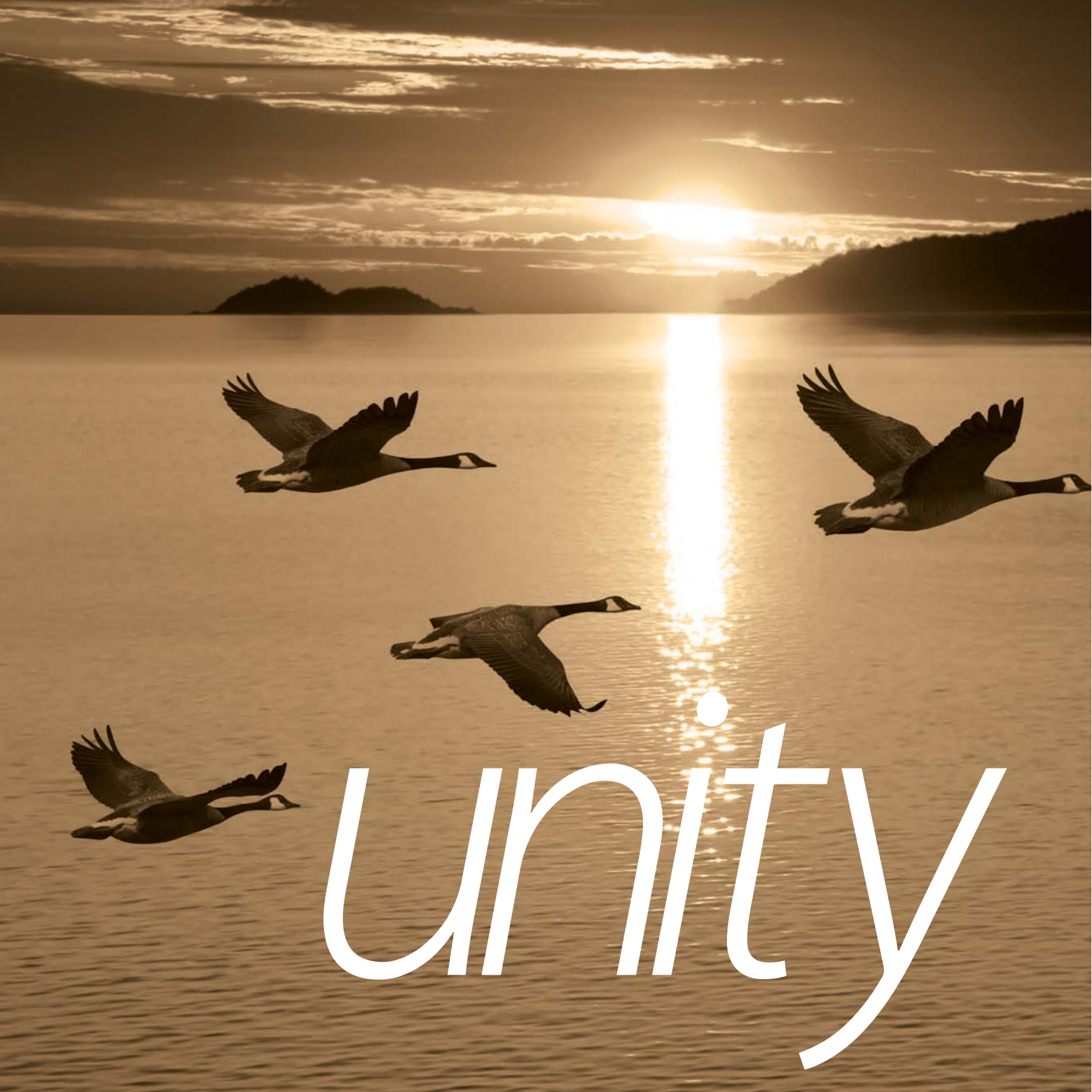


2011
annual
report



STRENGTH IN NUMBERS





unity

As the outgoing chair of the Enduris Board of Directors, it is my pleasure to present the Policy Year 2011 Annual Report to the Enduris membership. The theme of this Annual Report is Strength in Numbers.

In 1987, local governments could not find or could not afford insurance coverage. Two cities and two counties pooled their purchasing power to buy insurance, to spread risk, and to decrease reliance on the commercial insurance market.

Twenty-four years later, in Policy Year 2011, Enduris served special purpose districts and kept the focus on the strength and stability of the pool. It maintained a 99% retention rate and grew the membership by 21 new members.

The new membership joined 447 special purpose districts made up of over 17 different entity types, located in every county throughout Washington State. Together, 468 Enduris members spread risk over a wider and larger body of participants, which in turn increases pool equity, thus ensuring member protection.

It is gratifying to announce that Enduris maintained its strong financial position in 2011. We encourage you to read the Management's Discussion & Analysis in this report to learn more about Enduris' financial strength and success. Equity of the pool continues to grow, strengthening each member's position and decreasing reliance on the re-insurance markets.

On behalf of the Board and staff, we would like to thank the membership. Your active interest, participation, and feedback are instrumental in the continued success of Enduris.

Yours truly,



William E. Hardy
Board Chair

When 468 members unite, we take that strength in numbers to the reinsurance market for the best protection available at an affordable price.



A MESSAGE TO THE MEMBERS

We are pleased to announce Policy Year 2011 was another successful year for Enduris. Rates were flat, we met our targets and benchmarks, and we added another \$740,000 to members' net equity. These achievements would not be possible without the committed members that mitigate their risks to keep claim activity down, the dedicated professionals that we employ, and the outstanding service providers that we hire.



As the pool grows with each new member, the strength and diversity they bring to Enduris is spread over a much wider and more diversified base of risks, thus making the pool even stronger. This is of special value during these trying economic times. Working as a team, our members, staff, and service providers will continue to weather the challenges that local governments face today. Enduris is dedicated to providing the very best service and the broadest coverage and to stretching local tax dollars to get the best value possible.

We're here as your partner in managing your risks, to be

Enduris' success is derived from the strength of partnerships with the members, consultants, state associations, and staff. These solid partnerships are the foundation of Enduris' business model.

thoughtful and forward thinking, and to meet the challenges that local governments face every day. On behalf of the staff and service providers, it is a pleasure to serve you.

Sincerely,

Mark A. Kammers
Executive Director

partnership



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MISSION STATEMENT

To provide financial protection, broad coverage, and risk management services responsive to members' needs.

