \$ (3,357,920) |
| Commercial | 239,255 | (590,559) | (351,304) |
| General | 2,280,501 | 241,263 | 2,521,764 |
| Contract Industrial | (307,987) | 916,070 | 608,083 |
| Public Street and Highway Lighting | (103,042) | (67,787) | (170,829) |
| Sales to Other Utilities | 7,612 | (3,752) | 3,860 |
| Bulk Power Sales | (9,100,380) | 13,145,837 | 4,045,457 |
| Total | \$ (4,981,934) | \$ 8,281,045 | \$ 3,299,111 |

Other Operating Revenues increased \$4.0 million in the first three months of 2020 compared to the same period of 2019. The increase was primarily due to an increase of \$2.8 million in reimbursement of qualified conservation expenses due to a change in legislation, and an increase of \$1.4 million due to a change in billing process.

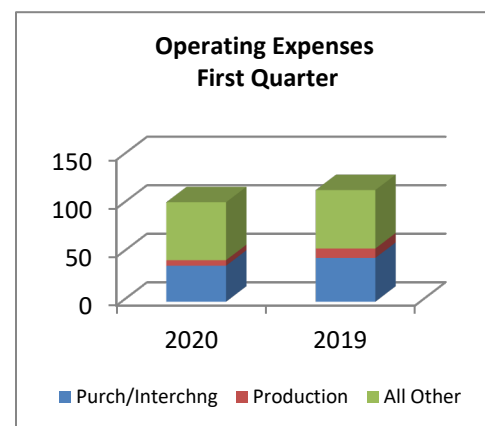
Expenses

First quarter 2020 operating expenses were \$102.4 million, down \$12.5 million (10.9%) from 2019.

Hydraulic Power Production decreased \$4.4 million. This is primarily due to the timing of invoices for services recognized in prior years.

Purchased Power decreased \$8.0 million. Generation was up 60%. Purchases also decreased due to lower purchase prices and volume coupled with an increase in sales. Also, 2020 stream flows were 123% of average and 161% over 2019.

Distribution Expenses decreased \$1.7 million. The primary driver of the decrease was due to a miscalculation in converting the unit price of an inventory item. This has been corrected in April 2020.



Click! Network Commercial Operations decreased \$1.2 million. External contract services accounted for \$1.0 million of the decrease. The remaining decrease was spread across multiple functional accounts. On April 1, 2020, Rainier Connect entered into an Indefeasible Right of Use Agreement and took operational control of the commercial network.

Administrative and general expenses increased \$2.4 million. This was mainly due to increases in salaries and wages, and increases in warehouse assessments due to a miscalculation in converting the unit price of an inventory item. The miscalculation was corrected in April 2020. The remaining variance was spread across multiple functional accounts and not attributable to a specific event.

Non-Operating Revenues/Expenses

Interest income decreased \$2.9 million primarily due to the reversal of the 2019 GASB 31 Gain/Loss entry.

Request for Information

Power 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 Power
Statements of Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| ASSETS AND DEFERRED OUTFLOWS | 2020 | 2019 |
|---|----------------------------|----------------------------|
| UTILITY PLANT | | |
| Electric Plant in Service | \$2,171,905,948 | \$2,119,583,519 |
| Less Depreciation and Amortization | <u>(1,149,914,933)</u> | <u>(1,108,247,650)</u> |
| Total | 1,021,991,015 | 1,011,335,869 |
| Construction Work in Progress | <u>46,645,256</u> | <u>52,637,601</u> |
| Net Utility Plant | <u>1,068,636,271</u> | <u>1,063,973,470</u> |
| NON-UTILITY PROPERTY | <u>182,051</u> | <u>182,051</u> |
| RESTRICTED ASSETS | | |
| Cash and Equity in Pooled Investments: | | |
| 2018 Construction Fund | - | 804,059 |
| 2019 Construction Fund | 6,690,855 | - |
| Provision for Debt Service | 6,672,524 | 7,263,333 |
| Special Bond Reserves | 4,997,639 | 4,997,639 |
| Wynoochee Reserve - State of Washington | 2,704,451 | 2,649,620 |
| Fish and Wildlife Reserves | <u>24,321,820</u> | <u>23,822,218</u> |
| Total Restricted Assets | <u>45,387,289</u> | <u>39,536,869</u> |
| CURRENT ASSETS | | |
| Cash and Equity in Pooled Investments: | | |
| Current Fund | 140,720,539 | 149,030,765 |
| Customers' and Contractors' Deposits | 2,748,602 | 2,657,346 |
| Conservation Loan Fund | 4,519,381 | 3,604,227 |
| Rate Stabilization Fund | 38,000,000 | 48,000,000 |
| Receivables: | | |
| Customers | 23,796,725 | 24,875,638 |
| Accrued Unbilled Revenue | 32,547,727 | 30,730,773 |
| Others | 10,093,823 | 11,682,424 |
| Provision for Uncollectibles | (2,112,366) | (1,951,892) |
| Materials and Supplies | 7,707,732 | 6,960,166 |
| Prepayments and Other | <u>11,029,795</u> | <u>10,943,686</u> |
| Total Current Assets | <u>269,051,958</u> | <u>286,533,133</u> |
| OTHER ASSETS | | |
| Regulatory Asset - Conservation | 46,249,729 | 49,993,122 |
| Net Pension Asset | - | 15,506,238 |
| Conservation Loan Fund Receivables | <u>2,272,640</u> | <u>2,745,959</u> |
| Total Other Assets | <u>48,522,369</u> | <u>68,245,319</u> |
| Total Assets | <u>1,431,779,938</u> | <u>1,458,470,842</u> |
| DEFERRED OUTFLOWS | | |
| Deferred Outflow for Pensions | 54,329,250 | 19,885,557 |
| Deferred Outflow for OPEB | <u>952,121</u> | <u>957,357</u> |
| Total Deferred Outflows | <u>55,281,371</u> | <u>20,842,914</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u>\$1,487,061,309</u> | <u>\$1,479,313,756</u> |

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

| NET POSITION, LIABILITIES AND DEFERRED INFLOWS | 2020 | 2019 |
|---|-------------------------------|-------------------------------|
| NET POSITION | | |
| Net Investment in Capital Assets | \$603,761,926 | \$608,201,166 |
| Restricted for: | | |
| Wynoochee Reserve - State of Washington | 2,704,451 | 2,649,620 |
| Fish and Wildlife Reserves | 24,321,820 | 23,822,218 |
| Debt Service | 1,867,500 | 2,341,247 |
| Net Pension Asset | - | 15,506,238 |
| Unrestricted | <u>223,741,809</u> | <u>220,100,963</u> |
| TOTAL NET POSITION | <u>856,397,506</u> | <u>872,621,452</u> |
| LONG-TERM DEBT | | |
| 2010B Electric System Refunding Bonds | 147,070,000 | 147,070,000 |
| 2010C Electric System Refunding Bonds | 24,185,000 | 24,185,000 |
| 2013A Electric System Rev & Refunding Bonds | 88,655,000 | 96,125,000 |
| 2013B Electric System Rev & Refunding Bonds | 35,620,000 | 35,620,000 |
| 2017 Electric System Revenue Bonds | <u>70,575,000</u> | <u>70,575,000</u> |
| Total Bonded Indebtedness | 366,105,000 | 373,575,000 |
| Less: Unamortized Bond Premiums | <u>21,229,035</u> | <u>22,761,994</u> |
| Net Bonded Indebtedness | 387,334,035 | 396,336,994 |
| Line of Credit | <u>75,250,000</u> | <u>55,250,000</u> |
| Total Long-Term Debt | <u>462,584,035</u> | <u>451,586,994</u> |
| CURRENT LIABILITIES | | |
| Salaries and Wages Payable | 5,021,499 | 4,028,532 |
| Taxes and Other Payables | 15,233,142 | 15,529,440 |
| Purchases and Transmission of Power Accrued | 14,506,063 | 16,701,773 |
| Interest Payable | 4,805,024 | 4,922,086 |
| Unearned Revenue | 20,340 | - |
| Customers' Deposits | 2,814,723 | 2,697,201 |
| Current Portion of Long-Term Debt | 7,470,000 | 9,365,000 |
| Current Accrued Compensated Absences | <u>1,138,107</u> | <u>1,091,328</u> |
| Total Current Liabilities | <u>51,008,898</u> | <u>54,335,360</u> |
| LONG-TERM LIABILITIES | | |
| Long-Term Accrued Compensated Absences | 10,242,961 | 9,821,955 |
| Net OPEB Liability | 10,562,836 | - |
| Net Pension Liability | 45,902,976 | - |
| Other Long-Term Liabilities | <u>4,744,244</u> | <u>16,493,980</u> |
| Total Long-Term Liabilities | <u>71,453,017</u> | <u>26,315,935</u> |
| TOTAL LIABILITIES | <u>585,045,950</u> | <u>532,238,289</u> |
| DEFERRED INFLOWS | | |
| Deferred Inflow for Pensions | 6,031,613 | 26,395,236 |
| Deferred Inflow for OPEB | 1,586,240 | 58,779 |
| Rate Stabilization | <u>38,000,000</u> | <u>48,000,000</u> |
| Total Deferred Inflows | <u>45,617,853</u> | <u>74,454,015</u> |
| TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS | <u>\$1,487,061,309</u> | <u>\$1,479,313,756</u> |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | March 2020 | March 2019 |
|--|--------------------|--------------------|
| OPERATING REVENUES | | |
| Sales of Electric Energy | 36,427,011 | 40,872,340 |
| Other Operating Revenues | 2,930,087 | 2,114,878 |
| Click! Network Operating Revenues | 2,205,018 | 2,221,414 |
| Total Operating Revenue | <u>41,562,116</u> | <u>45,208,632</u> |
| OPERATING EXPENSES | | |
| Production Expense | | |
| Hydraulic Power Production | 4,660,441 | 4,482,922 |
| Other Production Expense | 601,428 | 544,321 |
| Total Expense Power Produced | <u>5,261,869</u> | <u>5,027,243</u> |
| Purchased Power | <u>13,961,299</u> | <u>16,813,438</u> |
| Total Production Expense | 19,223,168 | 21,840,681 |
| Transmission Expense | 3,294,938 | 3,417,864 |
| Distribution Expense | 1,412,392 | 2,351,121 |
| Click! Network Commercial Operations Expense | 1,995,874 | 1,940,656 |
| Customer Accounts Expense (CIS) | 1,629,466 | 1,354,922 |
| Conservation and Other Customer Assistance | 1,573,096 | 1,556,279 |
| Taxes | 2,452,875 | 2,559,640 |
| Depreciation | 4,002,999 | 4,125,356 |
| Administrative and General | 4,752,836 | 2,861,610 |
| Total Operating Expenses | <u>40,337,644</u> | <u>42,008,129</u> |
| OPERATING INCOME (LOSS) | <u>1,224,472</u> | <u>3,200,503</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 311,487 | 444,828 |
| Contribution to Family Need | (41,667) | (41,667) |
| Other Net Non-Op Revenues and Deductions | 25,041 | 6,538 |
| Interest on Long-Term Debt | (1,699,652) | (1,745,435) |
| Amort of Debt Related Costs | 123,513 | 129,158 |
| Total Non-Operating Revenues (Expenses) | <u>(1,281,278)</u> | <u>(1,206,578)</u> |
| Net Income (Loss) Before Capital Contributions and Transfers | (56,806) | 1,993,925 |
| Capital Contributions | | |
| Cash | 262,441 | 390,754 |
| Donated Fixed Assets | 51,767 | 63,460 |
| BABs and CREBs Interest Subsidies | 329,553 | 235,247 |
| Transfers | | |
| City Gross Earnings Tax | <u>(3,392,944)</u> | <u>(3,342,527)</u> |
| CHANGE IN NET POSITION | <u>(2,805,989)</u> | <u>(659,141)</u> |
| TOTAL NET POSITION - January 1 | | |
| TOTAL NET POSITION - March 31 | | |

| YEAR TO DATE | | | |
|-------------------|-------------------|-----------------------|-------------------|
| March 31, 2020 | March 31, 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| 125,294,782 | 121,995,671 | 3,299,111 | 2.7% |
| 9,083,305 | 5,009,570 | 4,073,735 | 81.3% |
| 6,194,992 | 6,532,966 | (337,974) | -5.2% |
| 140,573,079 | 133,538,207 | 7,034,872 | 5.3% |
| 3,866,881 | 8,244,802 | (4,377,921) | -53.1% |
| 1,885,361 | 1,449,895 | 435,466 | 30.0% |
| 5,752,242 | 9,694,697 | (3,942,455) | -40.7% |
| 36,992,305 | 45,029,214 | (8,036,909) | -17.8% |
| 42,744,547 | 54,723,911 | (11,979,364) | -21.9% |
| 9,602,850 | 9,545,311 | 57,539 | 0.6% |
| 7,507,454 | 9,179,890 | (1,672,436) | -18.2% |
| 4,191,317 | 5,381,600 | (1,190,283) | -22.1% |
| 3,659,065 | 3,882,212 | (223,147) | -5.7% |
| 4,603,145 | 4,547,731 | 55,414 | 1.2% |
| 6,122,504 | 5,620,059 | 502,445 | 8.9% |
| 12,007,486 | 12,512,410 | (504,924) | -4.0% |
| 11,976,995 | 9,553,083 | 2,423,912 | 25.4% |
| 102,415,363 | 114,946,207 | (12,530,844) | -10.9% |
| 38,157,716 | 18,592,000 | 19,565,716 | 105.2% |
| (412,083) | 2,520,659 | (2,932,742) | -116.3% |
| (125,000) | (125,000) | - | 0.0% |
| 387,876 | 481,663 | (93,787) | -19.5% |
| (5,145,858) | (5,274,889) | 129,031 | 2.4% |
| 370,540 | 387,473 | (16,933) | -4.4% |
| (4,924,525) | (2,010,094) | (2,914,431) | -145.0% |
| 33,233,191 | 16,581,906 | 16,651,285 | 100.4% |
| 857,900 | 1,637,468 | (779,568) | -47.6% |
| 51,767 | 63,460 | (11,693) | -18.4% |
| 988,660 | 894,353 | 94,307 | 10.5% |
| (10,761,340) | (9,987,519) | (773,821) | -7.7% |
| 24,370,178 | 9,189,668 | 15,180,510 | 165.2% |
| 832,027,328 | 863,431,784 | (31,404,456) | -3.6% |
| 856,397,506 | 872,621,452 | (16,223,946) | |

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 Power
Summary of Revenues and Billings (Unaudited)
March 31, 2020 and March 31, 2019

| | For the month of March 2020 | For the month of March 2019 |
|---|--------------------------------|--------------------------------|
| OPERATING REVENUE | | |
| Sales of Electric Energy | | |
| Residential | \$17,080,931 | \$20,981,626 |
| Commercial | 2,569,202 | 3,135,938 |
| General | 10,796,689 | 11,323,909 |
| Contract Industrial | 1,837,194 | 1,619,814 |
| Public Street and Highway Lighting | 74,997 | 117,371 |
| Sales to Other Electric Utilities | 47,214 | 49,262 |
| Total Sales to Customers | 32,406,227 | 37,227,920 |
| Bulk Power Sales | 4,020,784 | 3,644,420 |
| Total Sales of Electric Energy | 36,427,011 | 40,872,340 |
| Other Operating Revenue | | |
| Rentals and Leases from Elect. Property | 58,568 | 780,907 |
| Wheeling | 885,455 | 899,535 |
| Service Fees and Other | 1,986,064 | 434,436 |
| Telecommunications Revenue | 2,205,018 | 2,221,414 |
| Total Other Operating Revenues | 5,135,105 | 4,336,292 |
| TOTAL OPERATING REVENUES | \$41,562,116 | \$45,208,632 |
| BILLINGS (Number of Months Billed) | | |
| Residential | 143,530 | 162,140 |
| Commercial | 15,933 | 17,215 |
| General | 2,303 | 2,667 |
| Contract Industrial | 2 | 2 |
| Public Streets and Highway Lighting | 940 | 1,042 |
| Sales to Other Electric Utilities | 1 | 1 |
| TOTAL BILLINGS | 162,709 | 183,067 |

| YEAR TO DATE | | | |
|----------------------|----------------------|-----------------------|-------------------|
| March 31, 2020 | March 31, 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| \$56,791,553 | \$60,149,473 | (\$3,357,920) | -5.6% |
| 8,156,120 | 8,507,424 | (351,304) | -4.1% |
| 34,166,509 | 31,644,745 | 2,521,764 | 8.0% |
| 5,948,609 | 5,340,526 | 608,083 | 11.4% |
| 267,682 | 438,511 | (170,829) | -39.0% |
| 146,182 | 142,322 | 3,860 | 2.7% |
| 105,476,655 | 106,223,001 | (746,346) | -0.7% |
| 19,818,127 | 15,772,670 | 4,045,457 | 25.6% |
| 125,294,782 | 121,995,671 | 3,299,111 | 2.7% |
| 991,824 | 1,071,890 | (80,066) | -7.5% |
| 2,675,460 | 2,705,305 | (29,845) | -1.1% |
| 5,416,021 | 1,232,375 | 4,183,646 | 339.5% |
| 6,194,992 | 6,532,966 | (337,974) | -5.2% |
| 15,278,297 | 11,542,536 | 3,735,761 | 32.4% |
| <u>\$140,573,079</u> | <u>\$133,538,207</u> | <u>\$7,034,872</u> | 5.3% |
| 456,043 | 488,452 | (32,409) | -6.6% |
| 47,922 | 48,965 | (1,043) | -2.1% |
| 7,221 | 7,321 | (100) | -1.4% |
| 6 | 6 | - | 0.0% |
| 2,748 | 2,878 | (130) | -4.5% |
| 3 | 3 | - | 0.0% |
| <u>513,943</u> | <u>547,625</u> | <u>(33,682)</u> | -6.2% |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Gross Generation Report (Unaudited)
March 31, 2020 and March 31, 2019

