

Risk Management / 5520

| | 2007 Actual ¹ | 2008 Adopted | 2008 Estimated ² | 2009 Proposed | 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 | 1,238,462 | (422,993) |
| | 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 | 1,508,912 | 1,493,823 | 1,478,885 |
| | * Other Miscellaneous Revenues | 372,184 | | | | | |
| | Total Revenues | 24,897,085 | 26,538,337 | 25,224,977 | 25,099,133 | 27,914,870 | 30,674,142 |
| | 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) | (3,978,116) | (4,057,678) | (4,138,832) |
| | * 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) | (26,406,102) | (26,954,665) | (27,488,260) |
| 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 I | 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 | 1,238,462 | (422,993) | 88,794 | |
| 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 Balance ⁵ | 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 F | (2,430,051) | (2,599,780) | (1,154,315) | (4,888,298) | (6,407,943) | (5,755,763) | |

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 10.5% increase from 2009-2010; 12% 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.