CORE VALUES

Membership Focus

Expertise in Government Insurance

Doing What's Right

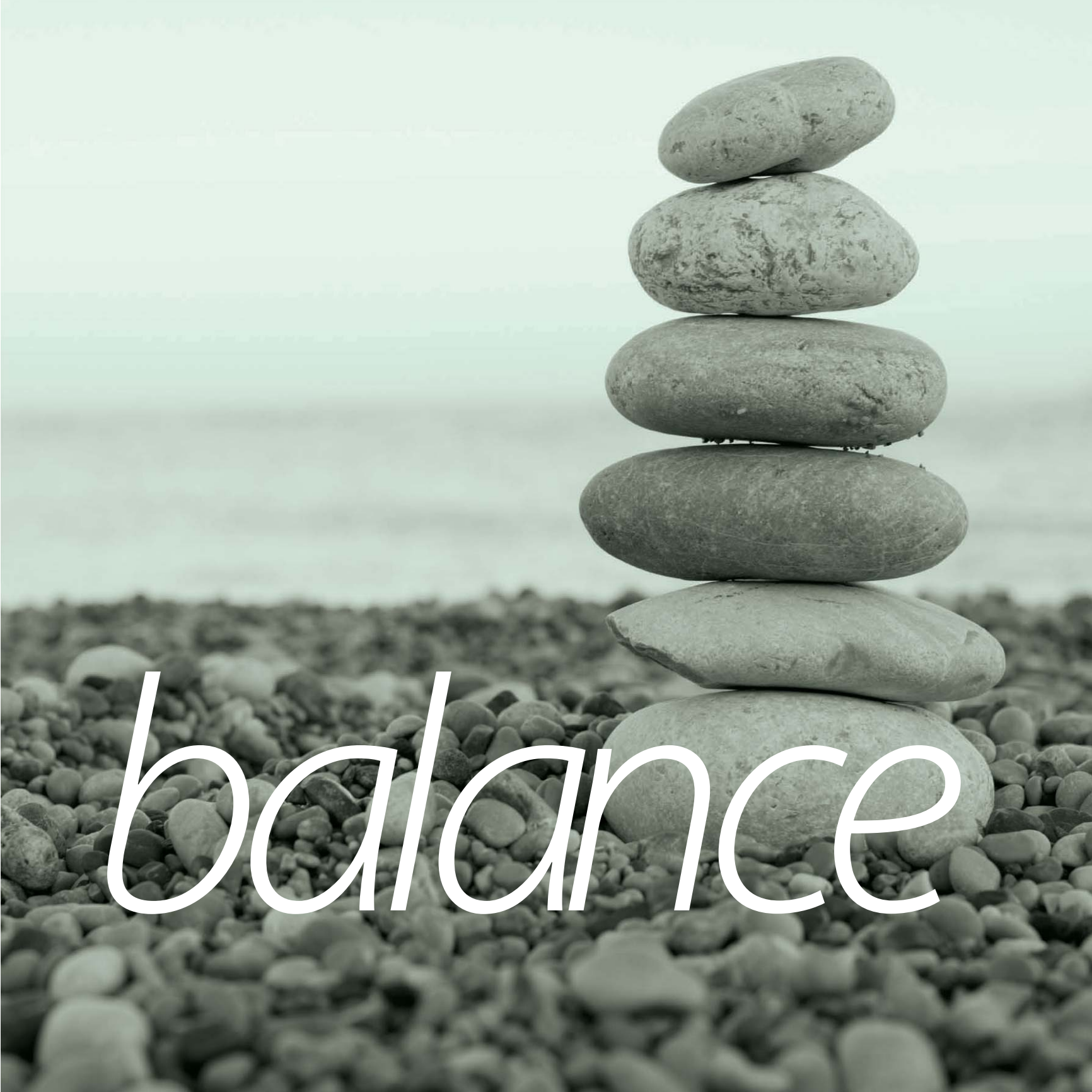
Making Insurance Uncomplicated

Financial Stability & Predictability



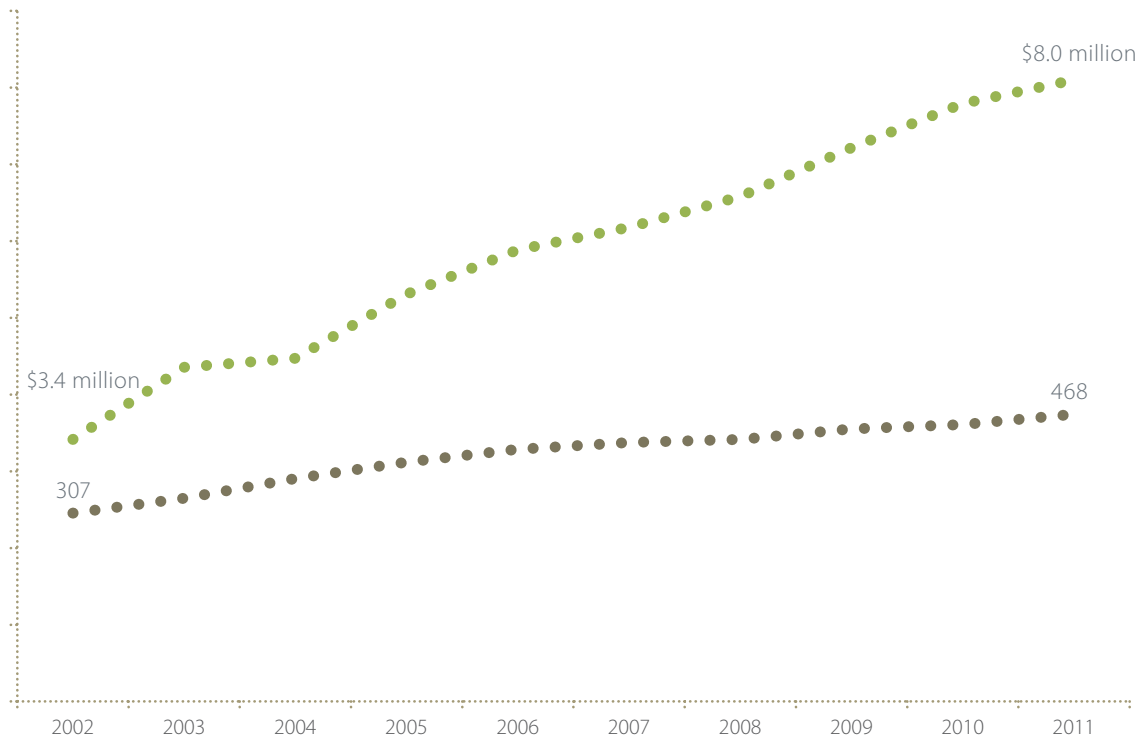
Like a successful investment portfolio, Enduris' membership is well balanced with a diverse mix of low risk entity types from throughout the state.