| | For the month of March 2020 | For the month of March 2019 |
|---|--------------------------------|--------------------------------|
| KWH GENERATED, PURCHASED AND INTERCHANGED - Gross | | |
| Generated - LaGrande | 23,145,000 | 19,089,000 |
| Generated - Alder | 13,719,000 | 10,532,000 |
| TOTAL NISQUALLY | 36,864,000 | 29,621,000 |
| Generated - Cushman No 1 | 2,487,000 | 2,248,000 |
| Generated - Cushman No 2 | 1,652,000 | 889,000 |
| TOTAL CUSHMAN | 4,139,000 | 3,137,000 |
| Generated - Mossyrock | 90,416,000 | 56,248,000 |
| Generated - Mayfield | 63,196,000 | 50,159,000 |
| TOTAL COWLITZ | 153,612,000 | 106,407,000 |
| Generated - Wynoochee | 1,480,000 | 1,124,000 |
| Generated - Hood Street | 358,000 | 361,600 |
| Tacoma's Share of Priest Rapids | 1,910,000 | 1,614,000 |
| Tacoma's Share of GCPHA | 6,079,000 | 2,146,000 |
| TOTAL KWH GENERATED - TACOMA SYSTEM | 204,442,000 | 144,410,600 |
| Purchased Power | | |
| BPA Slice Contract | 168,743,000 | 185,182,000 |
| BPA Block Contract | 143,064,000 | 157,616,000 |
| Interchange Net | (54,091,250) | (40,115,250) |
| TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED | 462,157,750 | 447,093,350 |
| Losses | 3,412,544 | 2,051,974 |
| Baldi Replacement | 99,127 | 24,335 |
| Ketron | 39,977 | 28,678 |
| NT PC Mutuals Schedules | (3,299,000) | (3,132,000) |
| PC Mutual Inadvertent | 92,047 | (73,992) |
| TACOMA SYSTEM FIRM LOAD | 462,502,445 | 445,992,345 |
| Maximum Kilowatts (System Firm Load) | 837,090 | 889,100 |
| Average Kilowatts (System Firm Load) | 621,643 | 599,452 |
| PIERCE COUNTY MUTUAL LOAD | 150,696,000 | 144,192,000 |
| KWH BILLED | | |
| Residential Sales | 183,544,333 | 231,609,782 |
| Commercial Sales | 27,775,872 | 35,043,561 |
| General | 156,481,286 | 172,317,426 |
| Contract Industrial | 41,374,860 | 31,689,180 |
| Public Street and Highway Lighting | 1,108,155 | 909,678 |
| Sales to Other Electric Utilities | 747,900 | 833,400 |
| TOTAL FIRM | 411,032,406 | 472,403,027 |
| Bulk Power Sales | 178,086,000 | 124,571,000 |
| TOTAL KWH BILLED | 589,118,406 | 596,974,027 |

| YEAR TO DATE | | | |
|-------------------|-------------------|-----------------------|-------------------|
| March 31, 2020 | March 31, 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| 114,607,000 | 79,880,000 | 34,727,000 | 43.5% |
| 67,358,000 | 47,194,000 | 20,164,000 | 42.7% |
| 181,965,000 | 127,074,000 | 54,891,000 | 43.2% |
| 33,542,000 | 32,051,000 | 1,491,000 | 4.7% |
| 52,321,000 | 49,075,000 | 3,246,000 | 6.6% |
| 85,863,000 | 81,126,000 | 4,737,000 | 5.8% |
| 458,849,000 | 237,743,000 | 221,106,000 | 93.0% |
| 287,906,000 | 187,187,000 | 100,719,000 | 53.8% |
| 746,755,000 | 424,930,000 | 321,825,000 | 75.7% |
| 13,504,000 | 9,684,000 | 3,820,000 | 39.4% |
| 1,021,900 | 678,883 | 343,017 | 50.5% |
| 6,830,000 | 5,655,000 | 1,175,000 | 20.8% |
| 6,079,000 | 2,146,000 | 3,933,000 | 183.3% |
| 1,042,017,900 | 651,293,883 | 390,724,017 | 60.0% |
| 588,763,000 | 522,521,000 | 66,242,000 | 12.7% |
| 413,611,000 | 455,683,000 | (42,072,000) | -9.2% |
| (637,940,250) | (222,722,000) | (415,218,250) | -186.4% |
| 1,406,451,650 | 1,406,775,883 | (324,233) | 0.0% |
| 11,346,721 | 5,927,532 | 5,419,189 | 91.4% |
| 1,036,373 | 75,816 | 960,557 | 1267.0% |
| 113,369 | 110,586 | 2,783 | 2.5% |
| (9,878,000) | (9,900,000) | 22,000 | 0.2% |
| (2,819,286) | 355,626 | (3,174,912) | -892.8% |
| 1,406,250,827 | 1,403,345,443 | 2,905,384 | 0.2% |
| 459,512,000 | 473,621,000 | (14,109,000) | -3.0% |
| 615,646,809 | 675,875,257 | (60,228,448) | -8.9% |
| 88,667,838 | 95,282,019 | (6,614,181) | -6.9% |
| 504,603,986 | 500,785,941 | 3,818,045 | 0.8% |
| 127,963,740 | 109,227,720 | 18,736,020 | 17.2% |
| 2,674,236 | 3,163,222 | (488,986) | -15.5% |
| 2,393,100 | 2,457,900 | (64,800) | -2.6% |
| 1,341,949,709 | 1,386,792,059 | (44,842,350) | -3.2% |
| 797,583,000 | 435,016,000 | 362,567,000 | 83.3% |
| 2,139,532,709 | 1,821,808,059 | 317,724,650 | 17.4% |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Statements of Cash Flows (Unaudited)
March 31, 2020 and March 31, 2019

| | YEAR ENDED MARCH 31, | |
|---|----------------------|----------------------|
| | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash from Customers | \$ 133,834,854 | \$ 132,482,603 |
| Cash Paid to Suppliers | (65,595,477) | (69,593,233) |
| Cash Paid to Employees | (33,063,422) | (31,547,386) |
| Taxes Paid | (5,584,771) | (5,293,011) |
| Cash from Conservation Loans | 123,642 | (112,541) |
| Net Cash from Operating Activities | 29,714,826 | 25,936,432 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Transfer Out for Gross Earnings Tax | (10,761,340) | (9,987,519) |
| Transfer to Family Need Fund | (125,000) | (125,000) |
| Net Cash from Non-Capital Financing Activities | (10,886,340) | (10,112,519) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital Expenditures | (10,860,372) | (8,132,379) |
| Principal Payments on Long-Term Debt and LOC | (9,365,000) | (10,095,000) |
| Interest Paid | (10,185,014) | (10,424,358) |
| BABs and CREBs Interest Subsidies | 988,660 | 894,353 |
| Contributions in Aid of Construction (Cash) | 857,900 | 1,637,468 |
| Net Cash from Capital and Related Financing Activities | (28,563,826) | (26,119,916) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | (412,083) | 2,520,659 |
| Other Non-Op Revenues and Deductions | 387,876 | 481,663 |
| Net Cash from Investing Activities | (24,207) | 3,002,322 |
| Net Change in Cash and Equity in Pooled Investments | (9,759,547) | (7,293,681) |
| Cash and Equity in Pooled Investments at January 1 | 241,135,358 | 250,122,888 |
| Cash and Equity in Pooled Investments at March 31 | <u>\$231,375,811</u> | <u>\$242,829,207</u> |

The accompanying notes are an integral part of these financial statements

| | YEAR ENDED MARCH 31, | |
|--|----------------------|---------------|
| | 2019 | 2018 |
| Reconciliation of Net Operating Income to Net Cash From Operating Activities: | | |
| Net Operating Income | \$38,157,716 | \$18,592,000 |
| Adjustments to reconcile net operating income to net cash from operating activities: | | |
| Depreciation | 12,007,486 | 12,512,410 |
| Amortization of Regulatory Assets | 2,307,108 | 2,301,132 |
| Accrued Environmental Expense | (5,258,322) | - |
| Rate Stabilization | - | - |
| Cash from changes in operating assets and liabilities: | | |
| Accounts Receivable and Accrued Unbilled Revenue | (6,738,225) | (1,055,606) |
| Conservation Loans Receivable | 123,642 | (112,541) |
| Interfund Receivables | - | 1,845,652 |
| Materials and Supplies, and Other | 726,558 | (671,446) |
| Taxes and Other Payables | (10,176,963) | (11,973,353) |
| Purchased Power Payable | (2,439,801) | 4,179,264 |
| Salaries, Wages and Compensated Absences Payable | 2,127,495 | 1,660,138 |
| Customers' Deposits | 12,784 | (10,807) |
| Regulatory Asset - Conservation | (1,134,652) | (1,123,138) |
| Interfund Payables | - | (207,273) |
| Total Adjustments | (8,442,890) | 7,344,432 |
| Net Cash from Operating Activities | \$29,714,826 | \$25,936,432 |
| Reconciliation of Cash and Equity in Pooled Investments to Balance Sheet: | | |
| Cash and Equity in Pooled Investments in Special Funds | \$45,387,289 | \$39,536,869 |
| Cash and Equity in Pooled Investments in Operating Funds | 185,988,522 | 203,292,338 |
| Cash and Equity in Pooled Investments at March 31 | \$231,375,811 | \$242,829,207 |

City of Tacoma, Washington
Department of Public Utilities
Click! Network
Commercial Operations
Operational Summary (Unaudited)
March 31, 2020 and March 31, 2019

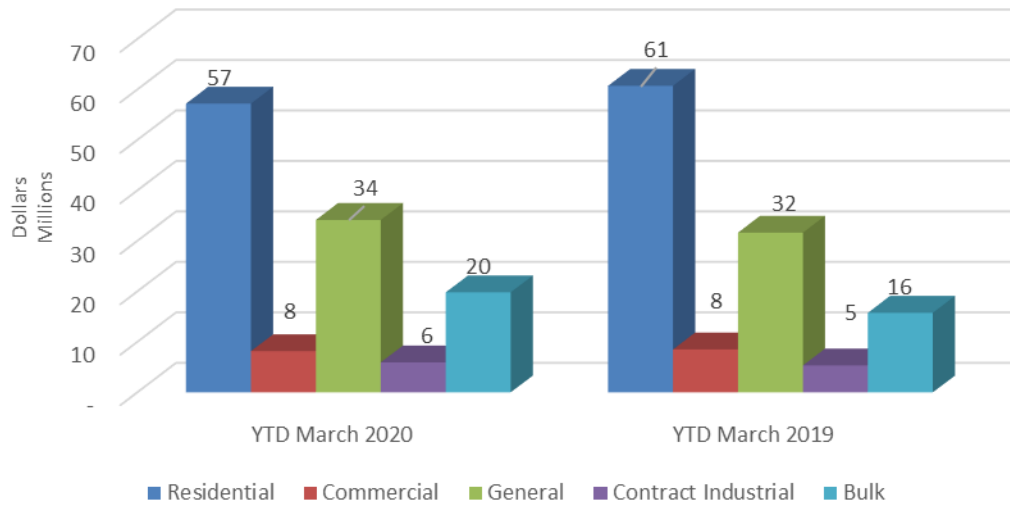
| | March 2020 | March 2019 |
|---|---------------------------|---------------------------|
| TELECOMMUNICATIONS REVENUE | | |
| CATV | \$1,143,829 | \$1,415,142 |
| Broadband | 73,989 | 80,459 |
| ISP | 964,874 | 700,233 |
| Interdepartmental | 22,326 | 25,580 |
| Total Operating Revenue | <u>2,205,018</u> | <u>2,221,414</u> |
| TELECOMMUNICATIONS EXPENSE-COMMERCIAL | | |
| Administration & Sales Expense | | |
| Salaries & Wages Expense | 117,205 | 188,326 |
| General Expense | 53,582 | 64,655 |
| Contract Services | 1,079,450 | 1,143,694 |
| IS & Intergovernmental Services | 120,940 | 121,978 |
| Fleet Services | 905 | 520 |
| Capitalized A & G Expense | (13,543) | (2,448) |
| Total Admin & Sales Expense | <u>1,358,539</u> | <u>1,516,725</u> |
| Operations & Maintenance Expense | | |
| Salaries & Wages Expense | 206,677 | 276,493 |
| General Expense | 289,088 | 17,005 |
| Contract Services | 54,329 | 91,348 |
| IS & Intergovernmental Services | 64,921 | 1,992 |
| Fleet Services | 29,574 | 37,093 |
| New Connect Capital | (7,254) | - |
| Total Oper & Maint Expense | <u>637,335</u> | <u>423,931</u> |
| Total Telecommunications Expense | 1,995,874 | 1,940,656 |
| Net Revenues (Expenses) Before Taxes and Depreciation and Amortization | 209,144 | 280,758 |
| Taxes | 274,630 | 303,613 |
| Depreciation and Amortization | <u>106,900</u> | <u>142,638</u> |
| | 381,530 | 446,251 |
| NET OPERATING REVENUES (EXPENSES) | <u><u>(\$172,386)</u></u> | <u><u>(\$165,493)</u></u> |

| YEAR TO DATE | | | |
|-------------------|--------------------|-----------------------|-------------------|
| March 31, 2020 | March 31, 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| \$3,576,153 | \$4,152,606 | (\$576,453) | -13.9% |
| 223,647 | 246,450 | (22,803) | -9.3% |
| 2,328,210 | 2,057,170 | 271,040 | 13.2% |
| 66,982 | 76,740 | (9,758) | -12.7% |
| <u>6,194,992</u> | <u>6,532,966</u> | <u>(337,974)</u> | -5.2% |
| 320,622 | 549,835 | (229,213) | -41.7% |
| 85,856 | 132,581 | (46,725) | -35.2% |
| 2,257,241 | 3,226,788 | (969,547) | -30.0% |
| 355,810 | 352,629 | 3,181 | 0.9% |
| 1,876 | 1,954 | (78) | -4.0% |
| (18,416) | (7,709) | (10,707) | -138.9% |
| <u>3,002,989</u> | <u>4,256,078</u> | <u>(1,253,089)</u> | -29.4% |
| 614,424 | 846,381 | (231,957) | -27.4% |
| 306,397 | 42,484 | 263,913 | 621.2% |
| 151,959 | 178,618 | (26,659) | -14.9% |
| 66,518 | 4,969 | 61,549 | 1238.7% |
| 66,799 | 66,001 | 798 | 1.2% |
| (17,769) | (12,931) | (4,838) | -37.4% |
| <u>1,188,328</u> | <u>1,125,522</u> | <u>62,806</u> | 5.6% |
| 4,191,317 | 5,381,600 | (1,190,283) | -22.1% |
| 2,003,675 | 1,151,366 | 852,309 | 74.0% |
| 810,368 | 889,716 | (79,348) | -8.9% |
| 326,621 | 432,882 | (106,261) | -24.5% |
| <u>1,136,989</u> | <u>1,322,598</u> | <u>(185,609)</u> | |
| <u>\$866,686</u> | <u>(\$171,232)</u> | <u>\$1,037,918</u> | 606.1% |

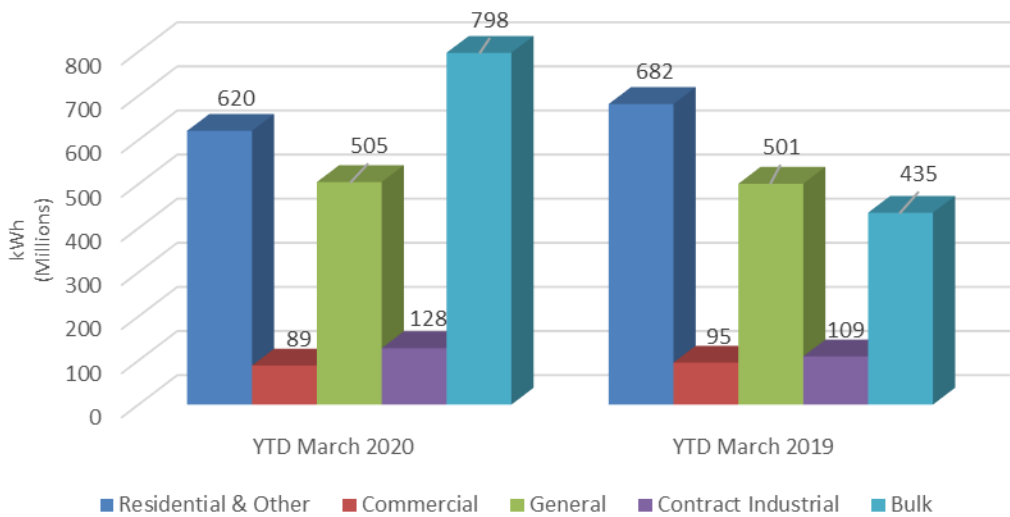
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Supplemental Data

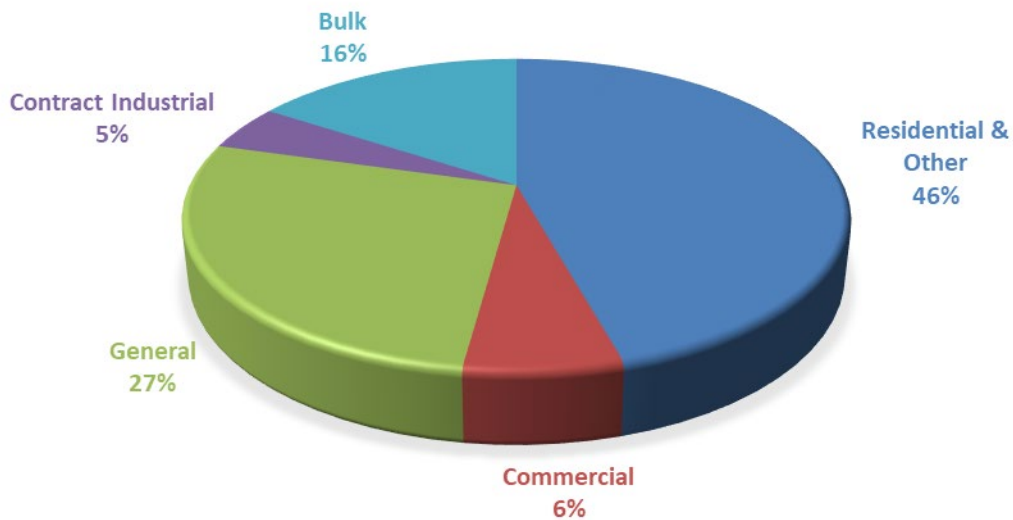
Sales of Electric Energy Year to Date - March 2020 & 2019



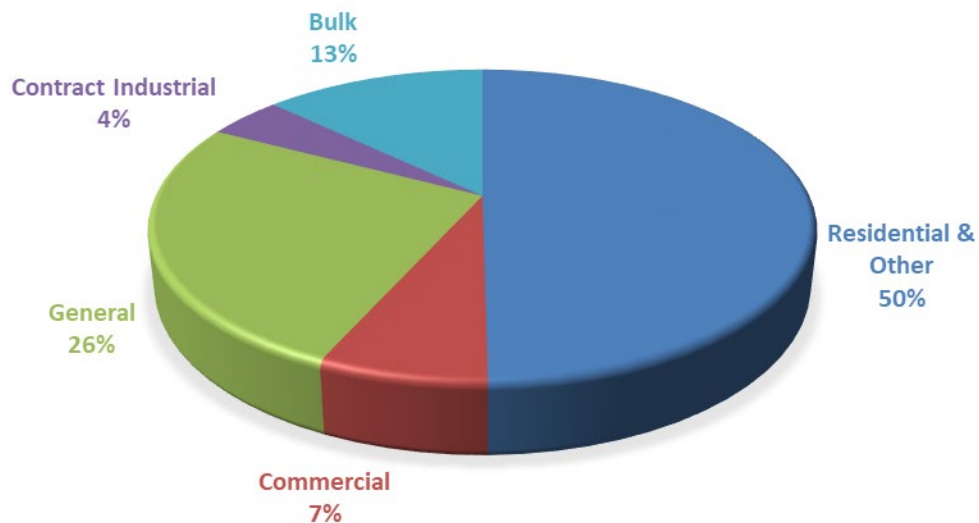
Total Power Billed Year to Date - March 2020 & 2019



