

Risk Management / 5520

		2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
LOSSES LIMITED TO \$1 MILLION	Beginning Fund Balance	7,445,682	5,587,878	8,090,017	5,115,688	1,382,969	(135,387)
	Revenues						
	* Interfund Charges	22,827,244	23,029,770	23,029,770	23,590,221	26,421,048	29,195,258
	* Interest Revenue	1,697,657	3,508,567	2,195,207	1,652,155	1,635,633	1,619,277
	* Other Miscellaneous Revenues	372,184					
	Total Revenues	24,897,085	26,538,337	25,224,977	25,242,376	28,056,681	30,814,535
	Expenditures						
	* Claims Costs (limited to first \$1mil)	(7,653,289)	(14,177,511)	(14,177,511)	(14,509,906)	(14,800,104)	(15,096,106)
	* Insurance Premiums	(7,695,024)	(8,086,722)	(7,107,507)	(7,469,098)	(7,821,955)	(7,978,394)
	* Prosecutors and ORM Overhead	(3,629,509)	(3,940,268)	(3,745,767)	(3,976,852)	(4,056,389)	(4,137,517)
	* Transfers to Other Funds (MARR)	(274,928)	(280,427)	(274,928)	(274,928)	(274,928)	(274,928)
	* Sound Transit Link Light Rail				(174,054)		
	Total Expenditures	(19,252,750)	(26,484,928)	(25,305,713)	(26,404,838)	(26,953,376)	(27,486,945)
Other Fund Transactions							
* Adjustments for Incurred Losses ⁴		(2,519,859)	(2,519,859)	(2,570,256)	(2,621,661)	(2,674,095)	
* Property Damage Recovery-Exchange B	0						
* Property Loss Deductible Reserve	0						
* Transfer to Cat Loss Fund	(5,000,000)						
* Impaired Investments			(373,734)				
Total Other Fund Transactions	(5,000,000)	(2,519,859)	(2,893,593)	(2,570,256)	(2,621,661)	(2,674,095)	
Ending Undesignated Fund Balance	8,090,017	3,121,428	5,115,688	1,382,969	(135,387)	518,109	
CATASTROPHIC LOSS RESERVES (above the \$1 Million per occurrence threshold)	Beginning Cash Balance	9,580,792	14,724,046	14,435,932	14,932,997	15,076,240	15,218,051
	Revenues						
	* Cat Loss Insurance Recoveries	1,387,253					
	* Interest Revenue	575,300	757,746	497,065	143,243	141,811	140,392
	Total Revenues	1,962,553	757,746	497,065	143,243	141,811	140,392
	Other Fund Transactions						
	* Transfer from Reg Program	5,000,000	0	0	0	0	0
	Expenditures						
	* Claims Costs > \$1.0 million Threshold	(2,107,413)					
	Total Expenditures	(2,107,413)	0	0	0	0	0
Ending Fund Balance⁵	14,435,932	15,481,792	14,932,997	15,076,240	15,218,051	15,358,443	
Less: Reserves & Designations							
* Reserved for Losses Over \$1Million ⁶	(19,956,000)	(21,203,000)	(21,203,000)	(21,203,000)	(21,203,000)	(21,203,000)	
Total Reserves & Designations	(19,956,000)	(21,203,000)	(21,203,000)	(21,203,000)	(21,203,000)	(21,203,000)	
Ending Undesignated Fund Balance	(10,520,068)	(5,721,208)	(6,270,003)	(6,126,760)	(5,984,949)	(5,844,557)	
TOTAL ENDING UNDESIGNATED FUND BALANCE	(2,430,051)	(2,599,780)	(1,154,315)	(4,743,791)	(6,120,336)	(5,326,448)	

Financial Plan Notes:

¹In general, this financial plan is most significantly affected by annual updates to actuary estimates of incurred claims. Its financial portrayal of the 2007 beginning fund balance is based on the 2008 actuary report that revised estimates of losses for policy years 1991-2007 and 14-month ARMS report.

²2008 estimate based on projected expenditures as of 6/30/08.

³2010 and 2011 Projected revenues are based on 12% increase from 2009-2010; 10.5% increase from 2010 to 2011 while total expenditures are based on 2% increase.

⁴Difference between actuary's estimate of incurred losses vs. cash flow/actual expenditures for limited losses.