- Mike Millikin



balance

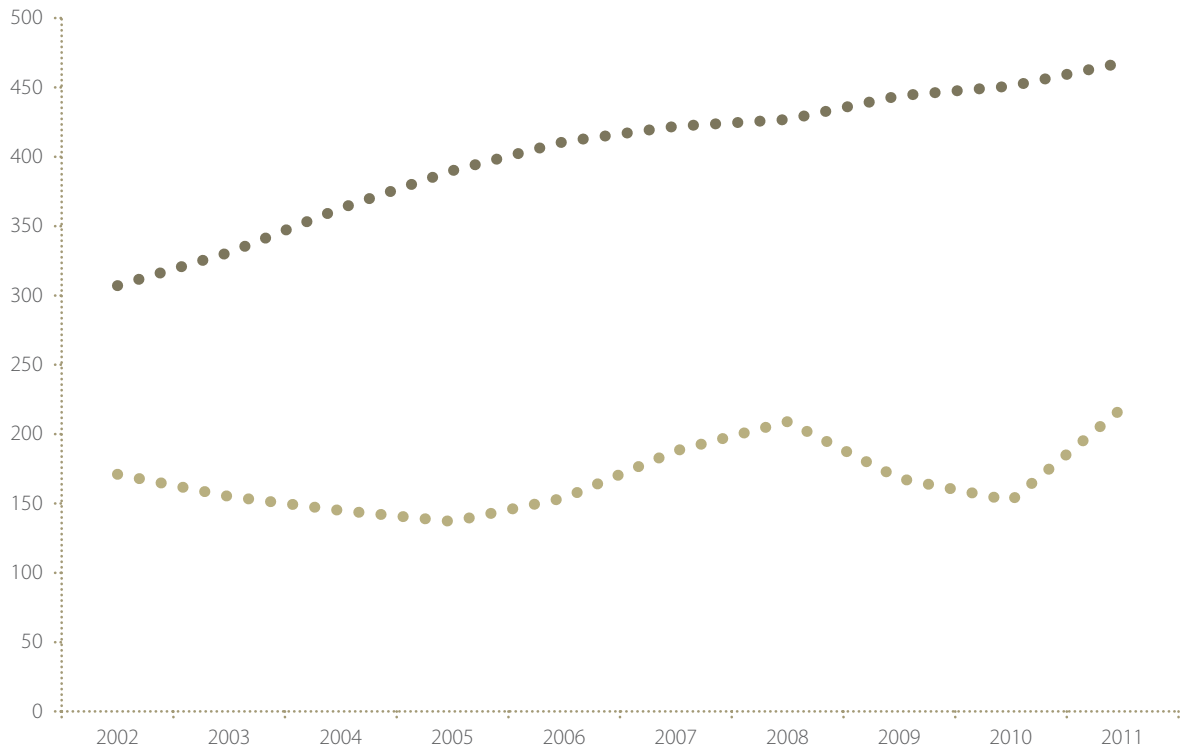
MEMBERSHIP ENDURIS STATISTICS



●●●●●
TOTAL
CONTRIBUTIONS

●●●●●
TOTAL
MEMBERSHIP

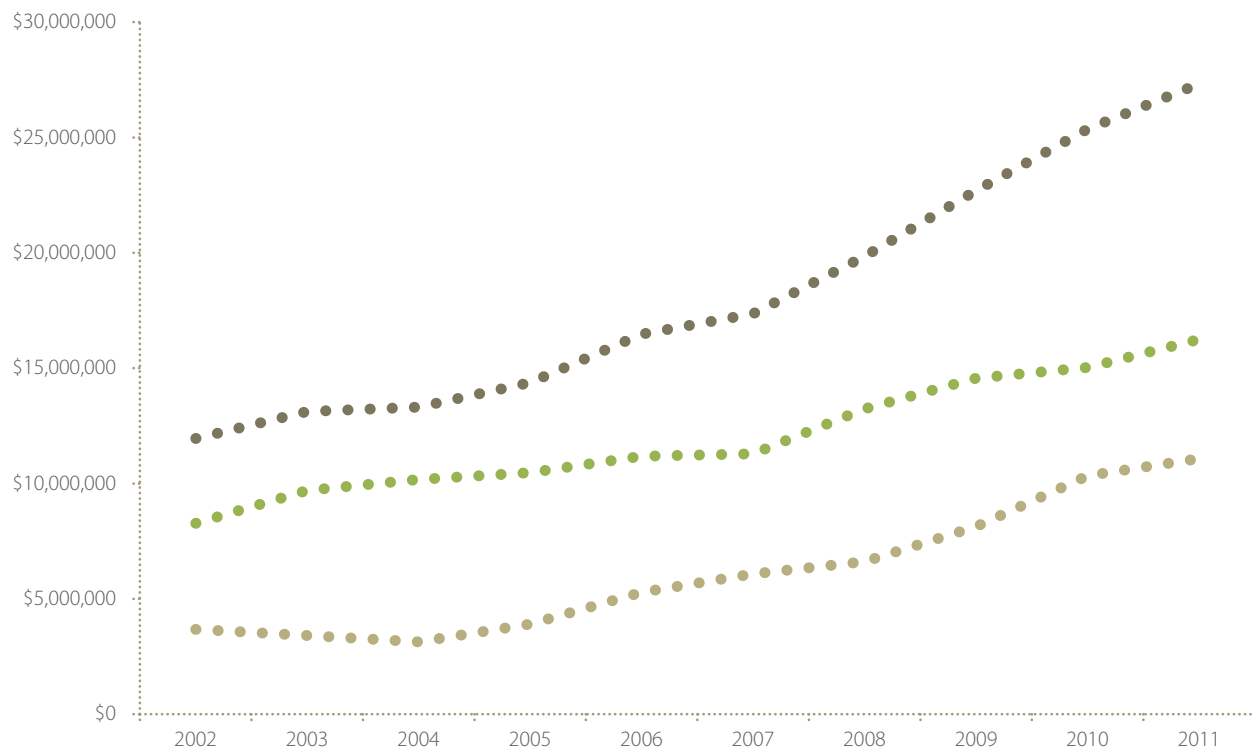
CLAIMS ENDURIS STATISTICS



● ● ● ●
TOTAL
MEMBERSHIP

● ● ● ●
CLAIM
ACTIVITY

ASSETS ENDURIS STATISTICS



● ● ● ●
TOTAL
ASSETS

● ● ● ●
TOTAL
LIABILITIES

● ● ● ●
NET
ASSETS

cooperation



MEMBERSHIP LIST

AGING/MENTAL HEALTH DISTRICTS

Aging & Adult Care of Central Washington	Since 1990
Aging & Long Term Care of Eastern WA	Since 1989
Greater Columbia Behavioral Health	Since 1994
Lewis-Mason-Thurston AAA	Since 2004
N Central WA Regional Support Network	Since 1991
North Sound Regional Support Network	Since 1994
Olympic Area Agency on Aging	Since 1991
Peninsula Regional Support Network	Since 2011
SW WA Council of Govts on Aging	Since 2008
Timberlands Regional Support Network	Since 2009

CLEAN AIR AGENCIES

Benton Clean Air Agency	Since 1996
Northwest Clean Air Agency	Since 1990
Olympic Region Clean Air Agency	Since 2003
Puget Sound Clean Air Agency	Since 1990
Southwest Clean Air Agency	Since 1990
Spokane Regional Clean Air Agency	Since 1990
Yakima Regional Clean Air Agency	Since 2004

CEMETERY DISTRICTS

Cemetery District #6 of Clark County	Since 2001
Chelan County Cemetery District #4	Since 2005
Clark County Cemetery District #4	Since 2011
Colfax Cemetery District #6	Since 2006
Cowlitz County Cemetery District #2	Since 2000
Cowlitz County Cemetery District #3	Since 2005
Cowlitz County Cemetery District #6	Since 2004
Garfield Cemetery District #2	Since 2011
King County Cemetery District #1	Since 1993
Lewis County Cemetery District #1	Since 2006
Pend Oreille Cemetery District #1	Since 2001
San Juan Cemetery District #3	Since 2006
Skagit Co Cemetery District #1	Since 2007
Skamania County Cemetery District #1	Since 1998
Thurston County Cemetery District #2	Since 2006
Whatcom County Cemetery District #6	Since 2004
Whatcom County Cemetery District #10	Since 2004

CONSERVATION DISTRICTS

Adams Conservation District	Since 1999
Asotin County Conservation District	Since 1998
Benton Conservation District	Since 1999

Cascadia Conservation District	Since 1999
Central Klickitat Conservation District	Since 1999
Clallam Conservation District	Since 1996
Clark Conservation District	Since 1999
Columbia Conservation District	Since 1998
Cowlitz Conservation District	Since 1995
Eastern Klickitat Conservation District	Since 1999
Ferry Conservation District	Since 1997
Foster Creek Conservation District	Since 1998
Franklin Conservation District	Since 1996
Grant Conservation District	Since 1998
Grays Harbor Conservation District	Since 1996
Jefferson County Conservation District	Since 1997
King Conservation District	Since 1993
Kitsap Conservation District	Since 1994
Kittitas County Conservation District	Since 1999
Lewis County Conservation District	Since 1998
Lincoln County Conservation District	Since 1995
Mason Conservation District	Since 1994
Moses Lake Conservation District	Since 1999
North Yakima Conservation District	Since 1999
Okanogan Conservation District	Since 1996
Pacific Conservation District	Since 1996
Palouse Conservation District	Since 2004
Palouse-Rock Lake Conservation District	Since 1994
Pend Oreille Conservation District	Since 1997
Pierce Conservation District	Since 1994
Pine Creek Conservation District	Since 1999
Pomeroy Conservation District	Since 2000
San Juan Conservation District	Since 1998
Skagit Conservation District	Since 1995
Snohomish Conservation District	Since 1994
South Douglas Conservation District	Since 1997
South Yakima Conservation District	Since 1998
Spokane County Conservation District	Since 1994
Stevens County Conservation District	Since 1996
Thurston Conservation District	Since 1994
Underwood Conservation District	Since 1999
Wahkiakum County Conservation District	Since 1994
Walla Walla County Conservation	Since 1999
Warden Conservation District	Since 1998
Whatcom Conservation District	Since 1998
Whidbey Island Conservation District	Since 2004
Whitman Conservation District	Since 1999

DIKING & DRAINAGE DISTRICTS

Bertrand Watershed Improvement District	Since 2004
Clark County Diking District #14	Since 2007
Island County Diking District #1	Since 2004
King County Drainage District #7	Since 2004
Lewis County Flood District #1	Since 2005
Marshland Flood Control District	Since 2005
North Lynden Watershed Improvement Dist	Since 2007
Pacific County Drainage District #1	Since 2004
Port Ludlow Drainage District	Since 2003
Silver Lake Flood Control District	Since 2005
Skagit Co Consolidated Diking Dist #22	Since 2003
Skagit Co Drainage/Irrigation Dist #15	Since 2002
Skagit County Dike District #17	Since 2004
Skagit County Drainage District #19	Since 2003
Snohomish Co Drainage & Imp District #13	Since 2008
Snohomish County Diking District #1	Since 2005
Stillaguamish Flood Control District	Since 2002
Whatcom Co Flood Control Zone District	Since 2006
Yakima Co Drainage Improvement Dist #11	Since 2004
Yakima Co Drainage Improvement Dist #28	Since 2008