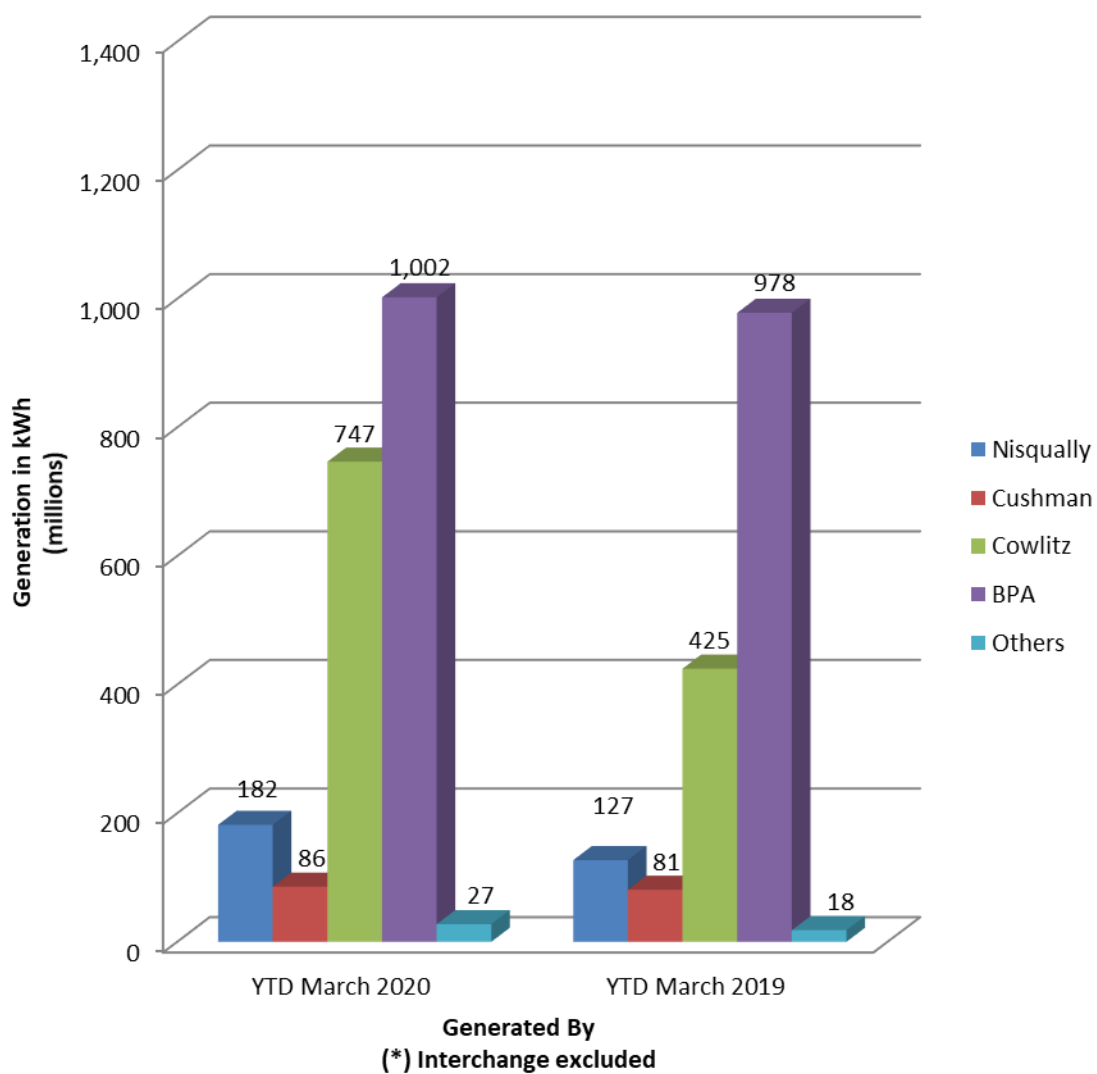
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - MARCH 2020 (\$125,294,782)**



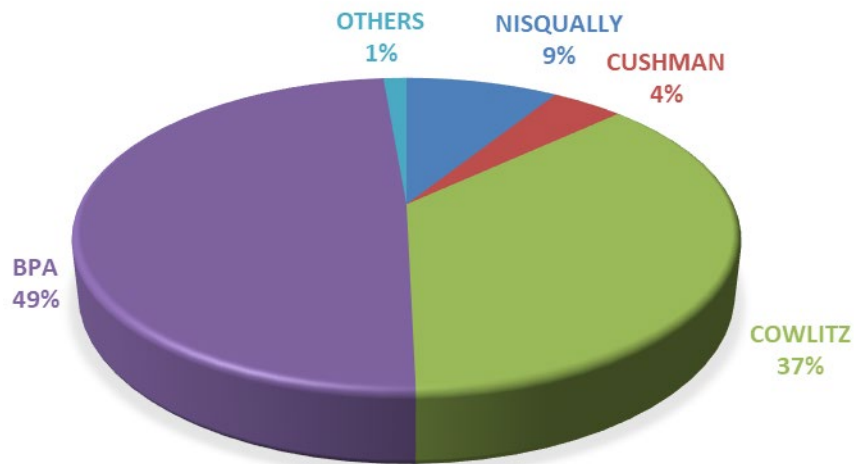
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - MARCH 2019 (\$121,995,671)**



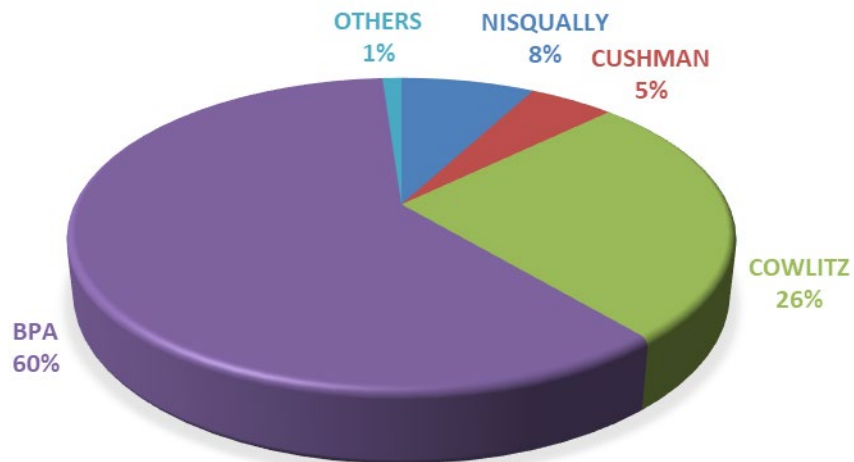
Power Sources (*) Year to Date March 2020 & 2019



POWER SOURCES (*)
YEAR TO DATE - MARCH 2020

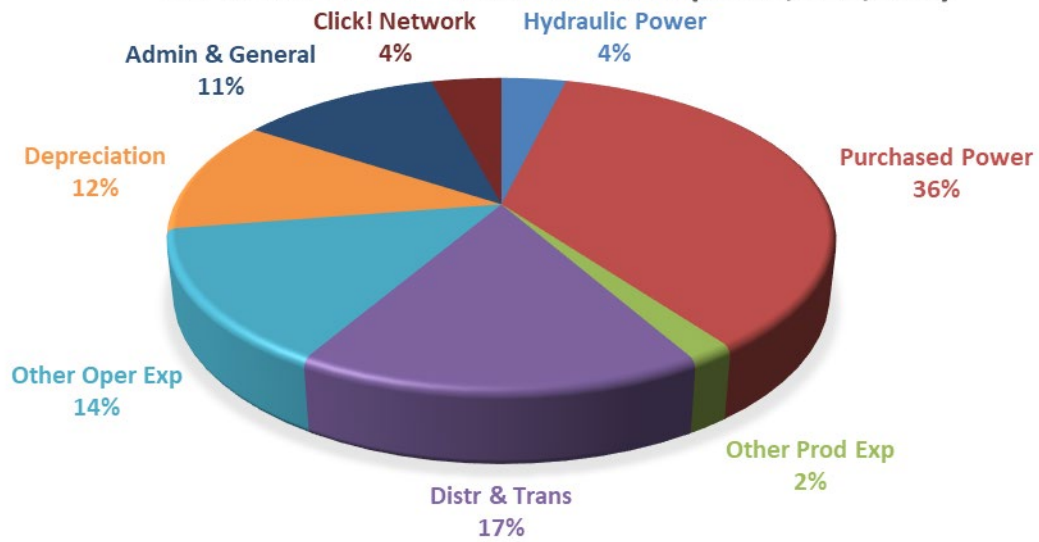


POWER SOURCES (*)
YEAR TO DATE - MARCH 2019

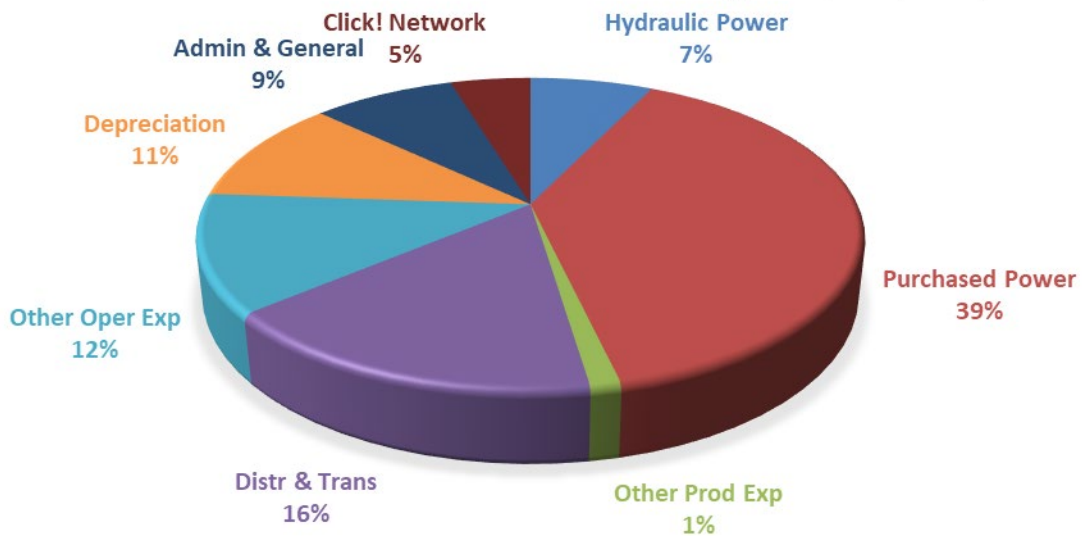


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
YEAR TO DATE - MARCH 2020 (\$102,415,363)



TOTAL OPERATING EXPENSES *
YEAR TO DATE - MARCH 2019 (\$114,946,207)



* City Gross Earnings Taxes are not included in Total Operating Expenses.

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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.

MARCH

TACOMA WATER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

SCOTT DEWHIRST

Water Superintendent

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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City of Tacoma, Washington
Department of Public Utilities, Water Division
Doing Business as

Tacoma Water

Table of Contents

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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| Statements of Revenues, Expenses and Changes in Net Position (Unaudited) | 5 |
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| Summary of Water Billed (Unaudited) | 9 |
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Management Discussion and Analysis

Overview of the Financial Statements

Summary

As of March 2020, Tacoma Water is reporting year-to-date operating income of \$1.7 million compared to \$1.8 million in 2019. Operating revenues increased \$337,000 (1.6%) and operating expenses increased by \$427,000 (2.2%). The year-to-date change in net position for 2020 was (\$906,000); for 2019 it was \$461,000.

Revenues

Water sales revenues increased by \$99,000 (0.5%) as of the first quarter of 2020 compared to the same period in 2019. The following table summarizes the impacts of rate and volume changes on water sales revenue by customer class as of March 2020.

| Customer Class | Changes Related to: | | YTD Increase (Decrease) |
|---------------------------|---------------------|--------------|----------------------------|
| | Rate | Volume | |
| Residential and Domestic | \$ 571,189 | \$ (771,707) | \$ (200,518) |
| Commercial and Industrial | 228,550 | (32,423) | 196,127 |
| Special Rate | 19,304 | 197,572 | 216,876 |
| Other | 46,057 | (159,823) | (113,766) |
| Total | \$ 865,100 | \$ (766,381) | \$ 98,719 |

Consumption as of March 2020 was 3,617 million gallons compared to 3,604 million gallons for the same period in 2019. Regional Water Supply System (RWSS) partners (including Tacoma share) received 2,655.18 million gallons. The following table summarizes water consumption by customer class year-to-date.

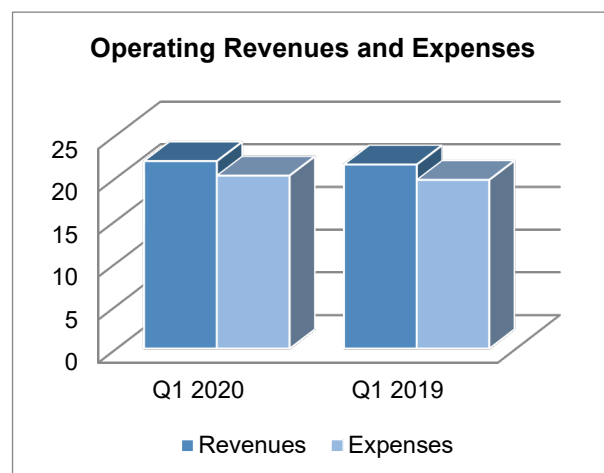
| Customer Class | Millions of Gallons | | YTD Increase (Decrease) | % |
|---------------------------|---------------------|----------|----------------------------|-------|
| | 2020 | 2019 | | |
| Residential and Domestic | 1,424.26 | 1,519.41 | (95.15) | (6%) |
| Commercial and Industrial | 610.60 | 615.43 | (4.83) | (1%) |
| Special Rate | 1,444.05 | 1,272.60 | 171.45 | 13% |
| Other | 137.80 | 196.36 | (58.56) | (30%) |
| Total | 3,616.71 | 3,603.80 | 12.91 | 0% |

Expenses

Operating expenses were \$20.2 million for the first three months of 2020, an increase of \$427,000 compared to 2019.

Non Operating Revenues

Interest income decreased \$2.6 million due to the reversal of the 2019 GASB 31 Gain/Loss entry.



Request for Information

Water 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.

Additional information can also be obtained from <https://www.mytpu.org/about-tpu/tacoma-water-investor.htm>

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | March 31, | |
|---|-----------------|-----------------|
| | 2020 | 2019 |
| ASSETS | | |
| UTILITY PLANT | | |
| Water Plant in Service | \$1,146,434,670 | \$1,122,849,319 |
| Less Depreciation and Amortization | (287,748,767) | (264,881,664) |
| Total | 858,685,903 | 857,967,655 |
| Construction Work in Progress | 15,991,499 | 12,674,938 |
| Net Utility Plant | 874,677,402 | 870,642,593 |
| NON-UTILITY PROPERTY | 492,963 | 492,963 |
| RESTRICTED ASSETS | | |
| Cash and Equity in Pooled Investments: | | |
| 2010 Construction Fund | - | 3,476,894 |
| 2013 Construction Fund | 8,530,591 | 16,959,780 |
| Regional Water Supply System Operating Fund | 861,710 | 618,404 |
| Provision for Debt Payment | 11,474,591 | 11,505,597 |
| Customer Water Main Deposits | 3,454,073 | 3,357,264 |
| Water Supply Forum Fund | 615,928 | 431,515 |
| Special Bond Reserves | 22,116,769 | 22,110,312 |
| Water Customer Contribution Fund | 825,328 | 531,729 |
| Water Capital Reserves | 41,048,821 | 39,326,059 |
| Water System Development Charge | 73,795,616 | 69,819,680 |
| Total Restricted Assets | 162,723,427 | 168,137,234 |
| CURRENT ASSETS | | |
| Cash and Equity in Pooled Investments: | | |
| Current Fund | 68,546,967 | 61,675,075 |
| Customers' Deposits | 315,770 | 314,943 |
| Receivables: | | |
| Customers | 4,246,599 | 4,593,375 |
| Accrued Unbilled Revenues | 5,818,438 | 5,930,220 |
| Others | 1,286,100 | 866,760 |
| BABs Interest Subsidies | 1,204,720 | 1,200,883 |
| Provision for Uncollectible Accounts | (515,338) | (768,752) |
| Materials and Supplies | 2,697,498 | 2,511,332 |
| Prepayments | 1,932,752 | 1,904,362 |
| Total Current Assets | 85,533,506 | 78,228,198 |
| TOTAL ASSETS | 1,123,427,298 | 1,117,500,988 |
| OTHER ASSETS | | |
| Regulatory Assets - Public Fire Protection Fees | - | - |
| Regulatory Assets - Surcharges | 2,046,268 | 1,569,417 |
| Net Pension Asset | - | 3,438,481 |
| Total Other Assets | 2,046,268 | 5,007,898 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Unamortized Losses on Refunding Bonds | 942,128 | 1,129,372 |
| Deferred Outflows for Pensions | 12,149,265 | 4,409,587 |
| Deferred Outflows for OPEB | 471,177 | 295,709 |
| Total Deferred Outflows | 13,562,570 | 5,834,668 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$1,139,036,136 | \$1,128,343,554 |