FIRE DISTRICTS

Adams County FPD #6	Since 1993
Asotin County FPD #1	Since 1993
Benton County FPD #1	Since 2010
Benton County FPD #2	Since 2010
Benton County FPD #4	Since 2010
Benton County FPD #5	Since 2004
Benton County FPD #6	Since 2011
Chelan County FPD #6	Since 1996
Chelan County FPD #8	Since 2004
Chelan County FPD #9	Since 2005
Chelan County FPD #10	Since 2007
Clallam County FPD #1	Since 2002
Clallam County FPD #4	Since 2004
Clallam County FPD #5	Since 1995
Clark County FPD #3	Since 2009
Clark County FPD #13	Since 1994
Cowlitz County FPD #1	Since 2005
Cowlitz County FPD #4	Since 1993
Cowlitz County FPD #6	Since 1990
Cowlitz-Skamania FPD #7	Since 1993
Darrington Fire District #24	Since 1994

MEMBERSHIP LIST

Douglas County FPD #3	Since 2002	Pacific County FPD #6	Since 2005
Douglas County FPD #4	Since 2003	Pend Oreille County FPD #2	Since 2006
Douglas Okanogan County FPD #15	Since 1996	Pend Oreille County FPD #4	Since 1990
Ferry Co #3/Stevens Co #8 Joint FPD	Since 2005	Pend Oreille County FPD #6	Since 2006
Ferry County EMS District #1	Since 2010	Pend Oreille County FPD #8	Since 2010
Franklin County FPD #3	Since 2011	Pierce County FPD #27	Since 2002
Grant County FPD #7	Since 2002	San Juan County FPD #4	Since 2006
Grant County FPD #8	Since 1993	Skagit County FPD #4	Since 1995
Grant County FPD #10	Since 2007	Skagit County FPD #5	Since 2005
Grant County FPD #11	Since 1994	Skagit County FPD #6	Since 2007
Grant County FPD #12	Since 2002	Skagit County FPD #9	Since 2010
Grays Harbor County FPD #10	Since 2003	Skagit County FPD #12	Since 2002
Grays Harbor County FPD #12	Since 1995	Skagit County FPD #13	Since 1994
Grays Harbor County FPD #17	Since 2011	Skagit County FPD #14	Since 2005
Grays Harbor/Pacific County FPD #15	Since 1993	Skagit County FPD #16	Since 1997
Island County FPD #3	Since 2004	Skagit County FPD #17	Since 1994
King County FPD #45	Since 2009	Skamania County FPD #5	Since 1992
Kittitas County FPD #7	Since 1993	Skamania County FPD #6	Since 1997
Klickitat County FPD #1	Since 2006	Snohomish County FPD #25	Since 1994
Klickitat County FPD #3	Since 2005	South Pend Oreille Fire & Rescue	Since 2005
Klickitat County FPD #4	Since 2006	Spokane County FPD #2	Since 2005
Klickitat County FPD #11	Since 2002	Spokane County FPD #3	Since 1990
Klickitat County FPD #13	Since 1995	Spokane County FPD #5	Since 2008
Klickitat County FPD #14	Since 2008	Spokane County FPD #10	Since 1990
Lake Stevens Fire	Since 2010	Spokane County FPD #12	Since 1995
Lewis County FPD #2	Since 1995	Spokane County FPD #13	Since 2008
Lewis County FPD #5	Since 1996	Stevens County FPD #1	Since 2008
Lewis County FPD #7	Since 1996	Stevens County FPD #2	Since 1996
Lewis County FPD #8	Since 2009	Stevens County FPD #5	Since 1995
Lewis County FPD #13	Since 2010	Stevens County FPD #9	Since 2010
Lincoln County FPD #6	Since 1994	Stevens County FPD #11	Since 2005
Lincoln-Adams County FPD #3	Since 1996	Thurston County FPD #5	Since 2006
Mason County FPD #1	Since 2006	Thurston County FPD #9	Since 2006
North Country EMS	Since 1993	Tonasket EMS District	Since 2004
Okanogan County FPD #2	Since 2010	Vashon Island Fire & Rescue	Since 1997
Okanogan County FPD #7	Since 2007	Wahkiakum County FPD #2	Since 1995
Okanogan County Rural FPD #6	Since 2004	Whatcom County FPD #11	Since 1993
Okanogan County FPD #8	Since 2005	Whitman County FPD #5	Since 2006
Okanogan County FPD #10	Since 1999	Whitman County FPD #7	Since 1996
Okanogan County FPD #11	Since 2001	Whitman County FPD #10	Since 2009
Okanogan County FPD #12	Since 2004	Whitman County FPD #12	Since 2008
Pacific County FPD #1	Since 2009	Whitman County FPD #14	Since 2010
Pacific County FPD #2	Since 2006	Yakima County FPD #9	Since 2009
Pacific County FPD #4	Since 2004	Yakima County FPD #14	Since 2004

HEALTH DISTRICTS

Asotin County Health District	Since 1989
Benton Franklin Health District	Since 1989
Chelan-Douglas Health District	Since 1989
Grant County Health District	Since 1991
Kitsap County Health District	Since 1989
Northeast Tri County Health District	Since 1989
Okanogan County Public Health	Since 1997
Snohomish Health District	Since 1989
Spokane Regional Health District	Since 1989
Yakima County Health District	Since 1989

IRRIGATION/RECLAMATION DISTRICTS

Agnew Irrigation District	Since 1993
Ahtanum Irrigation District	Since 2001
Alta Vista Irrigation District	Since 1993
Badger Mountain Irrigation District	Since 1995
Benton Irrigation District	Since 2000
Brewster Flat Irrigation District	Since 1995
Bridgeport Irrigation District #1	Since 1996
Carnhope Irrigation District #7	Since 1989
Cascade Irrigation District	Since 1996
Chelan Falls Irrigation District	Since 1990
Chelan River Irrigation District	Since 2002
Cline Irrigation District	Since 2000
Columbia Irrigation District	Since 1995
Dungeness Irrigation District	Since 2005
Eastside/Westside Irrigation District	Since 1993
Entiat Irrigation District	Since 2005
Greater Wenatchee Irrigation District	Since 2001
Helensdale Irrigation District	Since 2000
Highland Irrigation District	Since 2002
Hutchinson Irrigation District #16	Since 1991
Icicle Irrigation District	Since 1995
Isenhart Irrigation District	Since 1990
Kiona Irrigation District	Since 1994
Lake Chelan Reclamation District	Since 2000
Methow Valley Irrigation District	Since 1999
Methow-Okanogan Reclamation District	Since 2002
Model Irrigation District #18	Since 1989
Okanogan Irrigation District	Since 1997
Oroville Tonasket Irrigation District	Since 1993
Peshastin Irrigation District	Since 1995
Selah and Moxee Irrigation District	Since 1995

MEMBERSHIP LIST

Terrace Heights Irrigation District	Since 1995
Union Gap Irrigation District	Since 2008
Wells Ranch Irrigation District	Since 2010
Wenas Irrigation District	Since 2005
Wenatchee Heights Reclamation District	Since 1996
Wenatchee Reclamation District	Since 1995
Wenatchee-Chiwawa Irrigation District	Since 2001
Whitestone Reclamation District	Since 1993
Wolf Creek Reclamation District	Since 1994
Yakima Reservation Irrigation District	Since 1994
Zillah Irrigation District	Since 1994

LIBRARY DISTRICTS

Asotin County Library	Since 1993
Columbia Co Rural Library District	Since 2011
King County Law Library	Since 2001
La Conner Regional Library	Since 1994
Lopez Island Library District	Since 1995
North Olympic Library System	Since 1991
Stevens County Rural Library District	Since 2001
Upper Skagit Library District	Since 2002
Walla Walla Co Rural Library District	Since 2009
Whitman County Rural Library District	Since 1991