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

| | March 31, | |
|---|-----------------|-----------------|
| | 2020 | 2019 |
| NET POSITION | | |
| Net Investment in Capital Assets | \$454,523,266 | \$446,479,295 |
| Restricted for: | | |
| Water Capital Reserves | 36,418,434 | 34,695,672 |
| Water System Development Charge | 38,220,169 | 34,244,233 |
| Debt Service Funds | 4,950,797 | 4,793,570 |
| Pension Asset | - | 3,438,481 |
| Unrestricted | 67,797,865 | 58,548,133 |
| TOTAL NET POSITION | 601,910,531 | 582,199,384 |
| LIABILITIES | | |
| LONG-TERM DEBT | | |
| Revenue Bonds Outstanding: | | |
| 2005 Water Revenue Bonds Refunding | 5,000 | 5,000 |
| 2009 Water Revenue Bonds | 76,775,000 | 76,775,000 |
| 2010 Water Revenue Bonds Refunding | 13,530,000 | 17,790,000 |
| 2010 Water Revenue Bonds | 74,985,000 | 74,985,000 |
| 2013 Water Revenue Bonds Refunding | 74,355,000 | 74,355,000 |
| 2015 Water Refunding Bonds, Series A | 9,230,000 | 10,820,000 |
| 2010 RWSS Revenue Bonds, Series A | 1,345,000 | 1,655,000 |
| 2010 RWSS Revenue Bonds, Series B | 44,245,000 | 44,245,000 |
| 2013 RWSS Refunding Bonds | 55,920,000 | 57,710,000 |
| Total Outstanding Revenue Bonds | 350,390,000 | 358,340,000 |
| Plus: Unamortized Bond Premium | 8,787,666 | 10,173,064 |
| Net Outstanding Revenue Bonds | 359,177,666 | 368,513,064 |
| PWTF Pre-Construction Loans | 320,261 | 480,435 |
| PWTF Construction Loans | 14,297,433 | 16,834,030 |
| State Drinking Water Loans | 57,150,308 | 61,381,554 |
| Total Long-Term Debt | 430,945,668 | 447,209,083 |
| CURRENT LIABILITIES | | |
| Salaries and Wages Payable | 1,178,094 | 927,281 |
| Purchases and Contracts Payable | 1,222,377 | 1,467,842 |
| Interest Expense Accrued | 6,523,794 | 6,712,027 |
| Taxes Accrued | 1,500,854 | 1,585,832 |
| Customers' and Contractors' Deposits | 352,860 | 371,945 |
| Current Portion of Long-Term Debt | 15,046,423 | 14,710,633 |
| Interfund Payables | - | - |
| Other Current Liabilities | 4,307,575 | 4,223,110 |
| Current Accrued Compensated Absences | 237,357 | 244,160 |
| Total Current Liabilities | 30,369,334 | 30,242,830 |
| LONG-TERM LIABILITIES | | |
| Muckleshoot Agreements | 6,244,496 | 6,412,903 |
| Customer Advances for Construction | 7,999,146 | 6,304,920 |
| Unearned Revenue | 7,172,917 | 7,414,873 |
| Other Long-Term Liabilities | 1,132,176 | 1,099,515 |
| Pension Liability | 10,264,957 | - |
| OPEB Liability | 3,565,886 | 3,780,897 |
| Long-Term Accrued Compensated Absences | 2,136,217 | 2,197,439 |
| Total Long-Term Liabilities | 38,515,795 | 27,210,547 |
| TOTAL LIABILITIES | 499,830,797 | 504,662,460 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Rate Stabilization | 35,575,447 | 35,575,447 |
| Deferred Inflows for Pensions | 1,348,807 | 5,853,098 |
| Deferred Inflows for OPEB | 370,554 | 53,165 |
| Total Deferred Inflows | 37,294,808 | 41,481,710 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$1,139,036,136 | \$1,128,343,554 |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | MARCH 2020 | MARCH 2019 |
|--|--------------------|--------------------|
| OPERATING REVENUES | | |
| Sales of Water | \$5,378,829 | \$5,999,307 |
| Other Operating Revenues | 536,722 | 566,053 |
| Contract Resource Obligation Revenue | 450,926 | 301,527 |
| Total Operating Revenues | <u>6,366,477</u> | <u>6,866,887</u> |
| OPERATING EXPENSES | | |
| Production Expense: | | |
| Source of Supply | 369,953 | 589,055 |
| Water Treatment | 788,462 | 578,195 |
| Total Production Expense | <u>1,158,415</u> | <u>1,167,250</u> |
| Power Pumping Expense | 56,414 | 63,609 |
| Transmission and Storage Expense | 133,012 | 186,714 |
| Distribution Expense | 1,196,087 | 1,137,319 |
| Customer Accounting and Consumer Service | 497,742 | 451,754 |
| Taxes | 446,921 | 448,675 |
| Depreciation | 2,143,370 | 2,104,837 |
| Administrative and General | 1,002,991 | 1,082,890 |
| Total Operating Expenses | <u>6,634,952</u> | <u>6,643,048</u> |
| OPERATING INCOME (LOSS) | (268,475) | 223,839 |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 348,047 | 422,736 |
| Miscellaneous | (1,175) | 1,771 |
| Interest on Long-Term Debt | (1,338,156) | (1,299,736) |
| Interest on Long-Term Debt BABs Sub | (247,703) | (320,064) |
| Amortization Of Debt Premium | 92,464 | 102,307 |
| Interest Charged to Construction | - | (112) |
| Total Non-Operating Revenues (Expenses) | <u>(1,146,523)</u> | <u>(1,093,098)</u> |
| Net Income (Loss) Before Capital Contributions and Transfers | (1,414,998) | (869,259) |
| Capital Contributions: | | |
| Cash | 685,455 | 721,615 |
| Donated Fixed Assets | 326,251 | 165,073 |
| Federal BABs Subsidies | 301,180 | 300,220 |
| Transfers: | | |
| City Gross Earnings Tax | (458,314) | (491,655) |
| CHANGE IN NET POSITION | <u>(\$560,426)</u> | <u>(\$174,006)</u> |
| NET POSITION - JANUARY 1 | | |
| TOTAL NET POSITION - MARCH 31 | | |

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

| YEAR TO DATE | | 2020 OVER (UNDER) 2019 | PERCENT CHANGE |
|-------------------|-------------------|---------------------------------|-------------------|
| MARCH 31, 2020 | MARCH 31, 2019 | | |
| \$18,342,283 | \$18,243,564 | \$98,719 | 0.5% |
| 2,037,810 | 2,116,101 | (78,291) | -3.7% |
| 1,485,351 | 1,168,667 | 316,684 | 27.1% |
| 21,865,444 | 21,528,332 | 337,112 | 1.6% |
| 1,221,425 | 1,650,744 | (429,319) | -26.0% |
| 2,106,019 | 1,613,194 | 492,825 | 30.5% |
| 3,327,444 | 3,263,938 | 63,506 | 1.9% |
| 196,792 | 178,518 | 18,274 | 10.2% |
| 409,243 | 486,427 | (77,184) | -15.9% |
| 3,924,732 | 3,519,259 | 405,473 | 11.5% |
| 1,359,872 | 1,299,124 | 60,748 | 4.7% |
| 1,111,173 | 1,014,667 | 96,506 | 9.5% |
| 6,423,979 | 6,314,043 | 109,936 | 1.7% |
| 3,410,135 | 3,659,902 | (249,767) | -6.8% |
| 20,163,370 | 19,735,878 | 427,492 | 2.2% |
| 1,702,074 | 1,792,454 | (90,380) | -5.0% |
| (251,213) | 2,331,484 | (2,582,697) | -110.8% |
| 485,029 | 34,493 | 450,536 | 1306.2% |
| (4,014,472) | (3,917,584) | (96,888) | -2.5% |
| (743,109) | (960,192) | 217,083 | 22.6% |
| 277,391 | 306,920 | (29,529) | -9.6% |
| - | (25,962) | 25,962 | 100.0% |
| (4,246,374) | (2,230,841) | (2,015,533) | -90.3% |
| (2,544,300) | (438,387) | (2,105,913) | -480.4% |
| 1,369,307 | 1,609,140 | (239,833) | -14.9% |
| 972,944 | 186,423 | 786,521 | 421.9% |
| 903,540 | 900,660 | 2,880 | 0.3% |
| (1,607,522) | (1,796,809) | 189,287 | 10.5% |
| (906,031) | 461,027 | (1,367,058) | -296.5% |
| 602,816,562 | 581,738,357 | 21,078,205 | |
| \$601,910,531 | \$582,199,384 | \$19,711,147 | 3.4% |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Summary of Revenues and Billings (Unaudited)
March 31, 2020 and March 31, 2019

| | MARCH 2020 | MARCH 2019 |
|---------------------------|---------------------------|---------------------------|
| SALES OF WATER | | |
| Residential and Domestic | \$3,405,757 | \$3,903,577 |
| Commercial and Industrial | 1,275,360 | 1,511,345 |
| Special Rate | 570,087 | 462,658 |
| Wholesale | <u>127,625</u> | <u>121,727</u> |
| Total | <u><u>\$5,378,829</u></u> | <u><u>\$5,999,307</u></u> |

BILLINGS (NUMBER OF MONTHS BILLED)

| | | |
|---------------------------|----------------------|----------------------|
| Residential and Domestic | 75,052 | 88,400 |
| Commercial and Industrial | 6,292 | 6,904 |
| Wholesale | <u>19</u> | <u>24</u> |
| Total | <u><u>81,363</u></u> | <u><u>95,328</u></u> |

| YEAR TO DATE | | 2020 OVER (UNDER) 2019 | PERCENT CHANGE |
|---------------------|---------------------|---------------------------------|-------------------|
| MARCH 31, 2020 | MARCH 31, 2019 | | |
| \$12,086,978 | \$12,287,498 | (\$200,520) | -1.6% |
| 4,088,250 | 3,892,123 | 196,127 | 5.0% |
| 1,746,198 | 1,529,321 | 216,877 | 14.2% |
| 420,857 | 534,622 | (113,765) | -21.3% |
| <u>\$18,342,283</u> | <u>\$18,243,564</u> | <u>\$98,719</u> | 0.5% |
| 272,172 | 292,582 | (20,410) | -7.0% |
| 19,784 | 19,768 | 16 | 0.1% |
| 53 | 49 | 4 | 8.2% |
| <u>292,009</u> | <u>312,399</u> | <u>(20,390)</u> | -6.5% |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Summary of Water Billed (Unaudited)
March 31, 2020 and March 31, 2019

| | MILLION GALLONS, TOTAL | | | |
|---------------------------|------------------------|------------------------|------------------------|------------------------|
| | MARCH 2020 | MARCH 2019 | YEAR TO DATE | |
| | | | MARCH 31, 2020 | MARCH 31, 2019 |
| WATER BILLED | | | | |
| Residential and Domestic | 391.00 | 461.52 | 1,424.26 | 1,519.41 |
| Commercial and Industrial | 190.72 | 245.51 | 610.60 | 615.43 |
| Special Rate | 465.18 | 373.39 | 1,444.05 | 1,272.60 |
| Wholesale | <u>39.72</u> | <u>37.43</u> | <u>137.80</u> | <u>196.36</u> |
| | <u><u>1,086.62</u></u> | <u><u>1,117.85</u></u> | <u><u>3,616.71</u></u> | <u><u>3,603.80</u></u> |

MILLION GALLONS, AVERAGE DAILY

| <u>MARCH 2020</u> | <u>MARCH 2019</u> |
|-----------------------|-----------------------|
| 12.61 | 14.89 |
| 6.15 | 7.92 |
| 15.01 | 12.04 |
| <u>1.28</u> | <u>1.21</u> |
| <u>35.05</u> | <u>36.06</u> |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Water
Statements of Cash Flows (Unaudited)
March 31, 2020 and March 31, 2019

| | YEAR ENDED MARCH 31, | |
|---|----------------------|----------------------|
| | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash from Customers | \$26,717,445 | \$26,427,601 |
| Cash Paid to Suppliers | (5,176,508) | (6,951,562) |
| Cash Paid to Employees | (6,729,262) | (6,262,713) |
| Taxes Paid | (1,285,350) | (1,247,898) |
| NET CASH FROM OPERATING ACTIVITIES | 13,526,325 | 11,965,428 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfer Out for Gross Earnings Tax | (1,607,522) | (1,796,809) |
| NET CASH FROM NONCAPITAL FINANCING ACTIVITIES | (1,607,522) | (1,796,809) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Capital Expenditures, Net | (5,468,756) | (5,787,742) |
| Proceeds Held from Sale of Assets | - | 50 |
| Principal Payments on Muckleshoot LT Liability | (172,616) | (176,931) |
| Interest Paid | (4) | (455) |
| Contributions in Aid of Construction (Cash) | 1,369,307 | 1,609,140 |
| System Development Charges & Other LT Liabilities | 387,057 | (320,030) |
| NET CASH FROM CAPITAL FINANCING ACTIVITIES | (3,885,012) | (4,675,968) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received on Investments | (251,213) | 2,331,484 |
| Other Net Non-Op Revenues and Expenses | 485,029 | 34,493 |
| NET CASH FROM INVESTING ACTIVITIES | 233,816 | 2,365,977 |
| NET CHANGE IN CASH AND EQUITY IN POOLED INVESTMENTS | 8,267,607 | 7,858,628 |
| CASH AND EQUITY IN POOLED INVESTMENTS AT JANUARY 1 | 223,318,557 | 222,268,624 |
| CASH AND EQUITY IN POOLED INVESTMENTS AT MARCH 31 | <u>\$231,586,164</u> | <u>\$230,127,252</u> |

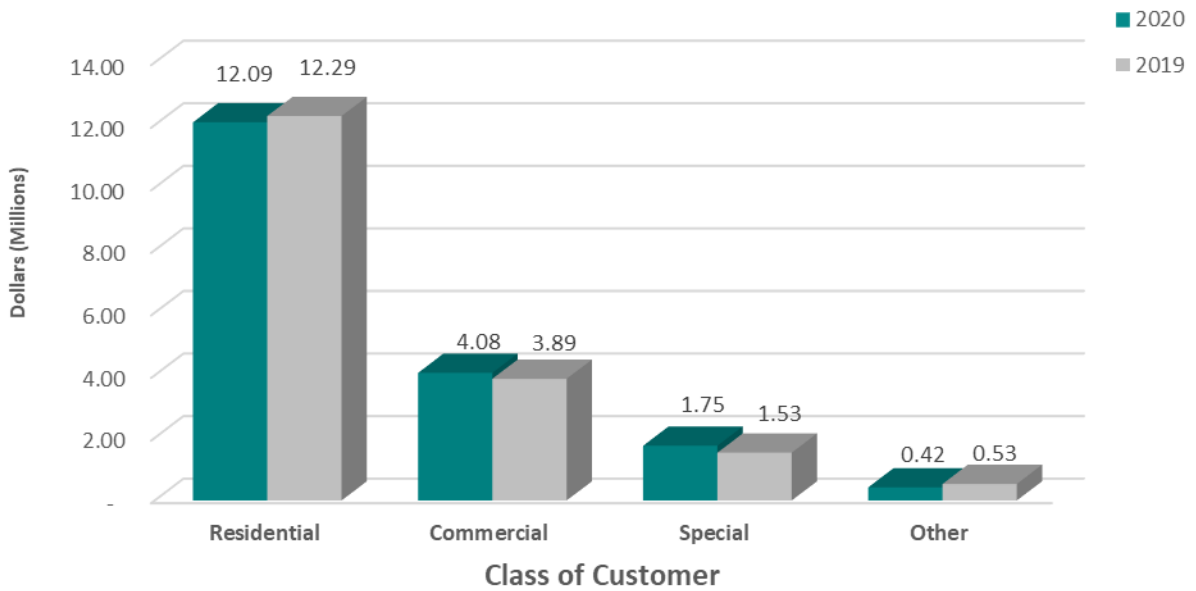
The accompanying notes are an integral part of these financial statements

| | YEAR ENDED MARCH 31, | |
|---|----------------------|----------------------|
| | 2020 | 2019 |
| RECONCILIATION OF NET OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES: | | |
| Net Operating Income | \$1,702,074 | \$1,792,454 |
| Adjustments to Reconcile Net Operating Income to Net Cash From Operating Activities: | | |
| Depreciation | 6,423,979 | 6,314,043 |
| Cash from Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable and Unbilled Revenue | 531,387 | 986,232 |
| Interfund Receivables | - | 756,845 |
| Regulatory Asset-Surcharges | 12,284 | (338,601) |
| Materials and Supplies | 83,431 | (41,827) |
| Prepayments | 244,793 | 157,510 |
| Unearned Revenues | 4,307,571 | 4,223,060 |
| Accrued Taxes | (174,177) | (233,231) |
| Salaries, Wages and Fringe Benefits Payable | 505,591 | 371,210 |
| Long-Term Accrued Compensated Absences | 759 | - |
| Customers' Deposits | (111,367) | 28,578 |
| Accrued Expenses and Contracts Payable | - | (485,104) |
| Interfund Payables | - | (1,565,741) |
| Total Adjustments | 11,824,251 | 10,172,974 |
| NET CASH FROM OPERATING ACTIVITIES | <u>\$13,526,325</u> | <u>\$11,965,428</u> |
| Reconciliation of Cash and Equity in Pooled Investments to Balance Sheet: | | |
| Cash and Equity in Pooled Investments in Special Funds | \$162,723,427 | \$168,137,234 |
| Cash and Equity in Pooled Investments in Operating Funds | <u>\$68,862,737</u> | <u>\$61,990,018</u> |
| Cash and Equity in Pooled Investments at March 31 | <u>\$231,586,164</u> | <u>\$230,127,252</u> |
| NON CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | |
| Donated Assets | \$972,944 | \$186,423 |

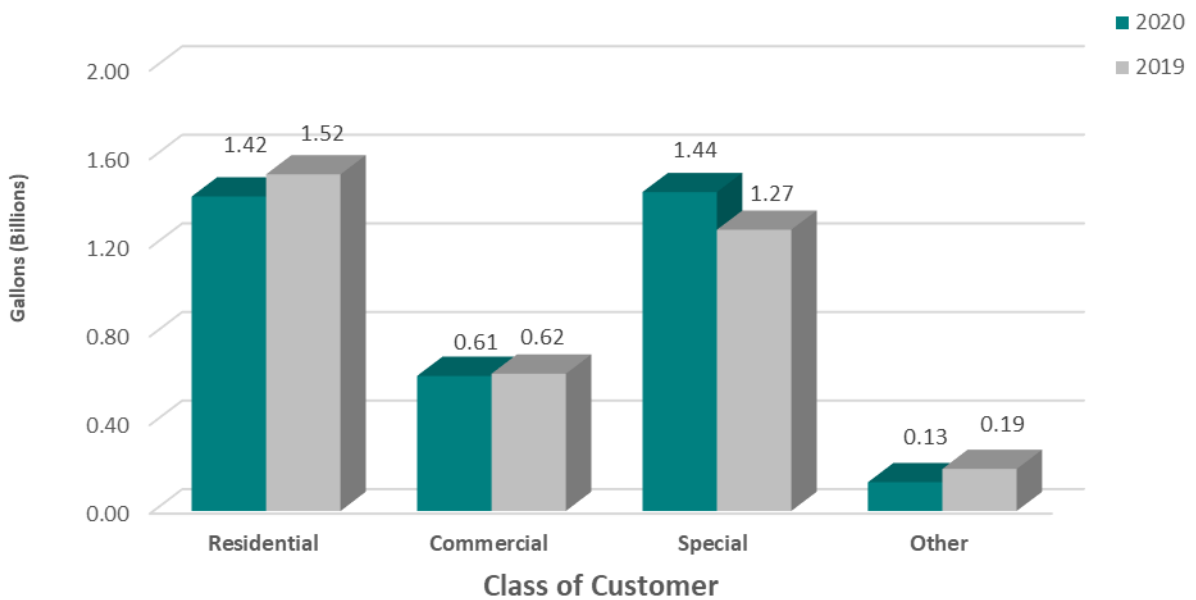
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Supplemental Data