MISCELLANEOUS DISTRICTS

Benton-Franklin Council of Governments	Since 2004
Franklin County Emergency Management	Since 1996
Grant County Hospital District #7	Since 2008
Island Co Emergency Services Comm Ctr	Since 2007
King County Ferry District	Since 2008
Kittcom	Since 1992
Lower Columbia Fish Recovery Board	Since 2003
Pend Oreille Co Hospital District #2	Since 2009
Spokane Regional Transportation Council	Since 1995
Walla Walla Watershed Mgmt Partnership	Since 2009
Wenatchee Valley Transportation Council	Since 2004
Whatcom Council of Governments	Since 2004

MOSQUITO CONTROL DISTRICTS

Adams County Mosquito Control District	Since 1990
Benton County Mosquito Control Dist #1	Since 1996
Camano Island Mosquito Control Dist #1	Since 2006
Clark County Mosquito Control District	Since 2005
Columbia Mosquito Control District	Since 1994

Cowlitz County Mosquito Control District	Since 1998
Franklin County Mosquito Control	Since 2004
Grant County Mosquito Control Dist #1	Since 1995
Grant County Mosquito Control Dist #2	Since 1995
Leavenworth Mosquito Control District	Since 2003
Skamania County Mosquito Control Dist	Since 2003
Touchet-Lowden Mosquito Control District	Since 2002
Yakima County Mosquito Control Dist #1	Since 2011

PARK AND RECREATION DISTRICTS

Adams County Park & Rec Board #2	Since 1991
Adams County Park & Recreation Dist #4	Since 1997
Adams County Park District #1	Since 1999
Adams County Parks & Recreation Dist #3	Since 1989
Anderson Island Park & Recreation Dist	Since 1992
Bainbridge Island Metro Park & Rec Dist	Since 1993
Central Klickitat County Park & Rec	Since 1999
Clallam County Park & Recreation Dist #1	Since 1992
Coulee Area Parks & Recreation Dist	Since 2011
East County Park & Recreation District	Since 1994
Eastmont Metropolitan Park District	Since 2003
Fall City Metropolitan Park District	Since 2009
Fidalgo Pool & Fitness Center District	Since 1991
Key Peninsula Metropolitan Park District	Since 2005
Lincoln Co Park & Recreation District #2	Since 1993
Lincoln Co Park & Recreation District #3	Since 1997
Manson Park & Recreation District	Since 1990
Naches Park & Recreation District	Since 1997
North Whidbey Park & Recreation District	Since 1989
Northwest Park & Recreation District #2	Since 2008
Oakesdale Park & Recreation District #4	Since 1995
Orcas Island Park & Recreation District	Since 2011
Peninsula Metropolitan Park District	Since 2004
Quillayute Valley Park & Recreation Dist	Since 2003
San Juan Island Park & Recreation Dist	Since 1994
South Whidbey Park & Recreation District	Since 1995
Tekoa Park & Recreation District #6	Since 2001
Upper Valley Park & Rec Service Area	Since 1999
Vashon-Maury Island P&R District	Since 1991
Village Green Metropolitan Park District	Since 2011

PORT DISTRICTS

Grant County Port District #4	Since 2006
Grant County Port District #5	Since 1991

Grant County Port District #6	Since 1994
Grant County Port District #7	Since 2002
Grays Harbor Historical Seaport Auth	Since 1993
Klickitat County Port District	Since 2000
Pangborn Memorial Airport	Since 2005
Port District of South Whidbey Island	Since 1998
Port of Allyn	Since 2002
Port of Brownsville	Since 1995
Port of Camas-Washougal	Since 2008
Port of Centralia	Since 1995
Port of Chehalis	Since 2005
Port of Chelan County	Since 2005
Port of Chinook	Since 2003
Port of Clarkston	Since 2003
Port of Columbia	Since 2000
Port of Coupeville	Since 2006
Port of Dewatto	Since 2002
Port of Douglas County	Since 2005
Port of Edmonds	Since 2000
Port of Eglon	Since 1999
Port of Ephrata	Since 2002
Port of Friday Harbor	Since 2002
Port of Garfield	Since 1997
Port of Grandview	Since 1990
Port of Grapeview	Since 2003
Port of Hoodspout	Since 1996
Port of Illahee	Since 1995
Port of Ilwaco	Since 2000
Port of Indianola	Since 2001
Port of Kennewick	Since 2007
Port of Kingston	Since 1996
Port of Lopez	Since 1997
Port of Manchester	Since 2001
Port of Mattawa	Since 1991
Port of Olympia	Since 2001
Port of Orcas	Since 2002
Port of Othello	Since 2002
Port of Pend Oreille	Since 2010
Port of Peninsula	Since 1996
Port of Port Townsend	Since 2001
Port of Poulsbo	Since 1996
Port of Ridgefield	Since 1998
Port of Royal Slope	Since 1995
Port of Shelton	Since 2001

MEMBERSHIP LIST

Port of Silverdale	Since 2000
Port of Skagit County	Since 2003
Port of Skamania County	Since 1994
Port of Tracyton	Since 2003
Port of Walla Walla	Since 2006
Port of Waterman	Since 1997
Port of Whitman County	Since 2005
Port of Willapa Harbor	Since 1996
Port of Woodland	Since 1995
Wahkiakum County Port District #1	Since 1998
Wahkiakum County Port District #2	Since 1998
Warden Port District #8	Since 1992

PUBLIC DEVELOPMENT AUTHORITIES

4Culture	Since 2005
East Lewis County PDA	Since 2000
Foss Waterway Development Authority	Since 2005
Grays Harbor Public Development Auth	Since 2004
NW Lincoln Co Regional PDA	Since 2005
Odessa Public Development Authority	Since 2006
Port Townsend Public Development Auth	Since 2011
Republic Public Development Authority	Since 2008

PUBLIC FACILITIES DISTRICTS

Capital Area Regional PFD	Since 2003
City of Kent Special Events Ctr PFD	Since 2007
Clark County Public Facilities District	Since 2003
Cowlitz County Public Facilities Dist	Since 2002
Edmonds Public Facilities District	Since 2007
Everett Public Facilities District	Since 2005
Grays Harbor Co Public Facilities Dist	Since 2003
Greater Wenatchee Regional Events PFD	Since 2006
Kitsap Public Facilities District	Since 2003
Lewis County Public Facilities District	Since 2007
Lynnwood Public Facilities District	Since 2004
Richland Public Facilities District	Since 2005
Skagit County Regional PFD	Since 2002
Snohomish County Public Facilities Dist	Since 2006

WATER/SEWER DISTRICTS

Admiral's Cove Water District	Since 2002
Ashford Water District	Since 2005
Bayview Beach Water District	Since 1995
Black Diamond Water District	Since 2003

Blalock Orchards Water District #12	Since 2007
Cascade Valley Water District	Since 1995
Chelan Falls Water District	Since 2003
Chinook Water District	Since 2004
Clear Lake Water District	Since 2003
Crockett Lake Water District	Since 2003
Crystal Mountain Sewer District	Since 1996
Diamond Lake Water & Sewer District	Since 1997
Four Lakes Water District	Since 1999
Freeland Water District	Since 2002
Grays Harbor County Water District #1	Since 2002
Hangman Hills Water District #15	Since 1990
Highland Water District	Since 2000
Highline Water District	Since 2003
Hydro Irrigation District #9	Since 2009
Kapowsin Water District	Since 2002
King County Water District #111	Since 1996
Kittitas County Water District #4	Since 1994
Kittitas County Water District #6	Since 1997
Lagoon Point Water District	Since 2006
Lake Chelan Sewer District	Since 2001
Lake Stevens Sewer District	Since 1992
Lewis County Water Sewer District #6	Since 2002
Liberty Lake Sewer and Water District	Since 1997
Loon Lake Sewer District #4	Since 2001
Manchester Water District	Since 2009
McKenna Water District	Since 2004
Midway Sewer District	Since 2002
Mukilteo Water & Wastewater District	Since 2003
North Beach Water District	Since 2005
Penn Cove Water & Sewer District	Since 1996
Sacheen Lake Sewer & Water District	Since 1994
Samish Water District	Since 1995
Scatchet Head Water District	Since 2005
Seaview Sewer District	Since 2003
Shoreline Water District	Since 1999
Silverdale Water District #16	Since 1996
Soos Creek Water & Sewer District	Since 2010
Southwest Suburban Sewer District	Since 2003
Stevens Pass Sewer District	Since 2001
Strathview Water District #16	Since 2002
SunLand Water District	Since 2005
Swantown Water District	Since 2003
Tri-City Estates Water District #45	Since 1997