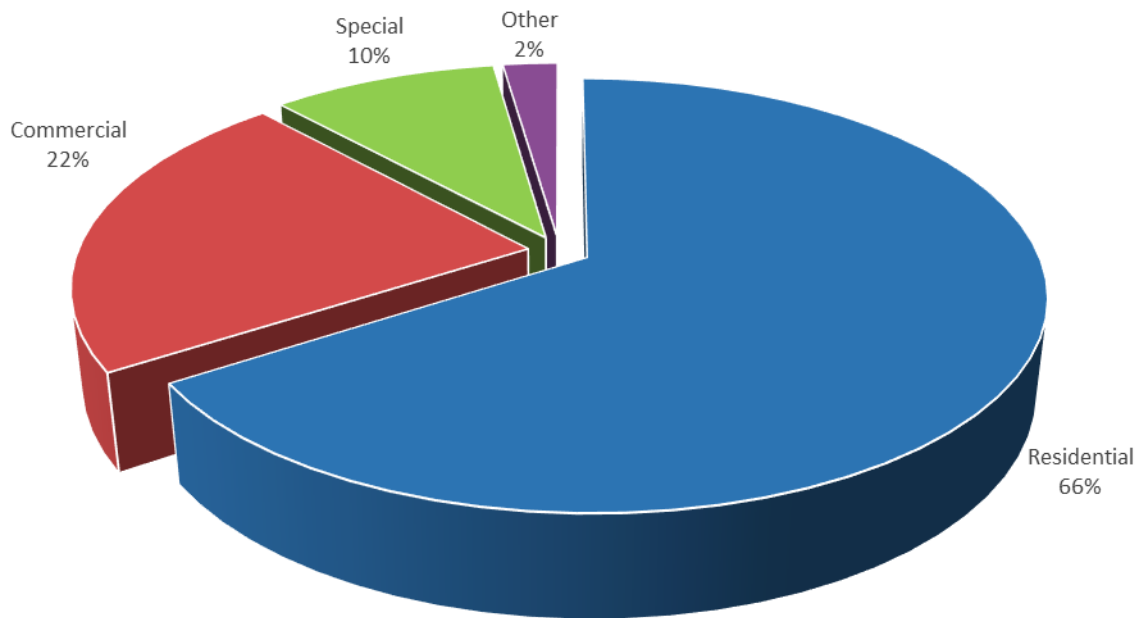
WATER SALES Year to Date - March 2020 & 2019



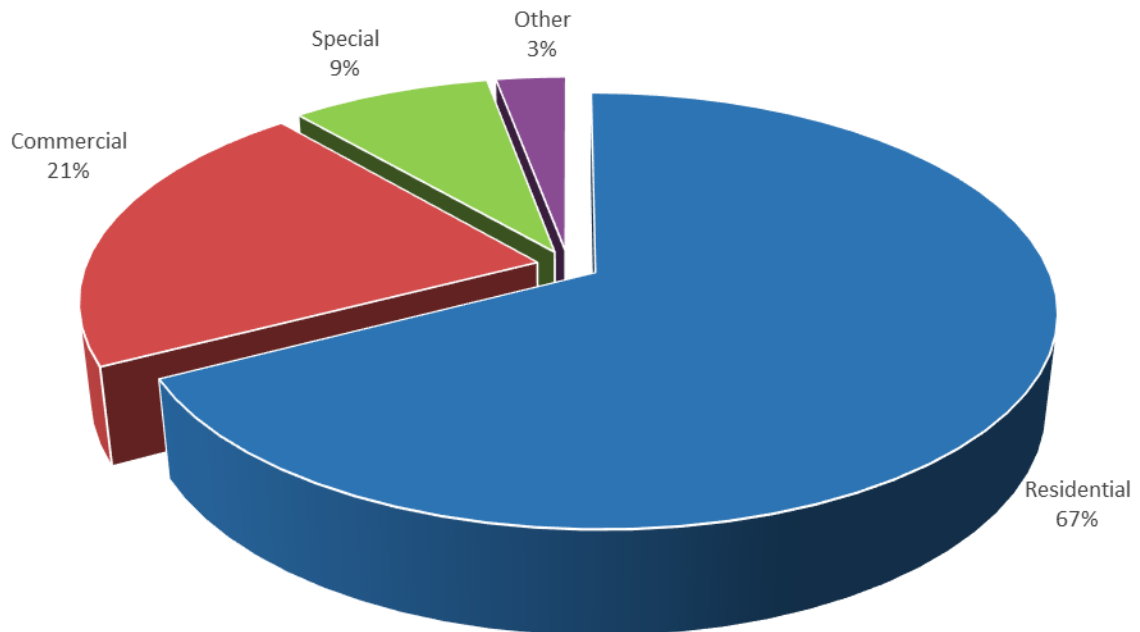
WATER CONSUMPTION Year to Date - March 2020 & 2019



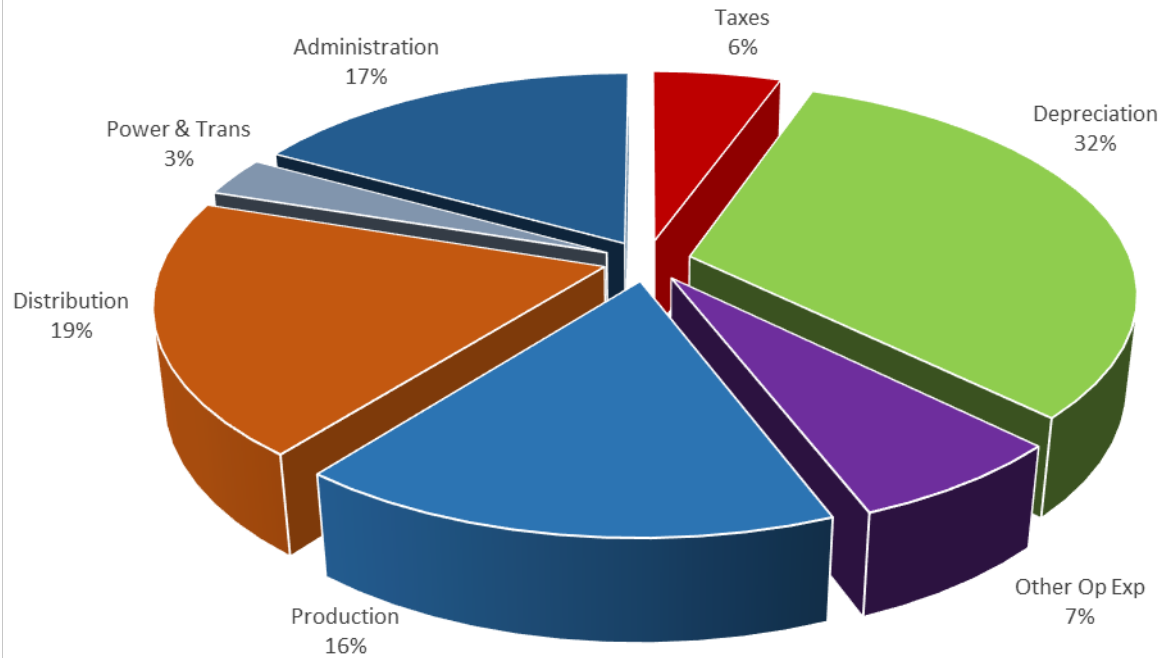
WATER SALES
Year to Date - March 2020
(\$18,342,283)



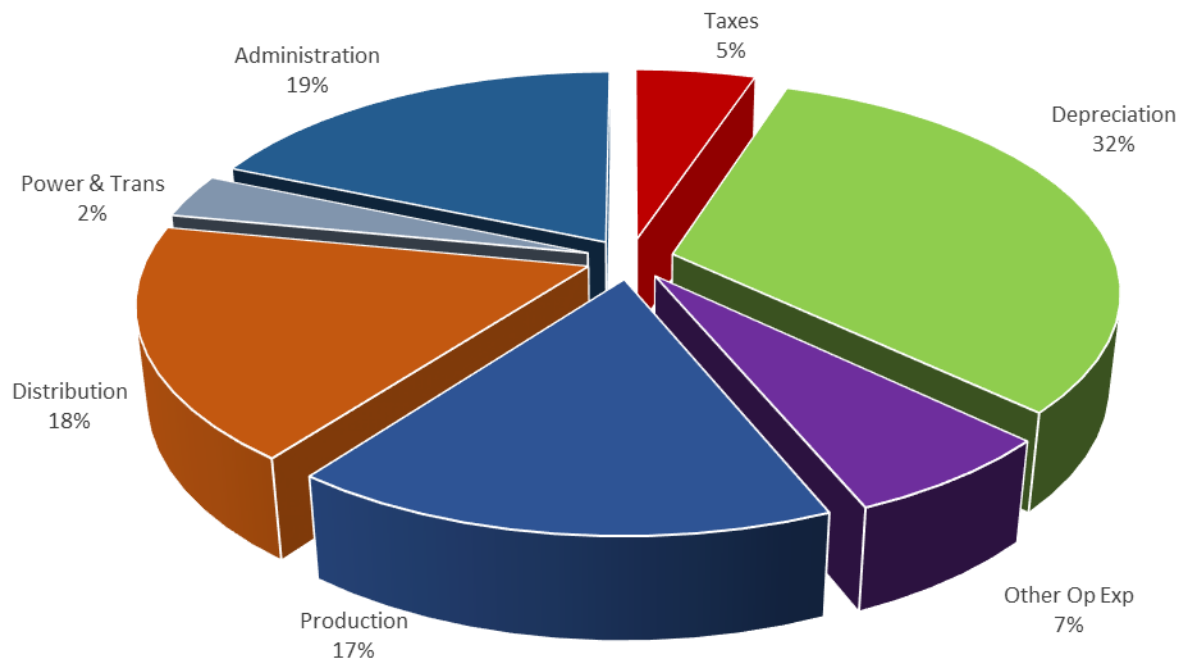
WATER SALES
Year to Date - March 2019
(\$18,243,564)



TOTAL OPERATING EXPENSES
Year to Date - March 2020
(\$20,163,370)



TOTAL OPERATING EXPENSES
Year to Date - March 2019
(\$19,735,878)



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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.

MARCH

TACOMA RAIL

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

DALE KING

Rail Superintendent

ANDREW CHERULLO

Finance Director

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

TABLE OF CONTENTS

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.

Management Discussion and Analysis1

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Statements of Revenues, Expenses and Changes in Net Position (Unaudited)5

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Management Discussion and Analysis

Tacoma Rail Beltline Division (Tacoma Rail) is reporting 2020 year to date net operating income of \$0.9 million compared to \$1.3 million in 2019. Operating revenues increased \$504,000 (5.9%), and operating expenses increased \$943,000 (13.2%) year to date in 2020 compared to 2019.

Operating revenues were \$9.0 million at the end of first quarter 2020, compared to \$8.5 million in 2019. Total switching revenues increased \$55,000 primarily due to increases as shown in the table below.

| Activity Types | Rail Cars | | | | Switching Revenues (in thousands) | | | |
|-------------------------|-----------|--------|---------|--------|--------------------------------------|----------|-------|--------|
| | 2020 | 2019 | Var | %Chg | 2020 | 2019 | Var | %Chg |
| Intermodal Line Hauls | 14,840 | 17,333 | (2,493) | -14.4% | \$ 2,503 | \$ 2,911 | (408) | -14.0% |
| Commercial Line Hauls | 8,551 | 8,235 | 316 | 3.8% | 4,256 | 3,676 | 580 | 15.8% |
| Capital Div. Line Hauls | 194 | 166 | 28 | 16.9% | 111 | 95 | 16 | 16.8% |
| Miscellaneous Switches | 1,892 | 3,123 | (1,231) | -39.4% | 389 | 522 | (133) | -25.5% |
| Total Line Hauls | 25,477 | 28,857 | (3,380) | -11.7% | \$ 7,259 | \$ 7,204 | \$ 55 | 0.8% |

Demurrage and other operating revenues increased \$449,000 primarily due to increased railcar dwell and locomotive commercial traffic.

Total operating expenses were \$8.1 million year to date in 2020, compared to \$7.1 million in 2019.

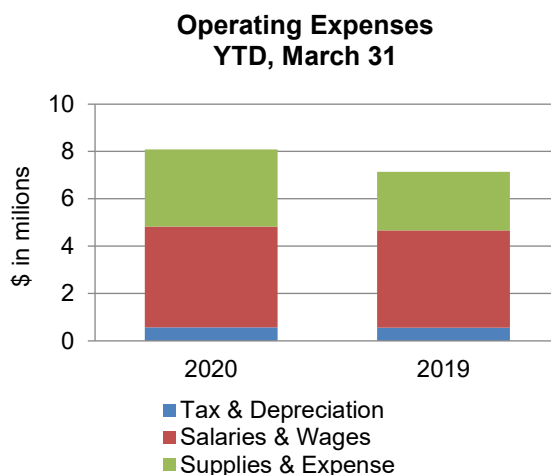
Salaries and wages were \$149,000 higher due to increased overtime.

Supplies and expenses increased \$785,000 primarily due to an increase in fuel costs, external contracts and increased intermodal volume incentives.

Depreciation increased \$6,400 due to an increase in depreciable assets of \$1.3 million compared to the same period in 2019.

Transfers to other funds of \$500,000 represents the contribution to Public Works for Taylor Way Project.

Tacoma Rail's working capital ratios year to date of 2019 and 2018 were 6.6 and 7.2 respectively.



Request for Information

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, 2020 and March 31, 2019

| ASSETS | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| CAPITAL ASSETS | | |
| Road and Equipment Property | \$48,450,292 | \$47,174,783 |
| Less Accumulated Depreciation | <u>(23,933,224)</u> | <u>(22,237,053)</u> |
| Total | 24,517,068 | 24,937,730 |
| Construction Work in Progress | <u>2,776,269</u> | <u>947,878</u> |
| Net Capital Assets | 27,293,337 | 25,885,608 |
| CURRENT ASSETS | | |
| Cash & Equity in Pooled Investments | 15,276,126 | 11,606,263 |
| Customer Accounts Receivable | 3,434,641 | 5,057,874 |
| Grants Receivable | 22,618 | - |
| Prepayments | 1,792,458 | 1,169,840 |
| Materials and Supplies Inventory | <u>1,238,937</u> | <u>1,265,937</u> |
| Total Current Assets | 21,764,780 | 19,099,914 |
| DEFERRED OUTFLOWS | | |
| Deferred Outflows for OPEB | <u>738,535</u> | <u>993,546</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | <u><u>\$49,796,652</u></u> | <u><u>\$45,979,068</u></u> |

| NET POSITION AND LIABILITIES | | 2020 | 2019 |
|---|--|---------------------|---------------------|
| NET POSITION | | | |
| Net Investment in Capital Assets | | \$22,957,783 | \$20,729,810 |
| Unrestricted | | 3,022,789 | 1,080,818 |
| TOTAL NET POSITION | | 25,980,572 | 21,810,628 |
| LONG-TERM DEBT, NET OF CURRENT MATURITIES | | | |
| State Loans | | 3,515,305 | 4,335,549 |
| Total Long-Term Liabilities | | 3,515,305 | 4,335,549 |
| CURRENT LIABILITIES | | | |
| Accounts Payable | | 1,087,124 | 479,192 |
| Customer Deposits | | 40,000 | - |
| Wages Payable | | 555,964 | 466,014 |
| Unemployment and Other Tax Payables | | 344,042 | 316,842 |
| Volume Incentive Payable | | 333,333 | 458,334 |
| Current Portion of Long-Term Debt | | 820,250 | 820,250 |
| Current Portion of Compensated Absences | | 123,430 | 118,329 |
| Total Current Liabilities | | 3,304,143 | 2,658,961 |
| LONG-TERM LIABILITIES | | | |
| On the Job Injury Reserve | | 799,251 | 822,512 |
| Long-Term Portion of Compensated Absences | | 1,110,871 | 1,064,965 |
| Pension Withdrawal Liability | | 2,354,440 | 2,320,000 |
| OPEB Liability | | 9,947,627 | 12,179,967 |
| Incurred but not Reported Claims | | 417,958 | 496,684 |
| Total Long-Term Liabilities | | 14,630,147 | 16,884,128 |
| TOTAL LIABILITIES | | 21,449,595 | 23,878,638 |
| DEFERRED INFLOWS | | | |
| Deferred Inflows for OPEB | | 2,366,485 | 289,802 |
| TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS | | \$49,796,652 | \$45,979,068 |

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
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | MARCH 2020 | MARCH 2019 |
|--|--------------------|------------------|
| OPERATING REVENUES | | |
| Switching Revenues | \$2,493,824 | \$2,542,225 |
| Demurrage and Other Operating Revenues | 623,643 | 317,206 |
| Total Operating Revenues | 3,117,467 | 2,859,431 |
| OPERATING EXPENSES | | |
| Maintenance of Way and Structures | | |
| Salaries and Wages | 76,062 | 83,918 |
| Supplies and Expense | 235,198 | 75,217 |
| Mechanical | | |
| Salaries and Wages | 197,426 | 179,303 |
| Supplies and Expense | 455,381 | 319,906 |
| Operations | | |
| Salaries and Wages | 862,352 | 887,879 |
| Supplies and Expense | 128,399 | 106,743 |
| Administration | | |
| Salaries and Wages | 229,314 | 207,887 |
| Supplies and Expense | 466,438 | 382,306 |
| Taxes - State | 42,947 | 40,565 |
| Depreciation | 148,683 | 146,914 |
| Total Operating Expenses | 2,842,200 | 2,430,638 |
| Net Operating Income | 275,267 | 428,793 |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 21,499 | 22,235 |
| Miscellaneous | 79,520 | 78,603 |
| Total Non-Operating Revenues | 101,019 | 100,838 |
| Contributions - Grants | 10,377 | - |
| Total Contributions | 10,377 | - |
| Transfers | | |
| City of Tacoma Gross Earnings Tax | (256,548) | (236,531) |
| Transfers to other funds | (500,000) | - |
| Total Transfers | (756,548) | (236,531) |
| CHANGE IN NET POSITION | (\$369,885) | \$293,100 |
| TOTAL NET POSITION - JANUARY 1 | | |
| TOTAL NET POSITION - MARCH 31 | | |

| YEAR TO DATE | | | |
|------------------|------------------|-----------------------|-------------------|
| MARCH 31 2020 | MARCH 31 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| \$7,259,054 | \$7,204,217 | \$54,837 | 0.8% |
| 1,724,602 | 1,275,376 | 449,226 | 35.2% |
| 8,983,656 | 8,479,593 | 504,063 | 5.9% |
| 288,649 | 286,359 | 2,290 | 0.8% |
| 475,128 | 222,491 | 252,637 | 113.5% |
| 593,298 | 587,955 | 5,343 | 0.9% |
| 1,345,182 | 992,495 | 352,687 | 35.5% |
| 2,606,610 | 2,577,638 | 28,972 | 1.1% |
| 402,239 | 304,866 | 97,373 | 31.9% |
| 766,830 | 654,670 | 112,160 | 17.1% |
| 1,039,699 | 957,807 | 81,892 | 8.5% |
| 123,123 | 119,465 | 3,658 | 3.1% |
| 447,255 | 440,816 | 6,439 | 1.5% |
| 8,088,013 | 7,144,562 | 943,451 | 13.2% |
| 895,643 | 1,335,031 | (439,388) | -32.9% |
| (18,929) | 119,773 | (138,702) | -115.8% |
| 234,442 | 234,679 | (237) | -0.1% |
| 215,513 | 354,452 | (138,939) | -39.2% |
| 10,377 | 8,691 | 1,686 | 19.4% |
| 10,377 | 8,691 | 1,686 | 19.4% |
| (742,106) | (701,259) | (40,847) | -5.8% |
| (500,000) | - | (500,000) | N/A |
| (1,242,106) | (701,259) | (540,847) | -77.1% |
| (120,573) | 996,915 | (1,117,488) | -112.1% |
| 26,101,145 | 20,813,713 | | |
| \$25,980,572 | \$21,810,628 | | |