Valley View Sewer District	Since 2003
Vel View Water District #13	Since 2001
Vera Water and Power	Since 1994
Willapa Valley Water District	Since 2003

WEED DISTRICTS

Adams County Noxious Weed Board	Since 1990
Adams County Weed District #1	Since 1989
Intercounty Weed District #51	Since 1990
Intercounty Weed District #52	Since 1989
Kittitas County Weed District #5	Since 1993
Lincoln County Noxious Weed Ctrl Board	Since 1990
Spokane County Noxious Weed Board	Since 1996
Weed District #1 of Grant County	Since 1990
Weed District #3 of Grant County	Since 1990

Enduris' success originates with the cooperation of a diverse group of 468 local governments.
- Vicki Carter





trust

B O A R D & S T A F F

WILLIAM E. HARDY **BOARD CHAIR**

Timberlands Regional Support Network
Board Member Since 2009

MIKE MILLIKIN **VICE CHAIR**

Lewis County Water & Sewer District #6
Board Member Since 2009

VICKI CARTER **BOARD DIRECTOR**

Spokane County Conservation District
Board Member Since 2001

DICK GORMLEY **BOARD DIRECTOR**

Chelan County Fire Protection District #6
Board Member Since 2011

NOEL HARDIN **BOARD DIRECTOR**

Asotin County Fire Protection District #1
Board Member Since 2010

RICK MOCKLER **BOARD DIRECTOR**

Benton Franklin Health District
Board Member Since 2003

MARK A. KAMMERS **EX-OFFICIO**

Enduris
Ex-Officio Since 2003

MARK A. KAMMERS

Executive Director
Serving Enduris Members Since 1998

SHERYL BRANDT, A.I.C.

Director of Claims & Risk Management
Serving Enduris Members Since 2003

RAFAELA ORTIZ, Ph.D.

Chief Operating Officer
Serving Enduris Members Since 2004

LYNN SCHARFF, CPA

Director of Finance
Serving Enduris Members Since 2009

JOANNE BISQUERA

Membership Services Coordinator
Serving Enduris Members Since 2004

SUZANNE HEATH

Financial Services Coordinator
Serving Enduris Members Since 1999

ALRIC BALKA

Administrative Assistant
Serving Enduris Members Since 2007

SUE M. CRONK

Administrative Assistant
Serving Enduris Members Since 2004

JOY JELSING

Administrative Assistant
Serving Enduris Members Since 2009

KATHY JOHNS

Administrative Assistant
Serving Enduris Members Since 1999

SINDY JOSEPH, CISR, CPIW

Administrative Assistant
Serving Enduris Members Since 2009

*As members of the Pool, we're all in
this together. We trust that each
member takes seriously their
responsibility to ameliorate their risks
and liabilities.
- Noel Hardin*





stability

MANAGEMENT'S DISCUSSION & ANALYSIS

**Enduris' financial statements are audited on an annual basis by the Washington State Auditor's Office. Due to the timing of the audit, the financial statements presented for the fiscal year ended August 31, 2011 have not been audited and are subject to change. Upon completion of the audit and issuance of the audit report, the comprehensive annual financial report (CAFR) will be available on the Enduris website, or by contacting the Enduris office.*

Statement of cash flows, note disclosures, and required supplementary information are not included with the financial statements presented in conjunction with this MD & A. Please reference the CAFR for the complete financial report.

HIGHLIGHTS

Enduris' overall financial position improved during Fiscal Year (FY) 2011. Net assets increased by \$740,772 to \$11,079,742. This change represents a 7.2% increase in net assets from prior year.

Enduris' results for FY 2011 were comparable to budget. Total revenues were in line with budget. In total, expenses were 3.0% under budget. Enduris contributed 9.0% of revenue to net assets. It is Board policy to allocate a minimum of 5.0% of contribution revenue to net assets annually.

Enduris is funded in excess of the 97% confidence level.

The contract for construction of the new office building was awarded in November 2010. Construction began in January 2011 and completion is anticipated in December 2011.

Membership grew by 3.8% to 468.

With financial stability that comes from a confidence level consistently over 97% and more than \$11 million in members' net assets, our members benefit from predictable and affordable rates.

- Dick Gormley

Enduris' management presents this narrative overview and analysis (MD & A) of the Enduris financial activities for the fiscal year ended August 31, 2011. We encourage the use of this discussion and analysis in conjunction with Enduris' Comparative Balance Sheet, and Comparative Statement of Revenues, Expenses, and Changes in Net Assets included in this report.



FINANCIAL STATEMENT OVERVIEW

Enduris reports its activities as an enterprise fund. An enterprise fund is a proprietary fund, and as such uses full accrual accounting for its activities. Revenues are recognized when earned, and expenses are recognized when incurred. Enduris is not legally required to formally adopt a budget; however, it does so in order to monitor revenues and expenses and for rate setting purposes.

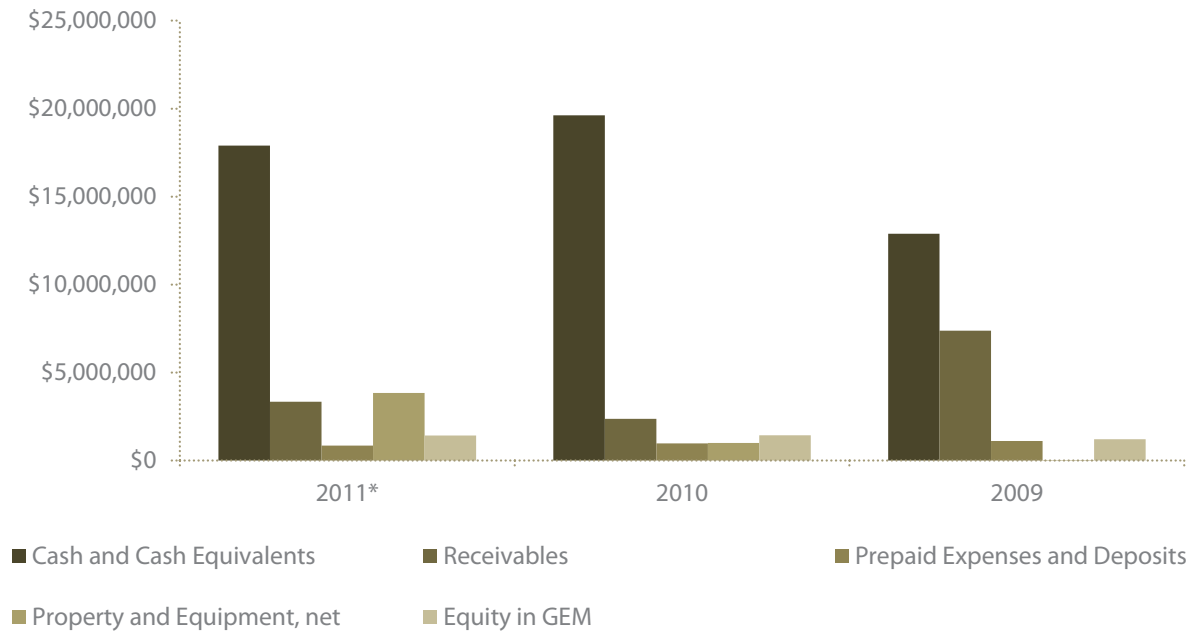
This MD & A is presented with two of Enduris' financial statements: Comparative Balance Sheet, and Comparative Statement of Revenues, Expenses and Changes in Net Assets. The comparative balance sheet presents information on the assets, liabilities, and net assets of Enduris on August 31, the fiscal year end. Net assets are equal to assets minus liabilities. The increases or decreases in net assets over time may be a useful indicator in determining if the financial position of Enduris is improving

or deteriorating. The comparative statement of revenues, expenses, and changes in net assets presents information on the change in net assets (revenues minus expenses) for the fiscal year. Whereas, the balance sheet is a snap shot of the financial position of Enduris on August 31, the statement of revenues, expenses, and changes in net assets presents the activities of Enduris for the entire fiscal year September 1 through August 31.