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, 2020 and March 31, 2019

| | March 2020 | March 2019 |
|--|---------------------------|---------------------------|
| SWITCHING REVENUES | | |
| LINE HAULS--INTERMODAL | \$794,232 | \$1,059,568 |
| LINE HAULS--COMMERCIAL | 1,522,728 | 1,289,954 |
| LINE HAULS--CAPITAL DIVISION | 54,720 | 31,350 |
| MISCELLANEOUS SWITCHES | <u>122,144</u> | <u>161,353</u> |
| TOTAL SWITCHING REVENUES | <u><u>\$2,493,824</u></u> | <u><u>\$2,542,225</u></u> |
| SWITCHING ACTIVITIES (CARS) | | |
| LINE HAULS--INTERMODAL | 4,820 | 6,327 |
| LINE HAULS--COMMERCIAL | 2,962 | 3,095 |
| LINE HAULS--CAPITAL DIVISION | 96 | 55 |
| MISCELLANEOUS SWITCHES | <u>497</u> | <u>989</u> |
| TOTAL CARS SWITCHED | <u><u>8,375</u></u> | <u><u>10,466</u></u> |

| YEAR TO DATE | | | |
|---------------------------|---------------------------|------------------------|-------------------|
| March 31, 2020 | March 31, 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| \$2,503,290 | \$2,911,310 | (\$408,020) | -14.0% |
| 4,256,358 | 3,676,502 | 579,856 | 15.8% |
| 110,580 | 94,620 | 15,960 | 16.9% |
| <u>388,826</u> | <u>521,785</u> | <u>(132,959)</u> | -25.5% |
| <u><u>\$7,259,054</u></u> | <u><u>\$7,204,217</u></u> | <u><u>\$54,837</u></u> | 0.8% |
| 14,840 | 17,333 | (2,493) | -14.4% |
| 8,551 | 8,235 | 316 | 3.8% |
| 194 | 166 | 28 | 16.9% |
| <u>1,892</u> | <u>3,123</u> | <u>(1,231)</u> | -39.4% |
| <u><u>25,477</u></u> | <u><u>28,857</u></u> | <u><u>(3,380)</u></u> | -11.7% |

City of Tacoma, Washington
Department of Public Utilities
Tacoma Rail
Statements of Cash Flows (Unaudited)
March 31, 2020 and March 31, 2019

| | YEAR ENDED MARCH 31, | |
|---|----------------------|---------------------|
| | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash from Customers | \$9,601,764 | \$6,910,798 |
| Cash Paid to Suppliers | (4,115,638) | (3,349,953) |
| Cash Paid to Employees | (4,015,529) | (3,884,357) |
| Taxes Paid | (150,629) | (137,576) |
| Net Cash From Operating Activities | 1,319,968 | (461,088) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Transfers to Other Funds | (1,242,106) | (692,569) |
| Net Cash From Non-Capital Financing Activities | (1,242,106) | (692,569) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital Expenditures, Net | (574,242) | (213,025) |
| Principal Payments on Long-Term Debt | (67,686) | (67,685) |
| Proceeds from Capital Contributions | 10,377 | - |
| Proceeds from Other Non-Operating Revenues | 234,442 | 234,679 |
| Net Cash From Capital and Related Financing Activities | (397,109) | (46,031) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on Investments | (18,929) | 119,773 |
| Net Change in Cash From Investing Activities | (18,929) | 119,773 |
| Net Change in Cash and Equity in Pooled Investments | (338,176) | (1,079,915) |
| Cash & Equity in Pooled Investments at January 1 | 15,614,302 | 12,686,178 |
| Cash & Equity in Pooled Investments at March 31 | \$15,276,126 | \$11,606,263 |

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

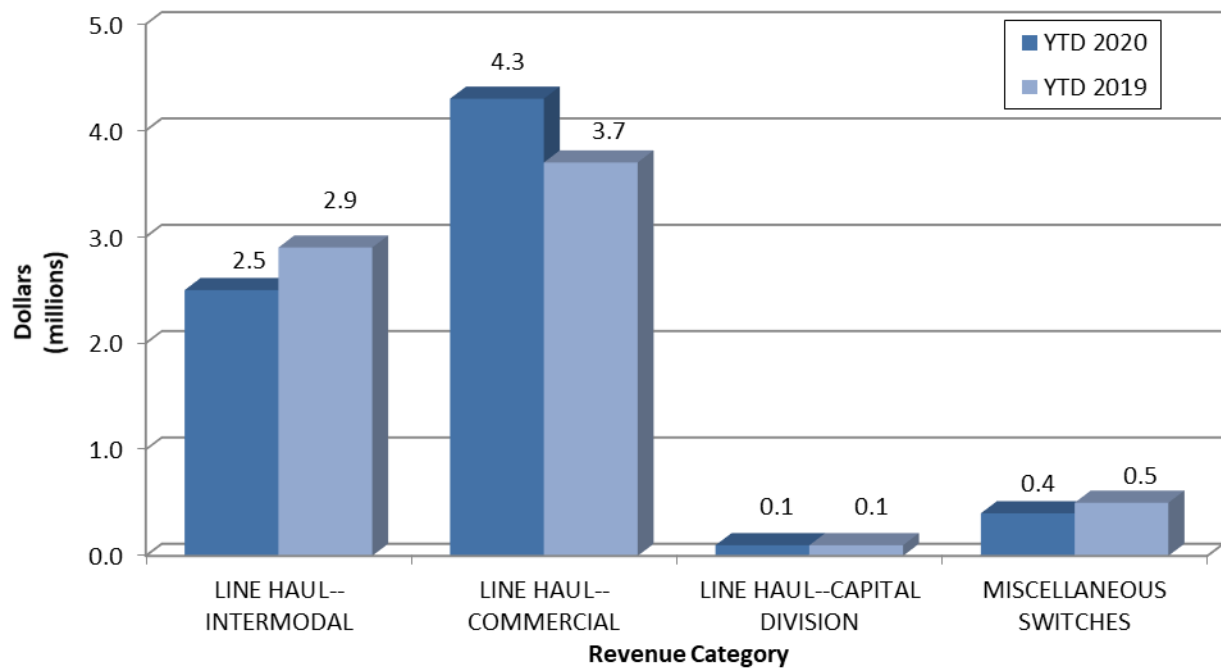
| | YEAR TO DATE | |
|--|--------------------|--------------------|
| | MARCH 31, 2020 | MARCH 31, 2019 |
| Reconciliation of Operating Income to Net Cash From Operating Activities: | | |
| Operating Income | \$895,643 | \$1,335,031 |
| Adjustments to Reconcile Operating Income to Net Cash From Operating Activities: | | |
| Depreciation Expense | 447,255 | 440,816 |
| Cash provided from changes in operating assets and liabilities: | | |
| Accounts Receivable | 618,108 | (1,585,581) |
| Interfund Receivable | - | 16,786 |
| Materials and Supplies Inventory | (14,597) | (53,085) |
| Prepayments | 150,831 | 135,845 |
| Accounts Payable | (989,624) | (794,784) |
| Unemployment and other Tax Payables | (27,506) | (18,111) |
| Wages Payable and Compensated Absences | 264,639 | 210,665 |
| Volume Incentive Payable | - | 166,666 |
| Interfund Payable | - | (326,936) |
| Other Long-Term Liabilities & OJI Reserve | (24,781) | 11,600 |
| Total Adjustments | 424,325 | (1,796,119) |
| Net Cash From Operating Activities | <u>\$1,319,968</u> | <u>(\$461,088)</u> |

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Supplemental Data

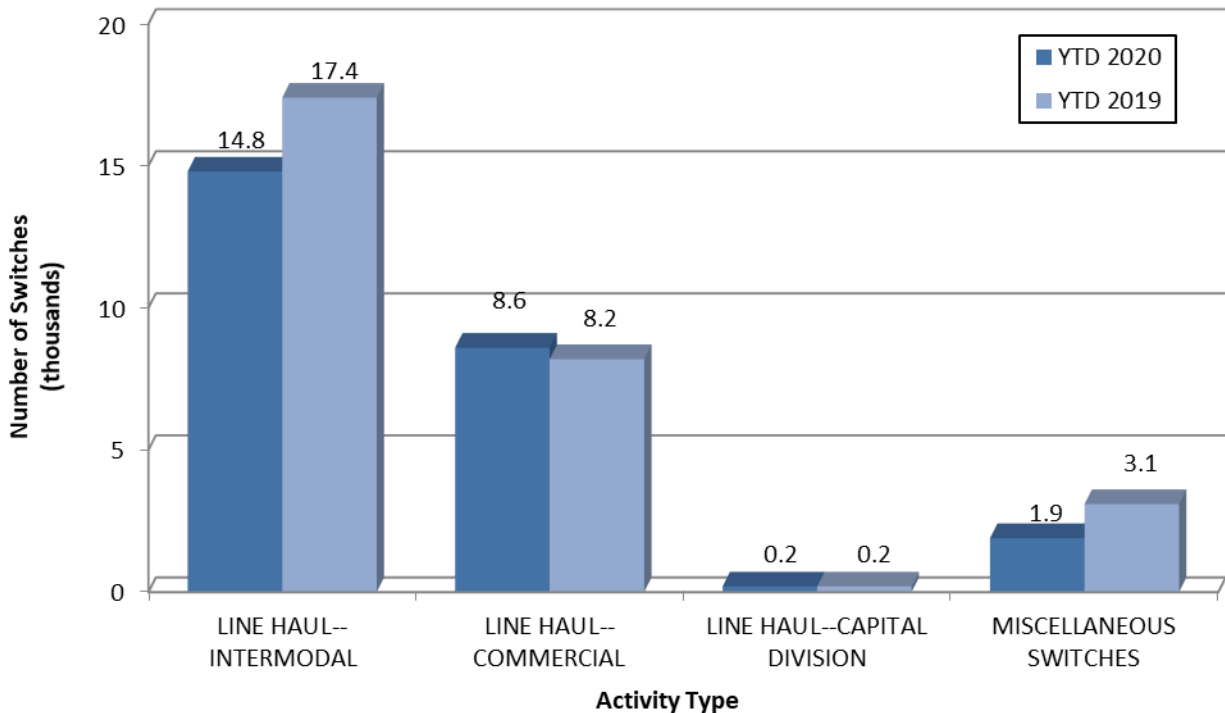
SWITCHING REVENUES

Year to Date - March 2020 & 2019

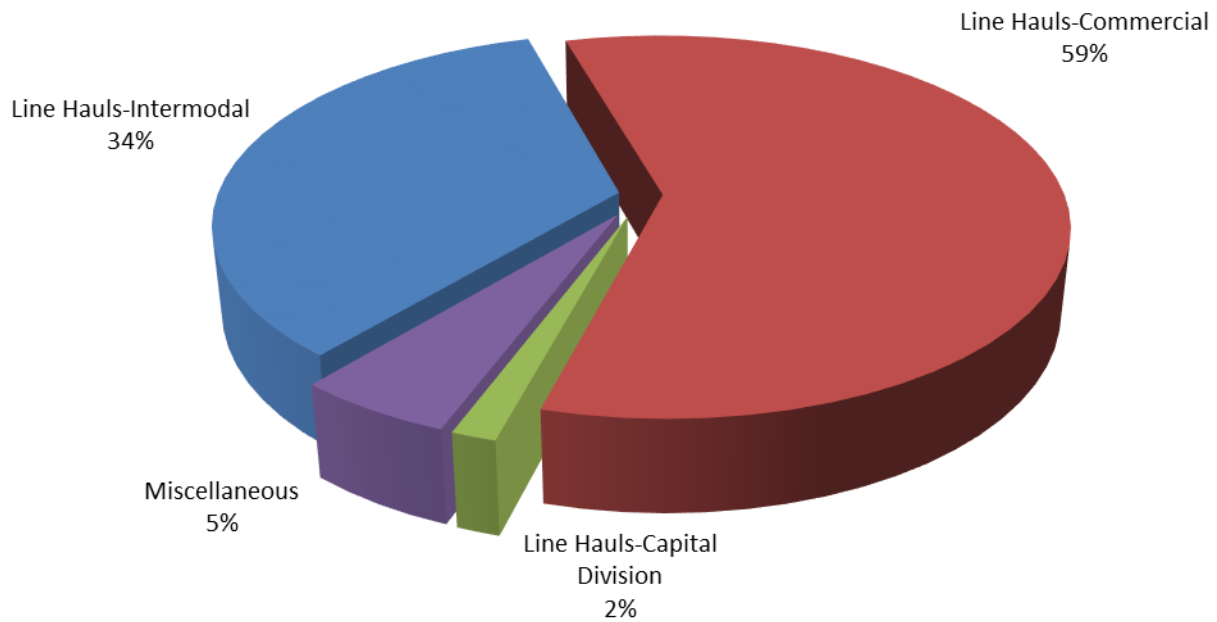


SWITCHING ACTIVITIES

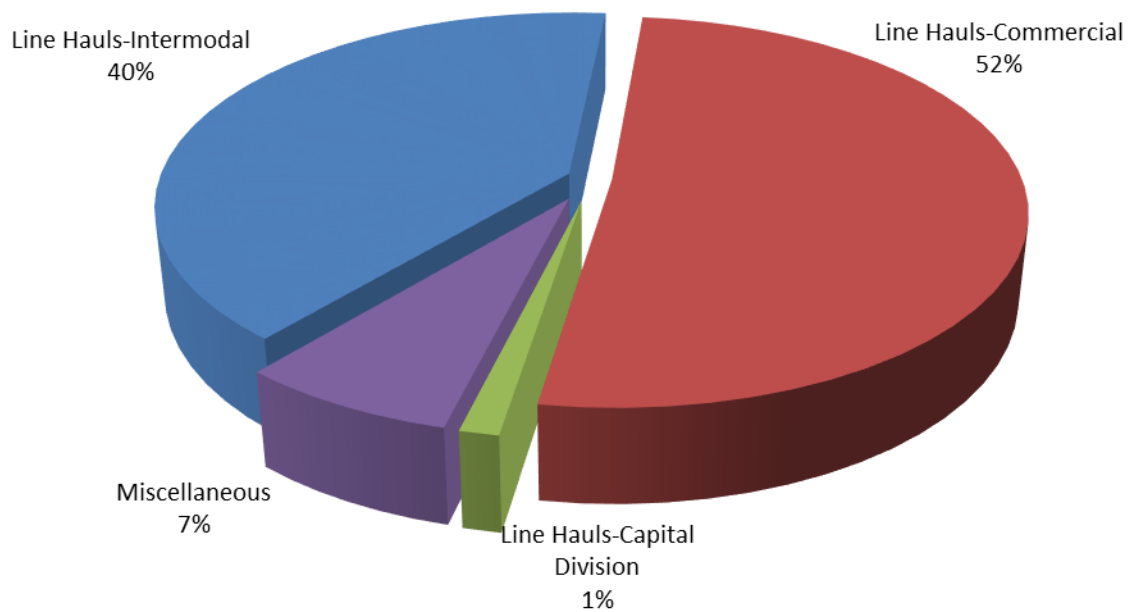
Year to Date - March 2020 & 2019



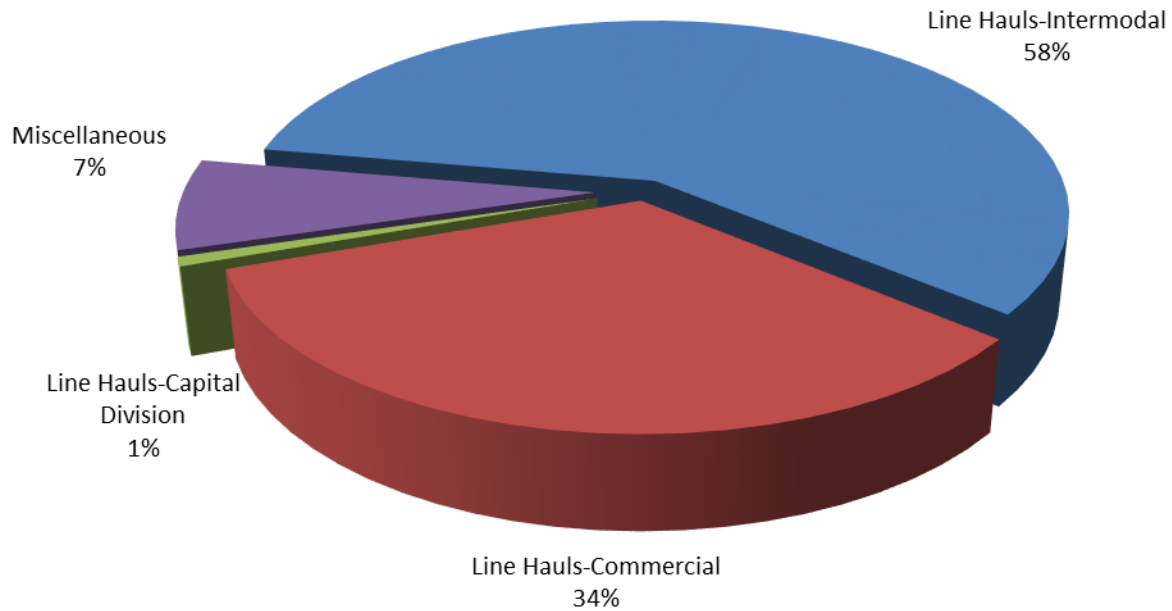
SWITCHING REVENUES
Year to Date - March 2020 (\$7,259,054)



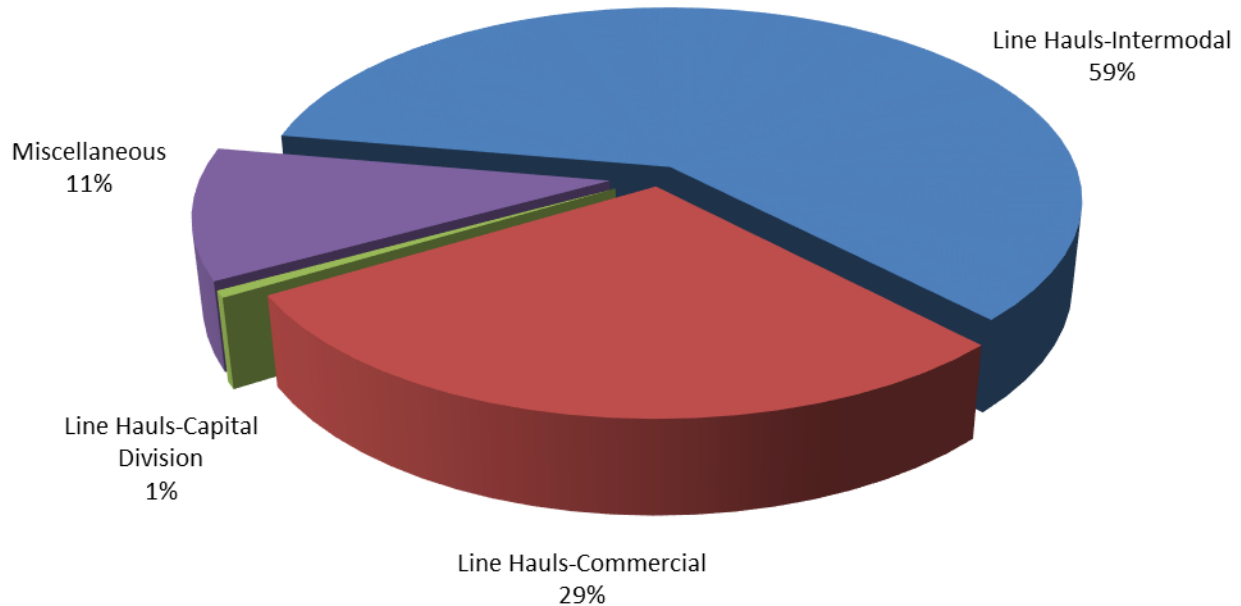
SWITCHING REVENUES
Year to Date - March 2019 (\$7,204,217)