NET ASSETS

	2011*	2010	2009
Current Assets	\$ 22,076,901	\$ 22,942,873	\$ 21,379,267
Capital Assets	3,837,285	993,812	27,071
Other Non Current Assets	<u>1,411,694</u>	<u>1,432,762</u>	<u>1,211,572</u>
Total Assets	\$ 27,325,880	\$ 25,369,447	\$ 22,617,910
Current Liabilities	\$ 11,005,130	\$ 10,065,073	\$ 9,798,793
Non Current Liabilities	<u>5,241,008</u>	<u>4,965,404</u>	<u>4,682,628</u>
Total Liabilities	\$ 16,246,138	\$ 15,030,477	\$ 14,481,421
Net Assets, invested in Capital Assets	\$ 3,837,285	\$ 993,812	\$ 27,071
Unrestricted Net Assets	<u>7,242,457</u>	<u>9,345,158</u>	<u>8,109,418</u>
Total Net Assets	\$ 11,079,742	\$ 10,338,970	\$ 8,136,489

ASSET MIX

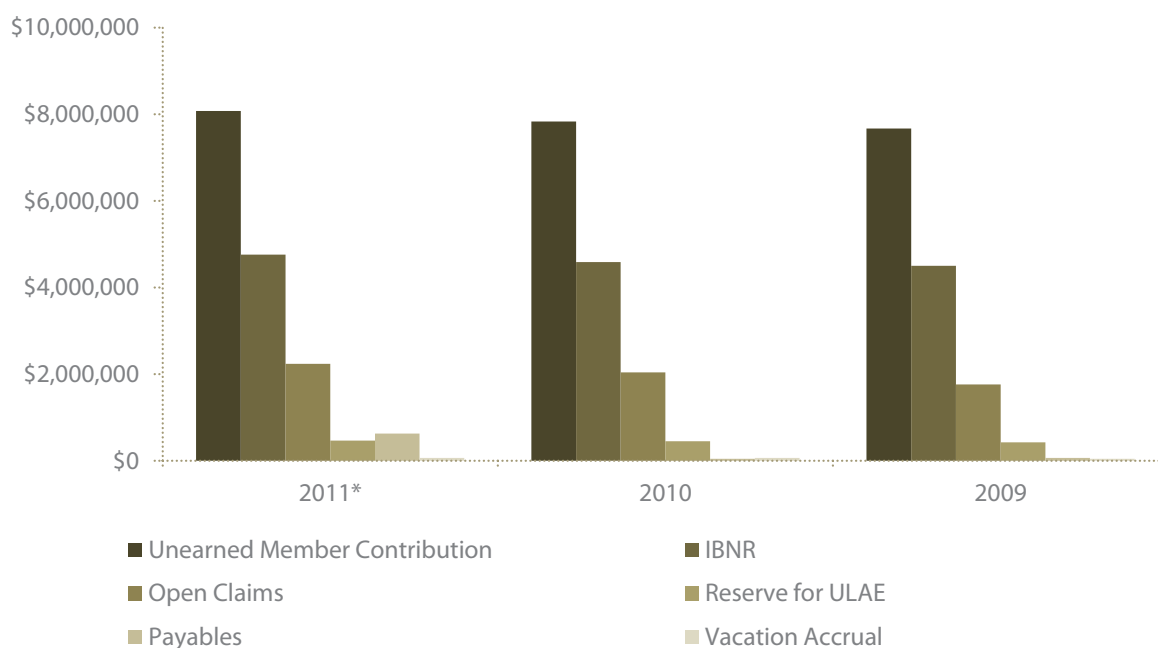


ASSETS

Assets of Enduris increased 7.7% during FY 2011 and 12.2% during FY 2010. Increase in claim payments and construction costs resulted in a decrease in cash and cash equivalents during FY 2011. Timing of member contribution billing for FY 2012 attributed to an increase in member contribution receivables.

Excess and reinsurance recoverables increased over FY 2010 due to a large outstanding recoverable due from Enduris' reinsurer on a property claim. Construction of Enduris' new office building began in FY 2011.

LIABILITY MIX



LIABILITIES

Liabilities of Enduris increased 8.1% over liabilities for FY 2010 and 3.8% from FY 2009 to FY 2010. The primary liabilities are claim reserves (open claims, IBNR, and ULAE) and unearned member contributions. Claim reserves increased over prior year by 5.5%. The estimate for future claim costs (claim reserves) is based

on various complex factors, and as such will vary. Claim reserves are evaluated bi-annually by the actuary, PricewaterhouseCoopers LLC (PwC). Unearned member contributions are 2012 renewal billings that will be earned and recognized in FY 2012. Accounts payable and retainage payable increased over prior year due to construction costs. Enduris has no long-term debt.

NET ASSETS

Assets exceeded liabilities by \$11,079,742 of which, \$7,242,457 is unrestricted and \$3,837,285 is invested in capital assets.

REVENUES

Operating revenue is generated from member contributions. Member contribution revenue was relatively stable from FY 2010 to FY 2011. This stability is attributed to Enduris holding member contribution rates flat for FY 2011. Twenty-one new members joined Enduris during FY 2011. Total operating revenue increased 1.9% from FY 2010 to FY 2011 and 7.4% from FY 2009 to FY 2010.

Non operating revenue decreased from FY 2010. Non operating revenue is interest earned on excess cash invested with the Spokane County Investment Pool (SCIP), the change in Enduris' equity in GEM, and gains on disposal of equipment. Interest rates with SCIP were 1.002%, 1.499%, and 1.313% for the fiscal years ended August 31, 2011, 2010, and 2009 respectively. GEM is a member owned reinsurer. As a member of GEM, member entities share in the income and losses of the reinsurer. During GEM's fiscal year, they reported a net loss, and Enduris' share of the loss is \$21,068. For the past three fiscal years, Enduris has a net increase in their equity in GEM of \$293,978.

CHANGE
IN NET ASSETS

	2011*	2010	2009
Operating Revenues:			
Member Contributions/Assessments	\$ 7,998,344	\$ 7,851,830	\$ 7,309,997
Total Operating Revenue	7,998,344	7,851,830	7,309,997
Non Operating Revenues (Expenses):			
Interest Income	214,050	236,452	308,023
Change in Equity in GEM	(21,068)	221,189	93,857
Gain on Disposal of Equipment	-	3,018	-
Total Non Operating Revenue	\$ 192,982	\$ 460,659	\$ 401,880
Total Revenue	\$ 8,191,326	\$ 8,312,489	\$ 7,711,877
Operating Expenses:			
Incurred Loss and Allocated Loss			
Adjustment Expenses:			
Claims Paid, net of recoveries	\$ 3,065,756	\$ 1,841,042	\$ 1,947,873
Change in Liabilities for unpaid claims	370,516	365,763	178,950
Unallocated Loss Adjustment Expenses:			
Establish ULAE Reserve	-	-	425,000
Change in ULAE Reserve	20,000	25,000	
Excess/Reinsurance Premiums	1,707,444	1,850,798	1,794,387
Insurance Services:			
Brokerage Fee	135,000	135,000	50,000
Actuarial Services	31,300	29,300	38,550
General & Administrative	425,282	405,908	417,523
Contracted Services	299,446	192,475	244,337
Payroll	1,390,043	1,256,598	1,072,668
Depreciation	5,767	8,125	17,894
Total Operating Expenses	\$ 7,450,554	\$ 6,110,009	\$ 6,187,182
Total Expenses	\$ 7,450,554	\$ 6,110,009	\$ 6,187,182
Change in Net Assets	\$ 740,772	\$ 2,202,480	\$ 1,524,695
Ending Net Assets	\$ 11,079,742	\$ 10,338,970	\$ 8,136,489