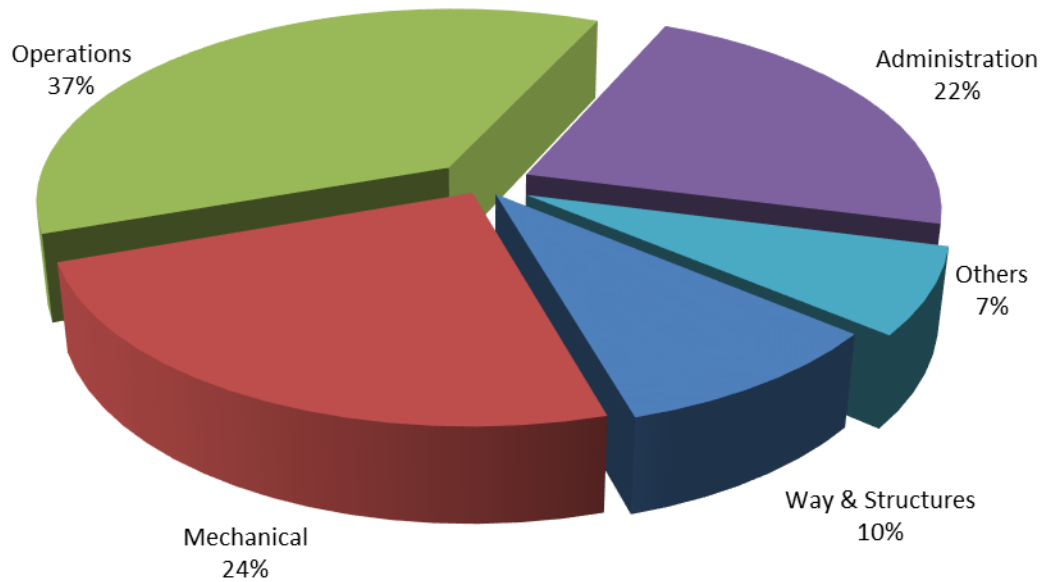
SWITCHING ACTIVITY
Year to Date - March 2020 (25,477 cars)



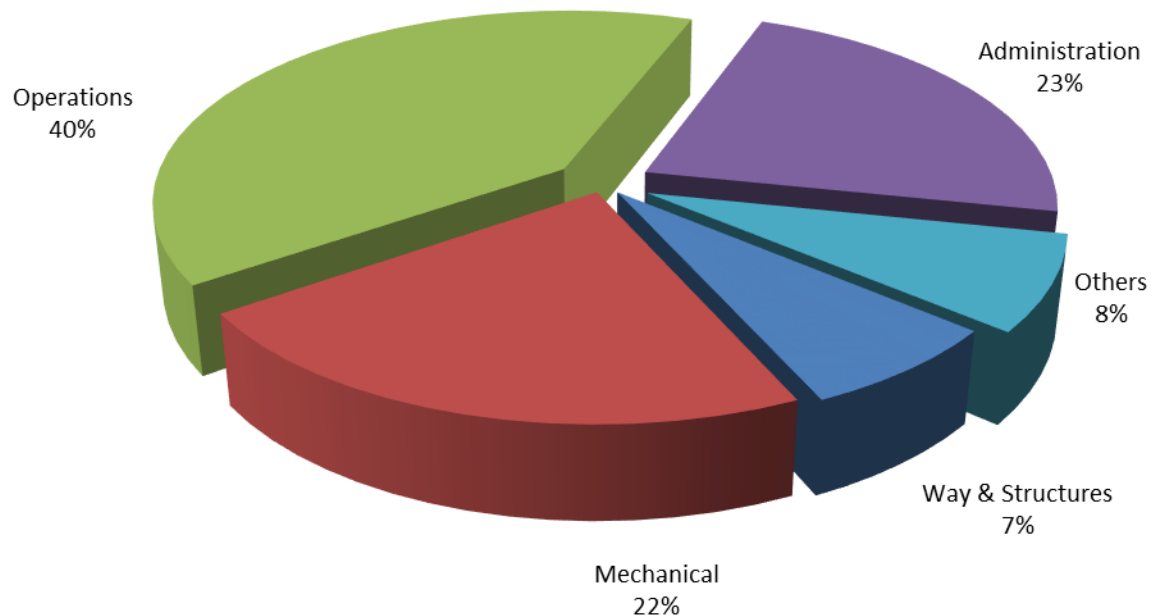
SWITCHING ACTIVITY
Year to Date - March 2019 (28,857 cars)



TOTAL OPERATING EXPENSES
Year to Date - March 2020 (\$8,088,013)



TOTAL OPERATING EXPENSES
Year to Date - March 2019 (\$7,144,562)





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MARCH

FLEET SERVICES FUND

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

DON ASHMORE

Utilities Fleet Manager

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES

FLEET SERVICES 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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Equity Distribution (Unaudited).....9

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Management Discussion and Analysis

Fleet Services is reporting a net operating loss of \$143,000 year-to-date 2020 compared to a net gain of \$29,000 recorded for the same time period in 2019. Operating revenues decreased \$18,000 and expenses increased \$153,000 respectively, resulting in a net decrease in operating income of \$172,000 compared to 2019.

Revenues

Fleet Services operating revenue is comprised of five categories: Maintenance, Capital Recovery, Administrative Overhead, Fuel and Fuel Loading, and Pool Car Rentals. Operating revenues were \$2.0 million at the end of the 1st quarter of both 2020 and 2019.

Maintenance revenues are mainly related to staff labor and were \$724,000 and \$742,000 at the end of the first quarter of both 2020 and 2019 respectively.

Capital Recovery revenues are collected on each vehicle and piece of equipment based on anticipated equipment replacement needs for each business unit. Capital recovery revenues were \$895,000 and \$911,000 in 2020 and 2019 respectively.

Administrative Overhead revenue is the fee charged for each vehicle that is in service. The number of vehicles in service varies from month to month and the rate can vary based on type of vehicle. Administrative Overhead revenue was \$354,000 and \$340,000 in 2020 and 2019 respectively.

Fuel and Fuel Loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$16,000 and \$14,000 in 2020 and 2019 respectively.

Pool Car Rental revenues are based on usage and were \$26,000 and \$27,000 for 2020 and 2019 respectively.

Expenses

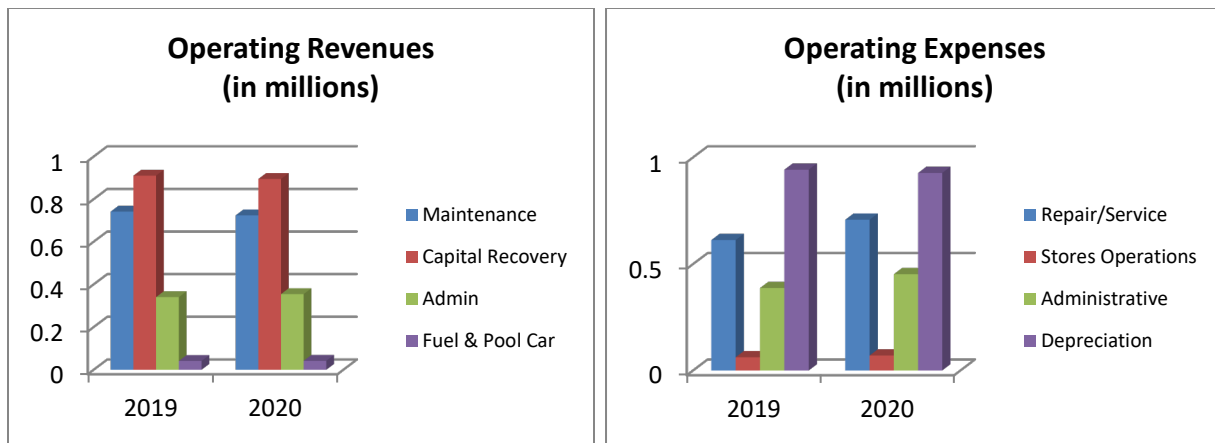
Fleet Services operating expenses are comprised of four major categories: Repairs and Servicing, Stores Operations, Administration and Depreciation. Fleet Services expenses were \$2.2 million and \$2.0 million year-to-date through the first quarter of 2020 and 2019 respectively.

Repairs and Servicing expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repairs and Servicing expenses were \$708,000 and \$613,000 for 2020 and 2019 respectively. The overall increase is related to increases in the cost of parts.

Stores Operations expense is a parts warehouse maintained by Fleet which had expenses of \$70,000 and \$62,000 in 2020 and 2019 respectively.

Administration expenses were \$453,000 and \$387,000 in 2020 and 2019 respectively. The increase is primarily related to the addition of new staff.

Depreciation expense was \$927,000 and \$942,000 in 2020 and 2019 respectively.



Non-Operating Revenues (Expenses)

Interest expense was \$73,000 and interest income was \$109,000 for the first quarters of 2020 and 2019 respectively. This is primarily due to the reversal of the 2019 GASB 31 Gain/ Loss entry.

There was a gain on disposition of equipment for the first quarter of 2020 of \$5,000 compared to no disposition of equipment in 2019 for the same time period.

Request for Information

Fleet Services Fund 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
Fleet Services Fund

Statements of Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| FIXED | | |
| Office Furniture and Equipment | \$616,901 | \$616,901 |
| Stores and Shop Equipment | 719,411 | 719,411 |
| Transportation Equipment | 48,361,883 | 47,942,365 |
| Power-Operated Equipment | 16,309,867 | 16,702,090 |
| Accumulated Depreciation | <u>(40,996,274)</u> | <u>(39,496,538)</u> |
| Total Fixed Assets . | 25,011,788 | 26,484,229 |
| Construction Work in Progress | <u>2,265,746</u> | <u>816,740</u> |
| Net Fixed Assets | 27,277,534 | 27,300,969 |
| CURRENT | | |
| Current Fund Cash & Equity in Pooled Investments | 16,190,605 | 16,330,792 |
| Interdivision Receivable | - | (252) |
| Materials and Supplies | <u>383,228</u> | <u>340,761</u> |
| Total Current Assets | 16,573,833 | 16,671,301 |
| OTHER ASSETS | | |
| Net Pension Asset | <u>-</u> | <u>367,979</u> |
| TOTAL ASSETS | <u>43,851,367</u> | <u>44,340,249</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows for Pension | <u>1,213,509</u> | <u>471,904</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u><u>\$45,064,876</u></u> | <u><u>\$44,812,153</u></u> |

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

| | 2020 | 2019 |
|---|---------------------|---------------------|
| NET POSITION AND LIABILITIES | | |
| NET POSITION | | |
| Net Investment in Capital Assets | \$27,277,534 | \$27,300,969 |
| Restricted for: | | |
| Tacoma Power | 18,095,346 | 18,095,346 |
| Tacoma Water | 7,199,933 | 7,199,933 |
| Tacoma Rail | 981,147 | 981,147 |
| Net Pension Asset | - | 367,979 |
| Unrestricted | (12,750,825) | (10,544,535) |
| TOTAL NET POSITION | 40,803,135 | 43,400,839 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts Payable & Other | 168,248 | 458,121 |
| Wages Payable | 151,589 | 120,364 |
| Interdivision Payable | - | (252) |
| Total Current Liabilities | 319,837 | 578,233 |
| LONG-TERM LIABILITIES | | |
| Employee Vacation and Sick Leave Accrual | 226,663 | 206,696 |
| Net Pension Liability | 1,025,298 | - |
| Other Long-Term Liabilities | 2,555,220 | - |
| Total Long-Term Liabilities | 3,807,181 | 206,696 |
| TOTAL LIABILITIES | 4,127,018 | 784,929 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows for Pension | 134,723 | 626,385 |
| TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS | \$45,064,876 | \$44,812,153 |

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | MARCH 2020 | MARCH 2019 |
|--|---------------|---------------|
| OPERATING REVENUE | | |
| Maintenance Revenue | \$295,160 | \$286,972 |
| Capital Recovery | 290,514 | 702,761 |
| Administrative Overhead | 117,142 | 113,843 |
| Fuel and Fuel Loading | 4,805 | 4,915 |
| Pool Car Rental | 7,531 | 12,036 |
| Total Operating Revenue | 715,152 | 1,120,527 |
| OPERATING EXPENSES | | |
| Repairs and Servicing | | |
| Shop Operations | 235,690 | 193,345 |
| Outside Services | 173 | 192 |
| Total Repairs and Servicing | 235,863 | 193,537 |
| Stores Operations | 21,783 | 23,183 |
| Administration | 158,174 | 129,575 |
| Depreciation | 308,643 | 317,506 |
| Total Operating Expenses | 724,463 | 663,801 |
| OPERATING INCOME | (9,311) | 456,726 |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 15,580 | 10,625 |
| Gain (Loss) on Disposition of Equipment | - | - |
| Total Non-Operating Revenues (Expenses) | 15,580 | 10,625 |
| CHANGE IN NET POSITION | \$6,269 | \$467,351 |
| TOTAL NET POSITION - JANUARY 1 | | |
| TOTAL NET POSITION - MARCH 31 | | |

| YEAR TO DATE | | | |
|---------------------|---------------------|-----------------------|-------------------|
| MARCH 2020 | MARCH 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| \$724,077 | \$741,643 | (\$17,566) | -2.4% |
| 894,923 | 910,552 | (15,629) | -1.7% |
| 354,430 | 340,363 | 14,067 | 4.1% |
| 15,562 | 14,056 | 1,506 | 10.7% |
| 26,386 | 27,202 | (816) | -3.0% |
| 2,015,378 | 2,033,816 | (18,438) | -0.9% |
| 689,393 | 612,292 | 77,101 | 12.6% |
| 18,484 | 405 | 18,079 | 4464.0% |
| 707,877 | 612,697 | 95,180 | 15.5% |
| 70,344 | 62,112 | 8,232 | 13.3% |
| 452,581 | 387,496 | 65,085 | 16.8% |
| 927,107 | 942,321 | (15,214) | -1.6% |
| 2,157,909 | 2,004,626 | 153,283 | 7.6% |
| (142,531) | 29,190 | (171,721) | -588.3% |
| (73,309) | 108,658 | (181,967) | -167.5% |
| 4,775 | - | 4,775 | N/A |
| (68,534) | 108,658 | (177,192) | -163.1% |
| (211,065) | 137,848 | (\$348,913) | -253.1% |
| 41,014,200 | 43,262,991 | | |
| <u>\$40,803,135</u> | <u>\$43,400,839</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
Fleet Services Fund

Statements of Cash Flows (Unaudited)
March 31, 2020 and March 31, 2019

| | YEAR TO DATE | |
|---|-------------------|-------------------|
| | MARCH 31, 2020 | MARCH 31, 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash From Customers | \$2,216,156 | \$2,600,657 |
| Cash Paid to Suppliers | (1,677,940) | (453,560) |
| Cash Paid to Employees | (830,672) | (734,104) |
| Net Cash From Operating Activities | (292,456) | 1,412,993 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital Expenditures, Net | (416,350) | (1,275,929) |
| Disposition of Equipment/Scrap | 4,775 | - |
| Net Cash From Financing Activities | (411,575) | (1,275,929) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | (73,309) | 108,658 |
| Net Cash From Investing Activities | (73,309) | 108,658 |
| Net Change in Cash and Equity in Pooled Investments | (777,340) | 245,722 |
| Cash and Equity in Pooled Investments at January 1 | 16,967,945 | 16,085,070 |
| Cash and Equity in Pooled Investments at March 31 | \$16,190,605 | \$16,330,792 |

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

| | YEAR TO DATE | |
|---|-------------------|-------------------|
| | MARCH 31, 2020 | MARCH 31, 2019 |
| Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities: | | |
| Operating Income (Loss) | (\$142,531) | \$29,190 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities: | | |
| Depreciation and Amortization | 927,107 | 942,321 |
| Accounts Receivable | 200,778 | 184,049 |
| Interdivision Receivable | - | 382,793 |
| Materials and Supplies | (3,705) | 17,307 |
| Accounts Payable & Other | (1,329,654) | (179,679) |
| Interdivision Payable | - | (330) |
| Absences Payable | 55,549 | 37,342 |
| Total Adjustments | (149,925) | 1,383,803 |
| Net Cash from Operating Activities | (\$292,456) | \$1,412,993 |

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Equity Distribution (Unaudited)
As of March 31, 2020

| | TACOMA POWER | TACOMA WATER | TACOMA RAIL | TOTAL |
|--|-----------------|-----------------|----------------|--------------|
| Balance January 1, 2020 | \$26,037,747 | \$13,631,688 | \$1,344,765 | \$41,014,200 |
| Contributions During Year | - | - | - | - |
| Equity Contributions at March 31, 2020 | 26,037,747 | 13,631,688 | 1,344,765 | 41,014,200 |
| Current Year Operations: | | | | |
| Total Operating Revenue * | 1,279,457 | 669,841 | 66,080 | 2,015,378 |
| Less: Repairs & Servicing Expense * | 449,393 | 235,274 | 23,210 | 707,877 |
| Admin and Stores Operations Expense ** | 382,280 | 122,139 | 18,506 | 522,925 |
| Depreciation Expense | 664,287 | 229,541 | 33,279 | 927,107 |
| Total Expenses | 1,495,960 | 586,954 | 74,995 | 2,157,909 |
| Net Operating Revenue | (216,503) | 82,887 | (8,915) | (142,531) |
| Add: Other Income *** | (43,505) | (22,781) | (2,248) | (68,534) |
| Net Operating Results | (260,008) | 60,106 | (11,163) | (211,065) |
| Total Equity | \$25,777,739 | \$13,691,794 | \$1,333,602 | \$40,803,135 |

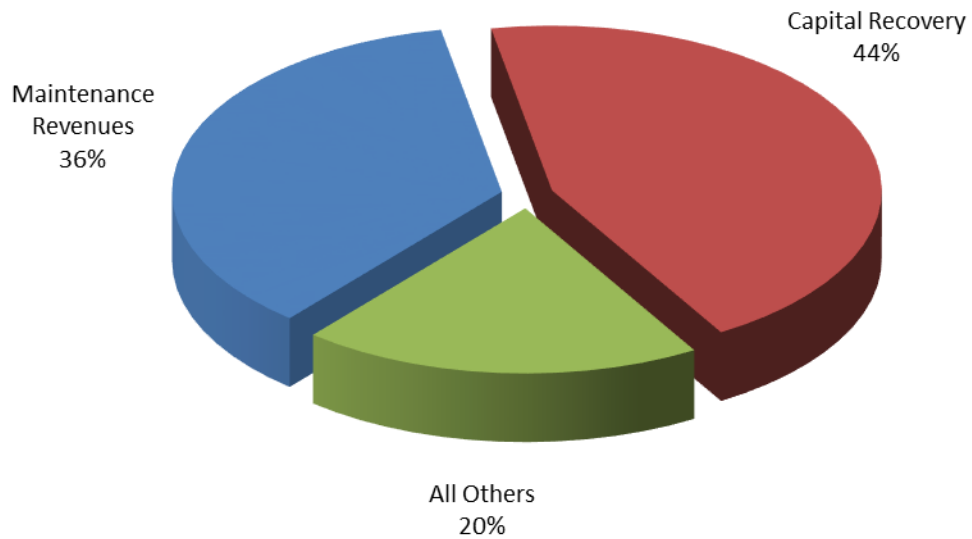
* Allocated to each division based on total receipts from the divisions.