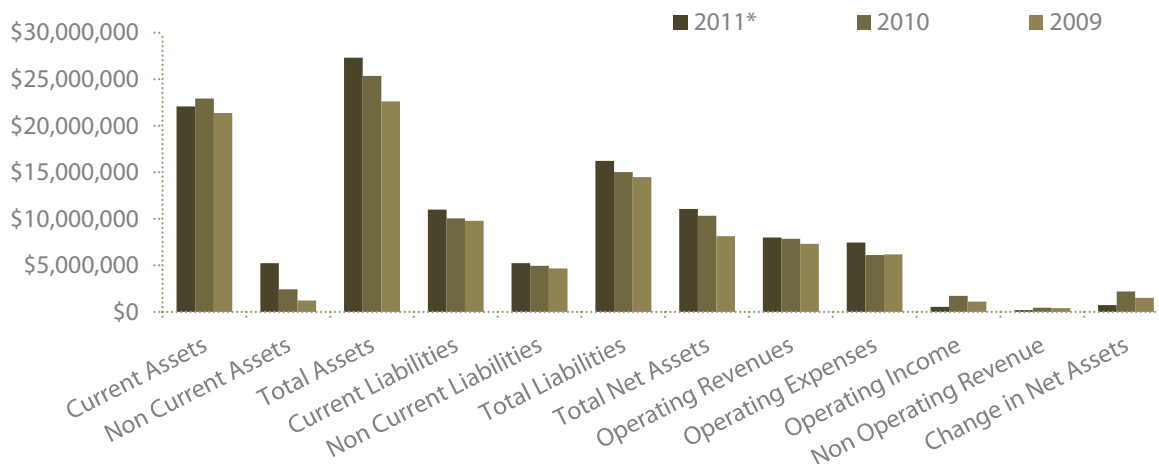
EXPENSES

Fiscal Year 2011 operating expenses, in total, increased 21.9%. Significantly contributing to the increase in operating expenses was the increase in claim expenses. After remaining relatively stable for the past two years, claim expenses increased 55.7% during FY 2011. The increase is attributed to an increase in self-insured retention, growth in membership, and the economy. The estimate for claim reserves is evaluated bi-annually by PwC and any adjustments are charged or credited to claim expense in the current year.

In total, excess insurance premiums decreased 7.8% for FY 2011 over FY 2010. Liability excess/reinsurance premiums decreased for FY 2011 and FY 2010, after remaining stable for the prior two years. At the January 2010 renewal (effective 1/1/10-12/31/10), a soft market, good loss history, and an increase in self-insured retention helped to reduce the liability excess/reinsurance premiums. Enduris was able to extend the rates of the January 2010 renewal to the end of FY 2011. After a rate increase for the July 2009 (effective 7/1/09-6/30/2010) property excess/reinsurance renewal, market conditions were favorable resulting

in a rate decrease for the renewal in July 2010, effective 7/1/10-6/30/11. Contracted services increased 55.6% over FY 2010. Contracted legal expenses increased over FY 2010 due to an increase in pre-defense costs. The pre-defense program is designed to help mitigate and/or avoid a claim or lawsuit. Enduris' partnership with Municipal Research and Services Center was active for the full fiscal year during FY 2011, resulting in an increase over FY 2010. Payroll expenses increased 10.6% over prior year. Merit increases as well as severance expenses attributed to the increase.

COMPARATIVE FINANCIAL DATA



COMPARATIVE BALANCE SHEET

August 31, 2011* and 2010

	2011 *	2010
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 17,895,677	\$ 19,617,291
Receivables:		
Member Contributions/Assessments	2,835,700	2,075,825
Accrued Copays/Deductible	99,060	149,671
Accrued Excess/Reinsurance	405,912	133,467
Prepaid Insurance	831,612	966,619
Prepaid Expenses	8,939	-
Total Current Assets	<u>\$ 22,076,901</u>	<u>\$ 22,942,873</u>
Non Current Assets		
Property and Equipment:		
Land	\$ 1,244,252	\$ 802,252
Work in Progress - Office Building	2,558,759	172,614
Equipment, net of accumulated depreciation	34,274	18,946
Equity in GEM	<u>1,411,694</u>	<u>1,432,762</u>
Total Non Current Assets	<u>\$ 5,248,979</u>	<u>\$ 2,426,574</u>
TOTAL ASSETS	<u>\$ 27,325,880</u>	<u>\$ 25,369,447</u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 514,011	\$ 46,978
Retainage Payable	117,322	-
Payroll/Payroll Taxes Payable	665	810
Accrued Vacation Payable	56,117	60,136
Unearned Member Contributions/Assessments	8,075,791	7,833,079
Claim Reserves:		
IBNR	1,427,716	1,376,918
Open Claims	672,508	612,152
Unallocated Loss Adjustment Expenses	<u>141,000</u>	<u>135,000</u>
Total Current Liabilities	<u>\$ 11,005,130</u>	<u>\$ 10,065,073</u>
Non Current Liabilities		
Accrued Vacation Payable	\$ 11,485	\$ 9,243
Claim Reserves:		
IBNR	3,331,338	3,212,808
Open Claims	1,569,185	1,428,353
Unallocated Loss Adjustment Expenses	<u>329,000</u>	<u>315,000</u>
Total Non Current Liabilities	<u>\$ 5,241,008</u>	<u>\$ 4,965,404</u>
Total Liabilities	<u>\$ 16,246,138</u>	<u>\$ 15,030,477</u>
Net Assets		
Invested in Capital Assets	\$ 3,837,285	\$ 993,812
Unrestricted	<u>7,242,457</u>	<u>9,345,158</u>
Total Net Assets	<u>\$ 11,079,742</u>	<u>\$ 10,338,970</u>
TOTAL NET ASSETS & LIABILITIES	<u>\$ 27,325,880</u>	<u>\$ 25,369,447</u>

* unaudited, subject to change

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN MEMBERS' NET ASSETS

For the Fiscal Years Ended August 31, 2011* and 2010

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annual
report

	2011 *	2010
OPERATING REVENUES:		
Member Contributions/Assessments	\$ 7,998,344	\$ 7,851,830
TOTAL OPERATING REVENUES	<u>\$ 7,998,344</u>	<u>\$ 7,851,830</u>
OPERATING EXPENSES:		
Incurred Loss and Allocated Loss Adjustment Expenses:		
Claims Paid, net of recoveries	\$ 3,065,756	\$ 1,841,042
Change in Liabilities for unpaid claims	370,516	365,763
Unallocated Loss Adjustment Expenses:		
Establish ULAE Reserve		
Change in ULAE Reserve	20,000	25,000
Excess Insurance Premiums	1,707,444	1,850,798
Insurance Services:		
Brokerage Fee	135,000	135,000
Actuarial Services	31,300	29,300
General and Administrative	425,282	405,908
Contracted Services	299,446	192,475
Payroll Expense	1,390,043	1,256,598
Depreciation	5,767	8,125
TOTAL OPERATING EXPENSES	<u>\$ 7,450,554</u>	<u>\$ 6,110,009</u>
OPERATING INCOME	<u>\$ 547,790</u>	<u>\$ 1,741,821</u>
NON OPERATING REVENUES (EXPENSES):		
Interest and Investment Income	\$ 214,050	\$ 236,452
Change in Equity in GEM	(21,068)	221,189
Gain on Disposal of Equipment	-	3,018
TOTAL NON OPERATING REVENUES and EXPENSES	<u>\$ 192,982</u>	<u>\$ 460,659</u>
CHANGE IN NET ASSETS	<u>\$ 740,772</u>	<u>\$ 2,202,480</u>
NET ASSETS, beginning of year September 1	<u>\$ 10,338,970</u>	<u>\$ 8,136,489</u>
NET ASSETS, end of year August 31	<u>\$ 11,079,742</u>	<u>\$ 10,338,970</u>

* unaudited, subject to change



The entire membership benefits from participation in the risk management programs that are available to members at no extra charge.

- Rick Mockler



participation