** Allocated to each division based on vehicle count.

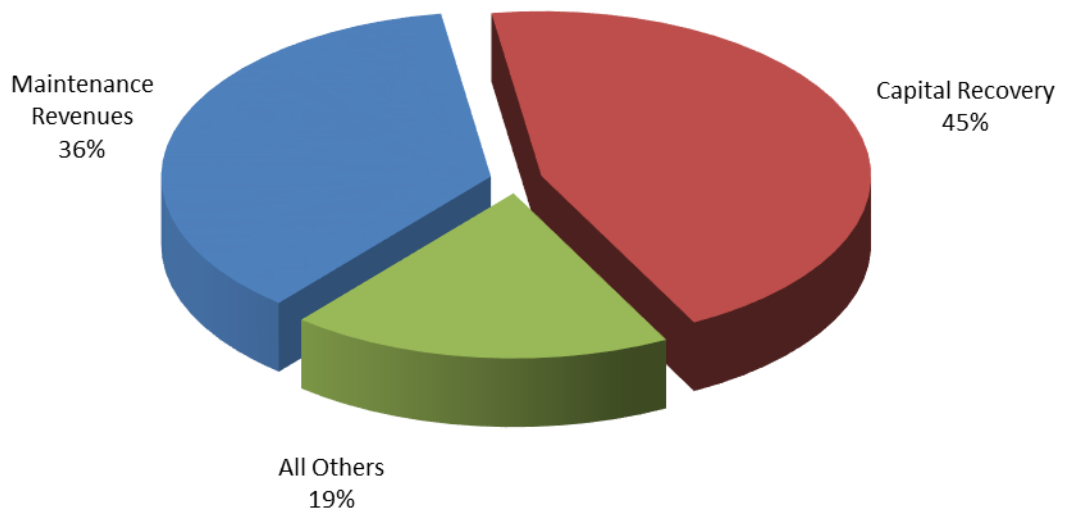
*** Allocated to each division based on total equity in the Fund.

Supplemental Data

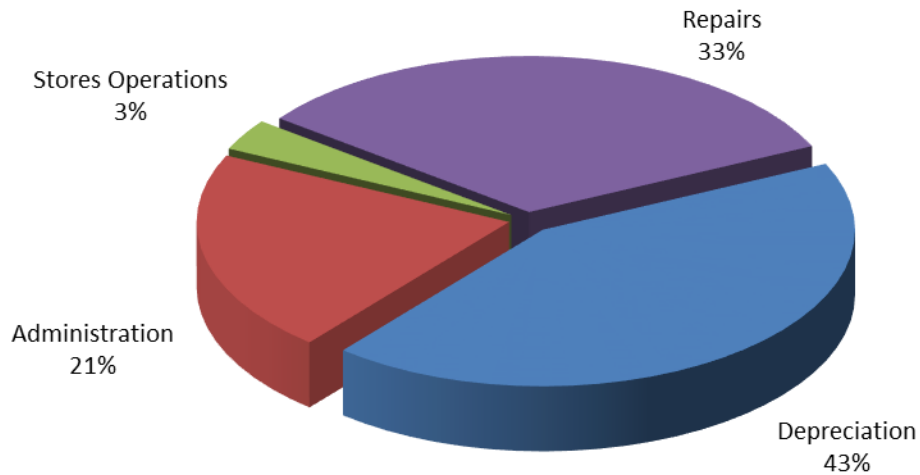
TOTAL OPERATING REVENUES
Year to Date - March 2020 (\$2,015,378)



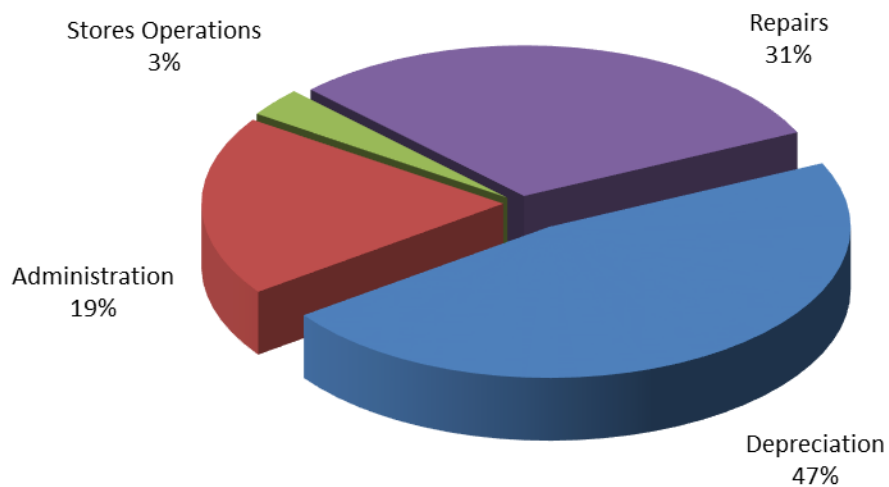
TOTAL OPERATING REVENUES
Year to Date - March 2019 (\$2,033,816)



TOTAL OPERATING EXPENSES
Year to Date - March 2020 (\$2,157,909)



TOTAL OPERATING EXPENSES
Year to Date - March 2019 (\$2,004,626)





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MARCH

SELF-INSURANCE CLAIM FUND

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

CHRISTINE COOLEY

Member

CARLOS M. WATSON

Member

JACKIE FLOWERS

Director of Utilities

CHRIS ROBINSON

Power Superintendent/COO

ANDREW CHERULLO

Finance Director

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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| Equity Distribution (Unaudited) | 8 |
| Claims Statistics Summary (Unaudited) | 9 |
| Claims Statistics Detail (Unaudited) | 10 |

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Management Discussion and Analysis

As of March 2020, the Self-Insurance fund is reporting an increase to net position of \$130,000 year-to-date in 2020 compared to an increase of \$539,000 recorded for the same time period in 2019. Total revenues decreased \$92,000, while total expenses increased \$316,000 year-to-date.

Revenues

Self-Insurance fund revenues are contributions from the Power, Water, and Rail divisions and the interest earned. Total revenues at the end of the first quarter of 2020 and 2019 were \$449,000 and \$542,000 respectively. The decrease in revenue is due to the decrease in interest income in 2020.

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.

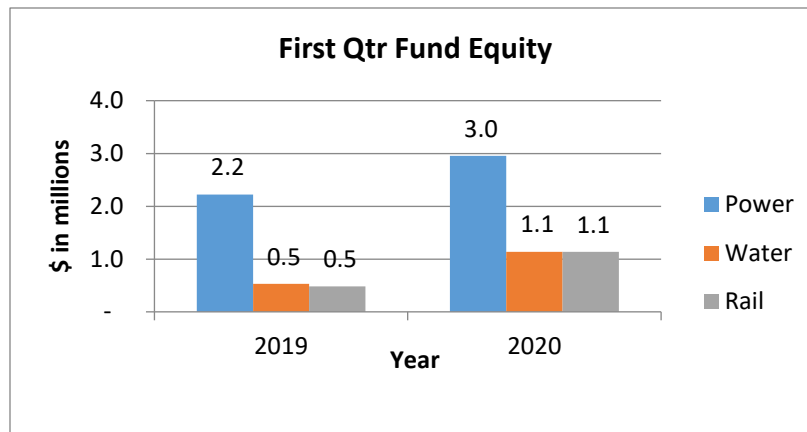
Total expenses at the end of the first quarter of 2020 and 2019 were \$319,000 and \$3,000 respectively. The change in expenses from year-to-year is primarily due to adjustments in expected future claims and developments accrued by the Fund. Negative claims expense is generally the result of adjustments to the liability where expected claims were accrued in one quarter and subsequently denied or revised in the next quarter.

Claims expense was \$286,000 in the first quarter of 2020, an increase of \$611,000 (187.9%) compared to the first quarter of 2019. The increase is primarily due to the increase of \$350,000 and \$159,000 in Service division and Power claims respectively.

Litigation Expense and Settlements in the first quarter of 2020 decreased by \$289,000 (99.8%) compared to the same quarter in 2019, primarily due to the decrease of \$270,000 in handling expenses for Power.

Incidental and Administrative Expense decreased by \$5,000 in the first quarter of 2020 compared to the same quarter in 2019.

The Fund's equity was \$5.3 million and \$3.2 million through March of 2020 and 2019 respectively. 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, 2020 and March 31, 2019

| | 2020 | 2019 |
|---|--------------------|--------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and Equity in Pooled Investments | \$9,485,531 | \$7,981,845 |
| TOTAL ASSETS | <u>\$9,485,531</u> | <u>\$7,981,845</u> |
| NET POSITION AND LIABILITIES | | |
| NET POSITION | | |
| Restricted: | | |
| Interfund Contributions | \$5,229,378 | \$3,234,972 |
| TOTAL NET POSITION | 5,229,378 | 3,234,972 |
| CURRENT LIABILITIES | | |
| Accounts Payable Claims | 4,253,847 | 4,726,166 |
| Accounts Payable Claims Handling | 2,306 | 20,707 |
| Interdivision Payable | - | - |
| TOTAL LIABILITIES | <u>4,256,153</u> | <u>4,746,873</u> |
| TOTAL NET POSITION AND LIABILITIES | <u>\$9,485,531</u> | <u>\$7,981,845</u> |

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

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

Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
March 31, 2020 and March 31, 2019

| | MARCH 2020 | MARCH 2019 |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| INCOME | | |
| Premiums | \$153,333 | \$153,333 |
| Interest | 14,132 | 14,724 |
| | <u> </u> | <u> </u> |
| TOTAL INCOME | 167,465 | 168,057 |
| EXPENSES | | |
| Claims | 262,610 | (67,752) |
| Litigation Expense and Settlements | - | 43,695 |
| Incidental and Administrative Expense | 7,053 | 12,279 |
| | <u> </u> | <u> </u> |
| TOTAL EXPENSES | 269,663 | (11,778) |
| | <u> </u> | <u> </u> |
| CHANGE IN NET POSITION | <u>(\$102,198)</u> | <u>\$179,835</u> |
| TOTAL NET POSITION - JANUARY 1 | | |
| TOTAL NET POSITION - MARCH 31 | | |

| YEAR-TO-DATE | | | |
|--------------------|--------------------|-----------------------|-------------------|
| MARCH 2020 | MARCH 2019 | 2020/2019 VARIANCE | PERCENT CHANGE |
| \$460,000 | \$460,000 | \$0 | 0.0% |
| (10,749) | 81,869 | (92,618) | -113.1% |
| 449,251 | 541,869 | (92,618) | -17.1% |
| 285,584 | (324,992) | 610,576 | 187.9% |
| 518 | 289,689 | (289,171) | -99.8% |
| 32,656 | 37,890 | (5,234) | -13.8% |
| 318,758 | 2,587 | 316,171 | 12221.5% |
| 130,493 | 539,282 | (408,789) | -75.8% |
| 5,098,885 | 2,695,690 | 2,403,195 | |
| <u>\$5,229,378</u> | <u>\$3,234,972</u> | <u>\$1,994,406</u> | |

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

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

Statements of Cash Flows (Unaudited)
March 31, 2020 and March 31, 2019

| | YEAR TO DATE | |
|--|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Premiums Received | \$460,000 | \$460,000 |
| Claims Paid | (38,583) | (308,311) |
| Administrative and Other Expenses | (57,798) | (119,366) |
| Net Cash Flows from Operating Activities | 363,619 | 32,323 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on Investments | (10,749) | 81,869 |
| Net Cash Flows from Investing Activities | (10,749) | 81,869 |
| Net Change in Cash and Equity Cash and Equity in Pooled Investments | 352,870 | 114,192 |
| Cash and Equity in Pooled Investments at January 1 | 9,132,661 | 7,867,653 |
| Cash and Equity in Pooled Investments at March 31 | <u>\$9,485,531</u> | <u>\$7,981,845</u> |

| | YEAR TO DATE | |
|--|-------------------|-------------------|
| | March 31, 2020 | March 31, 2019 |
| Reconciliation of Net Income to Net Cash Flows from Operating Activities: | | |
| Net Income | \$130,493 | \$539,282 |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from Operating Activities: | | |
| Interest Income (Expenses) | 10,749 | (81,869) |
| Cash from Changes in Operating Assets and Liabilities: | | |
| Interdivision Payable | - | (10,610) |
| Accounts Payable Claims | 247,001 | (433,303) |
| Accounts Payable Claims Handling | (24,624) | 18,823 |
| Total Adjustments | 233,126 | (506,959) |
| Net Cash Flows from Operating Activities | <u>\$363,619</u> | <u>\$32,323</u> |

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

Equity Distribution (Unaudited) as of March 31, 2020

| | TACOMA POWER | TACOMA WATER | TACOMA RAIL | TOTAL |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Balance January 1, 2020 | \$3,414,539 | \$695,989 | \$988,357 | \$5,098,885 |
| Contributions (Premiums) | 250,000 | 60,000 | 150,000 | 460,000 |
| Claims (1) | 144,621 | (78,893) | (1,312) | 64,416 |
| Claims Handling Expense (2) | - | (242) | (35) | (277) |
| Administrative Expenses (3) | (847,102) | 463,519 | 686 | (382,897) |
| Interest Income (4) | <u>(7,190)</u> | <u>(1,732)</u> | <u>(1,827)</u> | <u>(10,749)</u> |
| Balance March 31, 2020 | <u>\$2,954,868</u> | <u>\$1,138,641</u> | <u>\$1,135,869</u> | <u>\$5,229,378</u> |

(1) Service divisions' claims of \$350,000 have been deducted from this area.

(2) Service divisions' claims hand handling of \$241 have been deducted from 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 \$350,241 have been added to 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 income 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, 2020

NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2020)

| | Tacoma Power | Tacoma Water | Tacoma Rail | Service Division | Total |
|---------------------------------------|-----------------|-----------------|----------------|---------------------|----------|
| Over \$5,000 | 1 | 1 | - | - | 2 |
| \$1,001 - 5,000 | 1 | 1 | 1 | - | 3 |
| \$501 - 1,000 | 2 | - | - | - | 2 |
| \$100 - 500 | 1 | 1 | - | - | 2 |
| Less than \$100 | - | - | - | - | - |
| | 5 | 3 | 1 | - | 9 |
| Total Dollar Amount of Claims Paid | \$23,878 | \$13,393 | \$1,312 | - | \$38,583 |

NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2020

| | | | | | |
|--|-------------|-----------|-----------|-----------|-------------|
| Over \$50,000 | 13 | 1 | 1 | 1 | 16 |
| \$10,000 - 50,000 | 9 | 3 | 2 | - | 14 |
| Less than \$10,000 | 229 | 85 | 7 | 1 | 322 |
| | 251 | 89 | 10 | 2 | 352 |
| Total Dollar Amount Accrued for Known Claims | \$3,066,118 | \$282,976 | \$217,869 | \$350,500 | \$3,917,463 |
| Total Dollar Amount Accrued for Unknown Claims | \$87,756 | \$49,851 | \$198,267 | \$510 | \$336,384 |
| Total Dollar Amount Accrued for All Claims | \$3,153,874 | \$332,827 | \$416,136 | \$351,010 | \$4,253,847 |

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

Claims Statistics Detail (Unaudited)
March 31, 2020

NUMBER OF CLAIMS PAID (JANUARY 1 - MARCH 31, 2020)

| Range | Non-Vehicular Bodily Injury/Property Damage | | | |
|---|--|-----------------|----------------|---------------------|
| | Tacoma Power | Tacoma Water | Tacoma Rail | Service Division |
| Over \$5,000 | 1 | 1 | - | - |
| \$1,001 - 5,000 | - | 1 | 1 | - |
| \$501 - 1,000 | 1 | - | - | - |
| \$100 - 500 | - | 1 | - | - |
| Less than \$100 | - | - | - | - |
| | 2 | 3 | 1 | - |
| Total Dollar Amount of Claims Paid | \$18,792 | \$13,393 | \$1,312 | - |
| Average Dollar Amount of Claims Paid | \$9,396 | \$4,464 | \$1,312 | - |

NUMBER OF CLAIMS ACCRUED AT MARCH 31, 2020

| Range | Non-Vehicular Bodily Injury/Property Damage | | | |
|--|--|-----------|-----------|-----------|
| | | | | |
| Over \$50,000 | 13 | 1 | 1 | 1 |
| \$10,000 - 50,000 | 8 | 3 | 2 | - |
| Less than \$10,000 | 210 | 75 | 2 | 1 |
| | 231 | 79 | 5 | 2 |
| Total Dollar Amount Accrued for Known Claims | \$3,018,618 | \$263,976 | \$205,119 | \$350,500 |
| Total Dollar Amount Accrued for Unknown Claims | \$87,756 | \$49,851 | \$198,267 | \$510 |
| Total Dollar Amount Accrued for All Claims | \$3,106,374 | \$313,827 | \$403,386 | \$351,010 |

| 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 | - | - | - | - | - | - | - | - | - |
| 1 | - | - | - | - | - | - | - | - | - |
| 1 | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| 3 | - | - | - | - | - | - | - | - | - |
| \$5,086 | - | - | - | - | - | - | - | - | - |
| \$1,695 | - | - | - | - | - | - | - | - | - |

| Vehicular Bodily Injury/Property Damage | | | | Hazardous Waste | | Contract/Harassment | | | |
|--|----------|----------|---|--------------------|---|---------------------|---|---|---|
| - | - | - | - | - | - | - | - | - | - |
| 1 | - | - | - | - | - | - | - | - | - |
| 19 | 10 | 5 | - | - | - | - | - | - | - |
| 20 | 10 | 5 | - | - | - | - | - | - | - |
| \$47,500 | \$19,000 | \$12,750 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| \$47,500 | \$19,000 | \$12,750 | - | - | - | - | - | - | - |



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.